

Clean Energy and Energy Efficiency Tax Incentives Supported by BCSE

Congress should enact robust and predictable tax and other financial incentives for clean energy and energy efficiency projects and manufacturing:

Energy Efficiency Tax Legislation

- **S.1637** - The Expanding Building Efficiency Incentives Act of 2009, introduced by Senators Bingaman (NM), Snowe (ME), and Feinstein (CA).
 - Extend the tax credit for new energy efficient homes.
- **S.1639** - The Expanding Industrial Energy Efficiency Incentives Act of 2009, introduced by Senators Bingaman (NM), Snowe (ME), and Feinstein (CA).
 - Provide Credits for Chillers.
 - Expand credits for efficient combined heat and power and waste energy recovery to expand CHP's 10% Investment Tax Credit to 25 megawatts (from 15), remove cap (now 50 MW), and ensure recycled energy projects are eligible (similar to **H.R. 4144**, introduced by Congressman Inslee and **H.R.4455** introduced by Congressman Thompson and Congressman Linder).
- **H.R. 4751** – To provide 30% Investment Tax Credit for highly efficient CHP and recycled energy, introduced by Congressman Tonko (NY).
- **S.1643** - The Cleaner, Secure, Affordable Thermal Energy Act, introduced by Senators Bingaman (NM) and Snowe (ME).
 - Provide tax credit for conversions from oil to high efficiency natural gas appliances.
- **H.R. 5396** - Provide a tax incentive for energy-efficient roof retrofits on commercial buildings, introduced by Congressmen Pascrell (NJ), Larson (CT), Herger (CA), and Heller (NV).
- **S.3626 and H.R.5805** – The Thermal Energy and Efficiency Act introduced by Senators Franken (MN) and Bond (MO), and H.R. 5805 introduced by Congresswoman McCollum ((D-MN).
- **H.R. 5977** – The Heat is Power Act to provide tax incentives for producing electricity from wasted heat, introduced by Congressmen Tonko (NY), Inslee (WA), Berkley (NV), and Paul (TX).
- **S. 3935** Advance Energy Tax Incentives Act of 2010 introduced by Senators Bingaman (NM) and Snowe (ME).

Renewable Energy Tax Legislation

- **S.1091** – The Storage Technology of Renewable and Green Energy Act of 2009, introduced by Senator Wyden (OR) and **H.R.4210** introduced by Congressman Thompson (CA).
- **S.1090 and H.R.2626** – Provide tax parity for electricity produced from renewable resources (hydropower, marine and hydrokinetic technologies, geothermal power and biomass projects), S.1090 introduced by Senator Wyden (OR) and H.R. 2626 introduced by Congressman Kendrick (FL).

- **S.306 and H.R.1158** – Provide a tax credit for renewable natural gas production, S.306, introduced by Senator Nelson (FL) and H.R.1158, introduced by Congressman Higgins (NY).
- **S.870 and H.R.2528** - Expand the credit for renewable electricity production to include electricity produced from biomass for on-site use and to modify the credit period for certain facilities producing electricity from open-loop biomass, H.R.2528, introduced by Congressman Meeks, (FL) and S.870, introduced by Senator Lincoln (AR).
- **H.R.4085 and S.2755** - The Solar Manufacturing Jobs Creation Act to add equipment used to manufacture solar energy generating property to the eligible property list of the existing Section 48 commercial solar investment tax credit (ITC), introduced by Congressman Thompson (D-CA) and Senator Menendez (D-NJ).
- **HR 4967** - To allow municipal bond issuing entities to use bonds to pay for renewable purchase power agreements, introduced by Representative Giffords (D-AZ).
- **S.2899 and H.R.5931** – The Renewable Energy Incentive Act - to extend and expand the Treasury’s grant in lieu of tax credit program established under section 1603 of the American Recovery and Reinvestment Act (ARRA), introduced by Senator Feinstein (D-CA) and Congresswoman Matsui (CA).
 - Expand eligibility to public utilities.
- The “Clean Renewable Energy Investment Act of 2010,” to be introduced by Reps. Jim McDermott (D-WA) and Earl Pomeroy (D-ND) and by Senator Maria Cantwell (D-WA),

Fuel Cells and Natural Gas Tax Legislation

- **H.R.5174** – The Fuel Cell Industrial Vehicle Jobs Act to broaden the definition of fuel cell vehicles under section 30(b) of the Internal Revenue Code to include motive applications such as fork trucks, introduced by Congressman Tonko (D-NY).
- **H. R. 3660** - To amend the Internal Revenue Code of 1986 to promote tax parity between the residential and business fuel cell tax credits, introduced by Representatives Wu (OR) and Bono Mack (CA).
- **H.R. 5518**, The Energy Efficient Natural Gas Heat Pump Tax Parity Act to add very high efficiency natural gas heat pumps to eligible technology under section 48 tax credits for business property and under Section 25D for residential customers. This would provide a credit for natural gas-based technologies that is at least as efficient as electric technology that currently receives a credit, introduced by Representative Titus (NV).
- **S.1408 & H.R.1835** to extend the current tax incentives for natural gas as a transportation fuel, introduced by Senator Menendez (NJ) and H.R.1835 introduced by Congressman Boren (OK).
- **H.R.4411** – to extend the 15-year depreciation period for natural gas pipelines, introduced by Congressman Roskam (R-III).

American Recovery and Reinvestment Act (ARRA) Extensions

- Extend for two years the deadline to start construction in the grant in lieu of a tax credit program created in **Section 1603** of the American Recovery and Reinvestment Act (ARRA), or enact an equivalent solution in the tax code.
- Extend for one year the bonus depreciation provisions of the American Recovery and Reinvestment Act (ARRA) allowing investments in renewable energy equipment to depreciate 50% of the basis of the investment in 2010.
- Extend and Fund the **Section 48C** manufacturing tax credit established under the Recovery Act.
- Extend the Build America Bond (BAB) program.

Technical and Other Fixes to the Tax Code

- Make the Investment Tax Credit (26 USC § 48) technology neutral when it comes to solar energy by clarifying that the Investment Tax Credit also covers direct solar energy applications such as solar light pipe technology.
- Provide Investment Tax Credits for oxy-fuel technology implementation in industrial furnaces [aluminum, steel] rewarding significant fuel savings and emission reductions.
- Extend the in-service date for interstate natural gas pipeline projects December 31, 2013 for projects that have been authorized by FERC by July 1, 2011.
- Provide a technical fix to the Hydrogen Infrastructure Tax Credit under 30c of the Internal Revenue Code to allow refueling for material handling equipment to be eligible.
- Modify the 30% Investment Tax Credit for commercial and residential geothermal heat pumps to add natural gas fired heat pumps with higher overall efficiencies (Representative Titus lead).
- Revise the Production Tax Credit for offshore wind and compressed energy storage to ensure that these sources do not lose the Credit when energy has been stored / Remove the wind Production Tax Credit disincentive.
- Lift the volume cap on the Clean Renewable Energy Bond (CREB) program, or provide a significant increase in CREB funding.
- Provide Investment Tax Credit cash grants as incentives for higher capacity/efficient generation from renewables.