

111TH CONGRESS
2D SESSION

H. R. 4751

To amend the Internal Revenue Code of 1986 to encourage the deployment of highly efficient combined heat and power property, and for other purposes.

IN THE HOUSE OF REPRESENTATIVES

MARCH 3, 2010

Mr. TONKO (for himself, Mr. DAVIS of Illinois, and Ms. BERKLEY) introduced the following bill; which was referred to the Committee on Ways and Means

A BILL

To amend the Internal Revenue Code of 1986 to encourage the deployment of highly efficient combined heat and power property, and for other purposes.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the “Innovative Energy Sys-
5 tems Act of 2010”.

6 **SEC. 2. INVESTMENT TAX CREDIT FOR HIGHLY EFFICIENT**
7 **COMBINED HEAT AND POWER SYSTEM PROP-**
8 **ERTY.**

9 (a) IN GENERAL.—Clause (i) of section 48(a)(2)(A)
10 of the Internal Revenue Code of 1986 is amended by strik-

1 ing “and” at the end of subclause (III), by redesignating
 2 subclause (IV) as subclause (V), and by inserting after
 3 subclause (III) the following new subclause:

4 “(IV) energy property described
 5 in paragraph (3)(A)(viii), and”.

6 (b) TREATED AS ENERGY PROPERTY.—Subpara-
 7 graph (A) of section 48(a)(3) of such Code is amended
 8 by striking “or” at the end of clause (vi), by inserting
 9 “or” at the end of clause (vii), and by adding at the end
 10 the following new clause:

11 “(viii) highly efficient combined heat
 12 and power system property,”.

13 (c) HIGHLY EFFICIENT COMBINED HEAT AND
 14 POWER SYSTEM PROPERTY.—Subsection (c) of section 48
 15 of such Code is amended by adding at the end the fol-
 16 lowing new paragraph:

17 “(5) HIGHLY EFFICIENT COMBINED HEAT AND
 18 POWER SYSTEM PROPERTY.—

19 “(A) HIGHLY EFFICIENT COMBINED HEAT
 20 AND POWER SYSTEM PROPERTY.—The term
 21 ‘highly efficient combined heat and power sys-
 22 tem property’ means property at an industrial,
 23 commercial, or institutional facility comprising
 24 a system which—

1 “(i)(I) uses the same energy source
2 for the simultaneous or sequential genera-
3 tion of electrical power, mechanical shaft
4 power, or both, in combination with the
5 generation of steam or other forms of use-
6 ful thermal energy (including heating and
7 cooling applications),

8 “(II) has a system design that pro-
9 vides an energy efficiency percentage of at
10 least 70 percent, and

11 “(III) is placed in service before Jan-
12 uary 1, 2017, or

13 “(ii)(I) recovers waste energy from
14 which electricity is generated through the
15 modification of an existing facility or addi-
16 tion of a new facility, and

17 “(II) is placed in service before Janu-
18 ary 1, 2017.

19 “(B) LIMITATION.—

20 “(i) IN GENERAL.—In the case of
21 highly efficient combined heat and power
22 system property with an electrical capacity
23 in excess of the applicable capacity, the
24 credit under subsection (a)(1) (determined
25 without regard to this paragraph) with re-

1 spect to such property for the taxable year
2 in which such property was placed in serv-
3 ice shall not exceed the amount which
4 bears the same ratio to such credit as the
5 applicable capacity bears to the capacity of
6 such property.

7 “(ii) APPLICABLE CAPACITY.—For
8 purposes of clause (i), the term ‘applicable
9 capacity’ means 25 megawatts or a me-
10 chanical energy capacity of more than
11 34,000 horsepower or an equivalent com-
12 bination of electrical and mechanical ca-
13 pacities.

14 “(C) INSTITUTIONAL FACILITY.—The term
15 ‘institutional facility’ means a hospital or a fa-
16 cility of an educational organization described
17 in section 170(b)(1)(A)(ii).

18 “(D) COMMERCIAL FACILITY.—The term
19 ‘commercial facility’ shall not include any facil-
20 ity of a utility.”

21 (d) EFFECTIVE DATE.—The amendments made by
22 this section shall apply to property placed in service after
23 the date of the enactment of this Act.

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