

111TH CONGRESS
1ST SESSION

S. 1091

To amend the Internal Revenue Code of 1986 to provide for an energy investment credit for energy storage property connected to the grid, and for other purposes.

IN THE SENATE OF THE UNITED STATES

MAY 20, 2009

Mr. WYDEN introduced the following bill; which was read twice and referred to the Committee on Finance

A BILL

To amend the Internal Revenue Code of 1986 to provide for an energy investment credit for energy storage property connected to the grid, 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 “Storage Technology
5 of Renewable and Green Energy Act of 2009” or the
6 “STORAGE Act of 2009”.

1 **SEC. 2. ENERGY INVESTMENT CREDIT FOR ENERGY STOR-**
 2 **AGE PROPERTY CONNECTED TO THE GRID.**

3 (a) 20 PERCENT CREDIT ALLOWED.—Subparagraph
 4 (A) of section 48(a)(2) of the Internal Revenue Code of
 5 1986 is amended—

6 (1) by striking “and” at the end of subclause
 7 (IV) of clause (i),

8 (2) by striking “clause (i)” in clause (ii) and in-
 9 serting “clause (i) or (ii)”,

10 (3) by redesignating clause (ii) as clause (iii),
 11 and

12 (4) by inserting after clause (i) the following
 13 new clause:

14 “(ii) 20 percent in the case of quali-
 15 fied energy storage property, and”.

16 (b) QUALIFIED ENERGY STORAGE PROPERTY.—Sub-
 17 section (c) of section 48 of the Internal Revenue Code of
 18 1986 is amended by adding at the end the following new
 19 paragraph:

20 “(5) QUALIFIED ENERGY STORAGE PROP-
 21 ERTY.—

22 “(A) IN GENERAL.—The term ‘qualified
 23 energy storage property’ means property—

24 “(i) which is directly connected to the
 25 electrical grid, and

1 “(ii) which is designed to receive elec-
 2 trical energy, to store such energy, and to
 3 convert such energy to electricity and de-
 4 liver such electricity for sale.

5 Such term may include hydroelectric pumped
 6 storage and compressed air energy storage, re-
 7 generative fuel cells, batteries, superconducting
 8 magnetic energy storage, flywheels, thermal,
 9 and hydrogen storage, or combination thereof.

10 “(B) MINIMUM CAPACITY.—The term
 11 ‘qualified energy storage property’ shall not in-
 12 clude any property unless such property in ag-
 13 gregate—

14 “(i) has the ability to store at least 2
 15 megawatt hours of energy, and

16 “(ii) has the ability to have an output
 17 of 500 kilowatts of electricity for a period
 18 of 4 hours.

19 “(C) ELECTRICAL GRID.—The term ‘elec-
 20 trical grid’ means the system of generators,
 21 transmission lines, and distribution facilities
 22 which—

23 “(i) are under the jurisdiction of the
 24 Federal Energy Regulatory Commission or
 25 State public utility commissions, or

1 “(ii) are owned by—

2 “(I) a State or any political sub-
3 division of a State,

4 “(II) an electric cooperative that
5 receives financing under the Rural
6 Electrification Act of 1936 (7 U.S.C.
7 901 et seq.) or that sells less than
8 4,000,000 megawatt hours of elec-
9 tricity per year, or

10 “(III) any agency, authority, or
11 instrumentality of any one or more of
12 the entities described in subclause (I)
13 or (II), or any corporation which is
14 wholly owned, directly or indirectly, by
15 any one or more of such entities.”.

16 (c) EFFECTIVE DATE.—The amendments made by
17 this section shall apply to periods after the date of the
18 enactment of this Act, under rules similar to the rules of
19 section 48(m) of the Internal Revenue Code of 1986 (as
20 in effect on the day before the date of the enactment of
21 the Revenue Reconciliation Act of 1990).

1 **SEC. 3. ENERGY STORAGE PROPERTY CONNECTED TO THE**
2 **GRID ELIGIBLE FOR NEW CLEAN RENEWABLE**
3 **ENERGY BONDS.**

4 (a) IN GENERAL.—Paragraph (1) of section 54C(d)
5 of the Internal Revenue Code of 1986 is amended to read
6 as follows:

7 “(1) QUALIFIED RENEWABLE ENERGY FACIL-
8 ITY.—The term ‘qualified renewable energy facility’
9 means a facility which is—

10 “(A)(i) a qualified facility (as determined
11 under section 45(d) without regard to para-
12 graphs (8) and (10) thereof and to any placed
13 in service date), or

14 “(ii) a qualified energy storage property
15 (as defined in section 48(c)(5)), and

16 “(B) owned by a public power provider, a
17 governmental body, or a cooperative electric
18 company.”.

19 (b) EFFECTIVE DATE.—The amendment made by
20 this section shall apply to obligations issued after the date
21 of the enactment of this Act.

22 **SEC. 4. ENERGY INVESTMENT CREDIT FOR ONSITE ENERGY**
23 **STORAGE.**

24 (a) CREDIT ALLOWED.—Clause (i) of section
25 48(a)(2)(A) of the Internal Revenue Code of 1986, as
26 amended by this Act, is amended—

1 (1) by striking “and” at the end of subclause
 2 (III),

3 (2) by inserting “and” at the end of subclause
 4 (IV), and

5 (3) by adding at the end the following new sub-
 6 clause:

7 “(V) qualified onsite energy stor-
 8 age property,”.

9 (b) QUALIFIED ONSITE ENERGY STORAGE PROP-
 10 ERTY.—Subsection (c) of section 48 of the Internal Rev-
 11 enue Code of 1986, as amended by this Act, is amended
 12 by adding at the end the following new paragraph:

13 “(6) QUALIFIED ONSITE ENERGY STORAGE
 14 PROPERTY.—

15 “(A) IN GENERAL.—The term ‘qualified
 16 onsite energy storage property’ means property
 17 which—

18 “(i) provides supplemental energy to
 19 reduce peak energy requirements primarily
 20 on the same site where the storage is lo-
 21 cated, or

22 “(ii) is designed and used primarily to
 23 receive and store intermittent renewable
 24 energy generated onsite and to deliver such
 25 energy primarily for onsite consumption.

Such term may include property used to charge plug-in and hybrid electric vehicles if such vehicles are equipped with smart grid services which control time-of-day charging and discharging of such vehicles. Such term shall not include any property for which any other credit is allowed under this chapter.

“(B) MINIMUM CAPACITY.—The term ‘qualified onsite energy storage property’ shall not include any property unless such property in aggregate—

“(i) has the ability to store the energy equivalent of at least 20 kilowatt hours of energy, and

“(ii) has the ability to have an output of the energy equivalent of 5 kilowatts of electricity for a period of 4 hours.”.

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to periods after the date of the enactment of this Act, under rules similar to the rules of section 48(m) of the Internal Revenue Code of 1986 (as in effect on the day before the date of the enactment of the Revenue Reconciliation Act of 1990).

1 **SEC. 5. CREDIT FOR RESIDENTIAL ENERGY STORAGE**
 2 **EQUIPMENT.**

3 (a) CREDIT ALLOWED.—Subsection (a) of section
 4 25C of the Internal Revenue Code of 1986 is amended—

5 (1) by striking “and” at the end of paragraph
 6 (1),

7 (2) by redesignating paragraph (2) as para-
 8 graph (3), and

9 (3) by inserting after paragraph (1) the fol-
 10 lowing new paragraph:

11 “(2) 30 percent of the amount paid or incurred
 12 by the taxpayer for qualified residential energy stor-
 13 age equipment installed during such taxable year,
 14 and”.

15 (b) QUALIFIED RESIDENTIAL ENERGY STORAGE
 16 EQUIPMENT.—

17 (1) IN GENERAL.—Section 25C of the Internal
 18 Revenue Code of 1986 is amended—

19 (A) by redesignating subsections (e), (f),
 20 and (g) as subsections (f), (g), and (h), respec-
 21 tively, and

22 (B) by inserting after subsection (d) the
 23 following new subsection:

24 “(d) QUALIFIED RESIDENTIAL ENERGY STORAGE
 25 EQUIPMENT.—For purposes of this section, the term

1 ‘qualified residential energy storage equipment’ means
 2 property—

3 “(1) which is installed in or on a dwelling unit
 4 located in the United States and owned and used by
 5 the taxpayer as the taxpayer’s principal residence
 6 (within the meaning of section 121), or on property
 7 owned by the taxpayer on which such a dwelling unit
 8 is located, and

9 “(2) which—

10 “(A) provides supplemental energy to re-
 11 duce peak energy requirements primarily on the
 12 same site where the storage is located, or

13 “(B) is designed and used primarily to re-
 14 ceive and store intermittent renewable energy
 15 generated onsite and to deliver such energy pri-
 16 marily for onsite consumption.

17 Such term may include property used to charge plug-in
 18 and hybrid electric vehicles if such vehicles are equipped
 19 with smart grid services which control time-of-day charg-
 20 ing and discharging of such vehicles. Such term shall not
 21 include any property for which any other credit is allowed
 22 under this chapter.”.

23 (2) CONFORMING AMENDMENT.—Section
 24 1016(a)(33) of such Code is amended by striking
 25 “section 25C(f)” and inserting “section 25C(g)”.

1 (c) EFFECTIVE DATE.—The amendments made by
2 this section shall apply to property placed in service after
3 the date of the enactment of this Act.

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