

113TH CONGRESS
1ST SESSION

H. R. 2972

To amend the Internal Revenue Code of 1986 to provide tax incentives
for producing electricity from wasted heat.

IN THE HOUSE OF REPRESENTATIVES

AUGUST 1, 2013

Mr. TONKO 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 provide
tax incentives for producing electricity from wasted heat.

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 “Heat is Power Act”.

5 **SEC. 2. ENERGY CREDIT FOR WASTED HEAT TO ELEC-**
6 **TRICITY PROPERTY.**

7 (a) IN GENERAL.—Subparagraph (A) of section
8 48(a)(3) of the Internal Revenue Code of 1986 is amended
9 by striking “or” at the end of clause (vi), by inserting

1 “or” at the end of clause (vii), and by adding at the end
2 the following new clause:

3 “(viii) wasted heat to electricity prop-
4 erty,”.

5 (b) WASTED HEAT TO ELECTRICITY PROPERTY.—
6 Subsection (c) of section 48 of such Code is amended by
7 adding at the end the following new paragraph:

8 “(5) WASTED HEAT TO ELECTRICITY PROP-
9 erty.—

10 “(A) WASTED HEAT TO ELECTRICITY
11 PROPERTY.—The term ‘wasted heat to elec-
12 tricity property’ means property comprising a
13 system which generates electricity through the
14 recovery of a qualified wasted heat resource.

15 “(B) QUALIFIED WASTED HEAT RESOURCE
16 DEFINED.—The term ‘qualified wasted heat re-
17 source’ means—

18 “(i) exhaust heat or flared gas from
19 any industrial process,

20 “(ii) waste gas or industrial tail gas
21 that would otherwise be flared, incinerated,
22 or vented,

23 “(iii) a pressure drop in any gas, ex-
24 cluding any pressure drop to a condenser
25 that subvents the resulting head, or

1 “(iv) such other forms of wasted heat
2 resources as the Secretary may determine.

3 “(C) EXCEPTION.—The term ‘qualified
4 wasted heat resource’ does not include any heat
5 resource from a process whose primary purpose
6 is the generation of electricity utilizing a fossil
7 fuel.”.

8 (c) TEMPORARILY 30-PERCENT ENERGY PROP-
9 ERTY.—Clause (i) of section 48(a)(2)(A) of such Code is
10 amended by striking “and” at the end of subclause (III)
11 and by adding at the end the following new subclause:

12 “(V) energy property described in
13 (3)(A)(viii), but only with respect to
14 periods ending before January 1,
15 2018, and”.

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

19 **SEC. 3. PRODUCTION CREDIT FOR ELECTRICITY PRO-**
20 **DUCTION FROM WASTED HEAT.**

21 (a) IN GENERAL.—Paragraph (1) of section 45(c) of
22 the Internal Revenue Code of 1986 is amended by striking
23 “and” at the end of subparagraph (H), by striking the
24 period at the end of subparagraph (I) and inserting “,

1 and”, and by adding at the end the following new subpara-
2 graph:

3 “(J) wasted heat.”.

4 (b) WASTED HEAT.—Subsection (c) of section 45 of
5 such Code is amended by adding at the end the following
6 new paragraph:

7 “(11) WASTED HEAT.—The term ‘wasted heat’
8 means a qualified wasted heat resource (as defined
9 by section 48(c)(5)).”.

10 (c) DEFINITION OF FACILITY.—Subsection (d) of
11 section 45 of such Code is amended by adding at the end
12 the following new paragraph:

13 “(12) WASTED HEAT FACILITY.—In the case of
14 a facility using wasted heat to produce electricity,
15 the term ‘qualified facility’ means any facility owned
16 by the taxpayer which is originally placed in service
17 before January 1, 2018.”.

18 (d) CREDIT RATE.—Subparagraph (A) of section
19 45(b)(4) of such Code is amended by striking “or (11)”
20 and inserting “(11), or (12)”.

21 (e) 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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