

114TH CONGRESS  
1ST SESSION

# H. R. 4162

To promote the domestic development and deployment of clean energy technologies required for the 21st century.

---

## IN THE HOUSE OF REPRESENTATIVES

DECEMBER 2, 2015

Ms. LOFGREN (for herself and Ms. MATSUI) introduced the following bill; which was referred to the Committee on Ways and Means, and in addition to the Committee on Energy and Commerce, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned

---

## A BILL

To promote the domestic development and deployment of clean energy technologies required for the 21st century.

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; TABLE OF CONTENTS.**

4 (a) SHORT TITLE.—This Act may be cited as the  
5 “Clean Energy Victory Bond Act of 2015”.

6 (b) TABLE OF CONTENTS.—The table of contents for  
7 this Act is as follows:

Sec. 1. Short title; table of contents.  
Sec. 2. Findings.

Sec. 101. Clean Energy Victory Bonds.

#### TITLE II—REVENUE PROVISIONS

Sec. 201. Extension and modification of energy investment tax credit.

Sec. 202. Extension of residential energy efficient property credit.

Sec. 203. Extension and modification of credit for electricity produced from certain renewable resources.

Sec. 204. Extension of credit for nonbusiness energy property.

Sec. 205. Performance based home energy improvements.

Sec. 206. Extension of new energy efficient home credit.

Sec. 207. Extension and modification of energy efficient commercial buildings deduction.

Sec. 208. Plug-in electric vehicle grants in lieu of tax credits.

### 1 **SEC. 2. FINDINGS.**

2 Congress finds the following:

3 (1) There is enormous potential for increasing  
4 renewable energy production and energy efficiency  
5 installation in the United States.

6 (2) A major barrier to rapid expansion of re-  
7 newable energy and energy efficiency is upfront cap-  
8 ital costs. Government tax incentives and other as-  
9 sistance programs have proven beneficial in encour-  
10 aging private sector development, manufacturing  
11 and installation of renewable energy and energy effi-  
12 ciency projects nationwide. However, these govern-  
13 ment incentives are not currently meeting demand  
14 from the private sector, and we are not taking full  
15 advantage of the potential for clean energy and  
16 transportation, as well as energy efficiency in the  
17 United States.

18 (3) Other nations, including China and Ger-  
19 many are ahead of the United States in manufac-

1 turing and deploying various clean energy tech-  
2 nologies, even though the United States invented  
3 many of these technologies.

4 (4) Investments in renewable energy and energy  
5 efficiency projects in the United States create green  
6 jobs for United States citizens across the United  
7 States. Hundreds of thousands of jobs could be cre-  
8 ated through expanded government support for clean  
9 energy and energy efficiency.

10 (5) As Americans choose energy efficiency and  
11 clean energy and transportation, it reduces our de-  
12 pendence on foreign oil and improves our energy se-  
13 curity.

14 (6) Bonds are a low-cost method for encour-  
15 aging clean energy, not requiring direct budget allo-  
16 cations or expenditures. The projects supported  
17 through Clean Energy Victory Bonds will create jobs  
18 and business revenues that will increase Federal tax  
19 revenues, while simultaneously reducing health and  
20 environmental costs incurred by the Federal Govern-  
21 ment nationwide.

22 (7) In World War II, over 80 percent of Amer-  
23 ican households purchased Victory Bonds to support  
24 the war effort, raising over \$185 billion, or over \$2  
25 trillion in today's dollars.

1           **TITLE I—CLEAN ENERGY**  
2                           **VICTORY BONDS**

3 **SEC. 101. CLEAN ENERGY VICTORY BONDS.**

4           (a) INITIAL CAPITALIZATION.—The Secretary of the  
5 Treasury shall issue Clean Energy Victory Bonds in an  
6 amount not to exceed \$7,500,000,000 on the credit of the  
7 United States for purposes of raising revenue for the ex-  
8 tension of certain energy-related tax benefits extended by  
9 this Act.

10          (b) DENOMINATIONS AND MATURITY.—Clean Energy  
11 Victory Bonds shall be in the form of United States Sav-  
12 ings Bonds of Series EE or as administered by the Bureau  
13 of the Public Debt of the Department of the Treasury in  
14 denominations of \$25, and shall mature within such peri-  
15 ods as determined by the Secretary of the Treasury.

16          (c) INTEREST.—Clean Energy Victory Bonds shall  
17 bear interest at the rate the Secretary of the Treasury  
18 sets for Savings Bonds of Series EE and Series I, plus  
19 a rate of return determined by the Secretary of the Treas-  
20 ury which is based on the valuation of carbon mitigated  
21 or energy saved through funded projects funded from the  
22 proceeds of such bonds.

23          (d) PROMOTION.—

24               (1) IN GENERAL.—The Secretary of the Treas-  
25 ury shall take such actions, independently and in

1 conjunction with financial institutions offering Clean  
2 Energy Victory Bonds, to promote the purchase of  
3 Clean Energy Victory Bonds, including campaigns  
4 describing the financial and social benefits of pur-  
5 chasing Clean Energy Victory Bonds.

6 (2) PROMOTIONAL ACTIVITIES.—Such pro-  
7 motional activities may include advertisements, pam-  
8 phlets, or other promotional materials—

9 (A) in periodicals;

10 (B) on billboards and other outdoor  
11 venues;

12 (C) on television;

13 (D) on radio;

14 (E) on the Internet;

15 (F) within financial institutions that offer  
16 Clean Energy Victory Bonds; or

17 (G) any other venues or outlets the Sec-  
18 retary of the Treasury may identify.

19 (3) LIMITATION.—There are authorized to be  
20 appropriated for such promotional activities not  
21 more than—

22 (A) \$10,000,000 in the first year after the  
23 date of the enactment of this Act, and

24 (B) \$2,000,000 in each year thereafter.

25 (e) FUTURE CAPITALIZATION.—

1           (1) IN GENERAL.—After the initial capitaliza-  
2           tion limit is reached under subsection (a), the Sec-  
3           retary of the Treasury may issue additional Clean  
4           Energy Victory Bonds on the credit of the United  
5           States.

6           (2) SINGLE ISSUE LIMITATION.—No such addi-  
7           tional issue may exceed \$7,500,000,000.

8           (3) AGGREGATE LIMITATIONS.—The aggregate  
9           of any such additional issues during the 4-year pe-  
10          riod beginning on the day after the initial capitaliza-  
11          tion limit is reached under subsection (a) may not  
12          exceed \$50,000,000,000. The aggregate of any such  
13          additional issues after the expiration of such 4-year  
14          period may not exceed \$50,000,000,000.

15          (f) LAWFUL INVESTMENTS.—Clean Energy Victory  
16          Bonds shall be lawful investments, and may be accepted  
17          as security for all fiduciary, trust, and public funds, the  
18          investment or deposit of which shall be under the author-  
19          ity or control of the United States or any officer or officers  
20          thereof.

## 21   **TITLE II—REVENUE PROVISIONS**

### 22   **SEC. 201. EXTENSION AND MODIFICATION OF ENERGY IN-** 23                                   **VESTMENT TAX CREDIT.**

24          (a) EXTENSION.—

1           (1) SOLAR ENERGY.—Paragraphs (2)(A)(i)(II)  
2           and (3)(A)(ii) of section 48(a) of the Internal Rev-  
3           enue Code of 1986 are each amended by striking  
4           “January 1, 2017” and inserting “January 1,  
5           2024”.

6           (2) GEOTHERMAL HEAT PUMPS.—Section  
7           48(a)(3)(A)(vii) of such Code is amended by striking  
8           “January 1, 2017” and inserting “January 1,  
9           2024”.

10          (3) FUEL CELL PROPERTY.—Section  
11          48(c)(1)(D) of such Code is amended by striking  
12          “December 31, 2016” and inserting “December 31,  
13          2023”.

14          (4) MICROTURBINE PROPERTY.—Section  
15          48(c)(2)(D) of such Code is amended by striking  
16          “December 31, 2016” and inserting “December 31,  
17          2023”.

18          (5) COMBINED HEAT AND POWER.—Section  
19          48(c)(3)(iv) of such Code is amended by striking  
20          “January 1, 2017” and inserting “January 1,  
21          2024”.

22          (6) SMALL WIND.—Section 48(c)(4)(C) of such  
23          Code is amended by striking “December 31, 2016”  
24          and inserting “December 31, 2023”.

25          (7) OFFSHORE WIND.—

1 (A) IN GENERAL.—Section 48(a)(5)(C)(ii)  
2 of such Code is amended—

3 (i) by striking “is placed in service in”  
4 and inserting the following: “is—

5 “(I) except as provided in sub-  
6 clause (II), placed in service in”,

7 (ii) by adding at the end the following  
8 new subclause:

9 “(II) in the case of an offshore  
10 wind facility, placed in service after  
11 December 31, 2008, and before Janu-  
12 ary 1, 2022, and”.

13 (B) OFFSHORE WIND FACILITY.—Section  
14 48(a)(5) of such Code is amended by adding at  
15 the end the following new subparagraph:

16 “(E) OFFSHORE WIND FACILITY.—The  
17 term ‘offshore wind facility’ means any quali-  
18 fied facility described in section 45(d)(1) and  
19 located in the inland navigable waters of the  
20 United States, including the Great Lakes, or in  
21 the coastal waters of the United States, includ-  
22 ing the territorial seas of the United States, the  
23 exclusive economic zone of the United States,  
24 and the outer Continental Shelf of the United  
25 States.”.



1 (b) MODIFICATION OF FUEL CELL PROPERTY.—Sec-  
2 tion 48(c)(1) of such Code, as amended by this Act, is  
3 amended by redesignating subparagraph (D) as subpara-  
4 graph (E) and by inserting after subparagraph (C) the  
5 following new subparagraph:

6 “(D) EXCEPTION FOR FUEL DERIVED  
7 FROM FOSSIL FUELS.—The term ‘qualified fuel  
8 cell powerplant’ shall not include any fuel cell  
9 powerplant the fuel of which is derived from, or  
10 is produced by using, any fossil fuel.”.

11 (c) EFFECTIVE DATE.—The amendments made by  
12 this section shall take effect on the date of the enactment  
13 of this Act.

14 **SEC. 202. EXTENSION OF RESIDENTIAL ENERGY EFFICIENT**  
15 **PROPERTY CREDIT.**

16 (a) IN GENERAL.—Section 25D(g) of the Internal  
17 Revenue Code of 1986 is amended by striking “December  
18 31, 2016” and inserting “December 31, 2024”.

19 (b) EFFECTIVE DATE.—The amendment made by  
20 this section shall apply to taxable years beginning after  
21 December 31, 2016.

1 **SEC. 203. EXTENSION AND MODIFICATION OF CREDIT FOR**  
2 **ELECTRICITY PRODUCED FROM CERTAIN RE-**  
3 **NEWABLE RESOURCES.**

4 (a) EXTENSION.—Section 45(d) of the Internal Rev-  
5 enue Code of 1986 is amended—

6 (1) by striking “January 1, 2015” in paragraph  
7 (1) and inserting “January 1, 2024”,

8 (2) by striking “January 1, 2015” each place  
9 it appears in paragraphs (2), (3), (4), (9), and (11)  
10 and inserting “January 1, 2024”, and

11 (3) by striking “January 1, 2006” in paragraph  
12 (4) and inserting “before January 1, 2006, or after  
13 the date of the enactment of the Clean Energy Vic-  
14 tory Bond Act of 2015 and before January 1,  
15 2024”.

16 (b) MODIFICATIONS WITH RESPECT TO CLOSED-  
17 LOOP BIOMASS.—

18 (1) IN GENERAL.—Section 45(c)(2) of such  
19 Code is amended to read as follows:

20 “(2) CLOSED-LOOP BIOMASS.—

21 “(A) IN GENERAL.—The term ‘closed-loop  
22 biomass’ means any organic matter from a  
23 plant which—

24 “(i) is planted exclusively for purposes  
25 of being used at a qualified facility to  
26 produce electricity, or

1           “(ii) is a byproduct from harvesting  
2           timber (including tops, branches, crooks)  
3           or is invasive woody vegetation that inter-  
4           feres with regeneration or the natural  
5           growth of the forest from which timber is  
6           harvested.

7           “(B) LIMITATION.—For purposes of sub-  
8           paragraph (A)(ii), byproduct from harvesting  
9           timber shall not be treated as closed-loop bio-  
10          mass unless—

11                  “(i) such byproduct does not exceed  
12                  30 percent (by weight) of the harvested  
13                  timber to which it relates, and

14                  “(ii) the percentage byproduct re-  
15                  moved (by weight) does not exceed—

16                          “(I) 25 percent in the case of  
17                          timber harvested from good soil, and

18                          “(II) 0 percent in the case of  
19                          timber harvested from poor soil.

20           For purposes of the preceding sentence, soil  
21           quality shall be determined by reference to soil  
22           classifications by the Natural Resources Con-  
23           servaion Service.”.

1           (2) QUALIFIED FACILITY.—Section 45(d)(2) of  
2 such Code is amended by adding at the end the fol-  
3 lowing new subparagraph:

4           “(D) GREENHOUSE GAS EMISSIONS.—In  
5 the case of a facility placed in service after De-  
6 cember 31, 2015, such term shall not include  
7 any facility unless, with respect to the facility,  
8 the taxpayer annually during the 10-year period  
9 described in subsection (a) demonstrates to the  
10 satisfaction of the Secretary that such facility’s  
11 use of closed-loop biomass will result in a 50-  
12 percent reduction in greenhouse gas emissions  
13 compared to a similar facility using natural gas  
14 combined-cycle generation.”.

15       (c) MODIFICATION OF OPEN-LOOP BIOMASS DEFINI-  
16 TION.—The second sentence of section 45(c)(3)(A) of such  
17 Code is amended—

18           (1) by striking “or biomass” and inserting “,  
19 biomass”, and

20           (2) by inserting before the period at the end the  
21 following: “, any biomass which is primarily a food  
22 crop, or biomass derived from any crop that dis-  
23 places any forest existing on the date of the enact-  
24 ment of the Clean Energy Victory Bond Act of  
25 2015”.

1 (d) MODIFICATION OF BIOFUEL AS QUALIFIED EN-  
2 ERGY RESOURCE.—

3 (1) IN GENERAL.—Section 45(c)(1) of such  
4 Code is amended by striking “and” at the end of  
5 subparagraph (H), by striking the period at the end  
6 of subparagraph (I) and inserting “, and”, and by  
7 adding at the end the following new subparagraph:

8 “(J) second generation biomass.”.

9 (2) SECOND GENERATION BIOMASS DEFINED.—  
10 Section 45(c) of such Code is amended by adding at  
11 the end the following new paragraph:

12 “(11) SECOND GENERATION BIOMASS.—The  
13 term ‘second generation biomass’ means any bio-  
14 mass which is composed of lignocellulosic or  
15 hemicellulosic matter that is available on a renew-  
16 able or recurring basis and that does not replace for-  
17 ested land (other than any fuel described in section  
18 40(b)(6)(E)(iii)).”.

19 (3) QUALIFIED FACILITY.—Section 45(d) of  
20 such Code is amended by adding at the end the fol-  
21 lowing new paragraph:

22 “(12) SECOND GENERATION BIOMASS.—In the  
23 case of a facility producing electricity from second  
24 generation biomass, the term ‘qualified facility’  
25 means any facility owned by the taxpayer which is

1 originally placed in service on or after the date of  
2 the enactment of this paragraph and before January  
3 1, 2024.”.

4 (e) EFFECTIVE DATE.—The amendments made by  
5 this section shall apply to property placed in service after  
6 the date of the enactment of this Act.

7 **SEC. 204. EXTENSION OF CREDIT FOR NONBUSINESS EN-**  
8 **ERGY PROPERTY.**

9 (a) IN GENERAL.—Section 25C(g)(2) of the Internal  
10 Revenue Code of 1986 is amended by striking “December  
11 31, 2014” and inserting “December 31, 2023”.

12 (b) EFFECTIVE DATE.—The amendment made by  
13 this section shall apply to property placed in service after  
14 December 31, 2014.

15 **SEC. 205. PERFORMANCE BASED HOME ENERGY IMPROVE-**  
16 **MENTS.**

17 (a) IN GENERAL.—Subpart A of part IV of sub-  
18 chapter A of chapter 1 of the Internal Revenue Code of  
19 1986 is amended by adding at the end the following new  
20 section:

21 **“SEC. 25E. PERFORMANCE BASED ENERGY IMPROVE-**  
22 **MENTS.**

23 “(a) IN GENERAL.—In the case of an individual,  
24 there shall be allowed as a credit against the tax imposed  
25 by this chapter for the taxable year for a qualified whole

1 home energy efficiency retrofit an amount determined  
2 under subsection (b).

3 “(b) AMOUNT DETERMINED.—

4 “(1) IN GENERAL.—Subject to paragraph (4),  
5 the amount determined under this subsection is  
6 equal to—

7 “(A) the base amount under paragraph  
8 (2), increased by

9 “(B) the amount determined under para-  
10 graph (3).

11 “(2) BASE AMOUNT.—For purposes of para-  
12 graph (1)(A), the base amount is \$2,000, but only  
13 if the energy use for the residence is reduced by at  
14 least 20 percent below the baseline energy use for  
15 such residence as calculated according to paragraph  
16 (5).

17 “(3) INCREASE AMOUNT.—For purposes of  
18 paragraph (1)(B), the amount determined under this  
19 paragraph is \$500 for each additional 5 percentage  
20 point reduction in energy use.

21 “(4) LIMITATION.—In no event shall the  
22 amount determined under this subsection exceed the  
23 lesser of—

24 “(A) \$5,000 with respect to any residence,

25 or

1           “(B) 30 percent of the qualified home en-  
2           ergy efficiency expenditures paid or incurred by  
3           the taxpayer under subsection (c) with respect  
4           to such residence.

5           “(5) DETERMINATION OF ENERGY USE REDUC-  
6           TION.—For purposes of this subsection—

7           “(A) IN GENERAL.—The reduction in en-  
8           ergy use for any residence shall be determined  
9           by modeling the annual predicted percentage re-  
10          duction in total energy costs for heating, cool-  
11          ing, hot water, and permanent lighting. It shall  
12          be modeled using computer modeling software  
13          approved under subsection (d)(2) and a baseline  
14          energy use calculated according to subsection  
15          (d)(1)(C).

16          “(B) ENERGY COSTS.—For purposes of  
17          subparagraph (A), the energy cost per unit of  
18          fuel for each fuel type shall be determined by  
19          dividing the total actual energy bill for the resi-  
20          dence for that fuel type for the most recent  
21          available 12-month period by the total energy  
22          units of that fuel type used over the same pe-  
23          riod.



1       “(c) QUALIFIED HOME ENERGY EFFICIENCY EX-  
2 PENDING.—For purposes of this section, the term  
3 ‘qualified home energy efficiency expenditures’—

4           “(1) means any amount paid or incurred by the  
5 taxpayer during the taxable year for a qualified  
6 whole home energy efficiency retrofit, including the  
7 cost of diagnostic procedures, labor, and modeling,

8           “(2) includes only measures that have an aver-  
9 age estimated life of 5 years or more as determined  
10 by the Secretary, after consultation with the Sec-  
11 retary of Energy,

12           “(3) does not include any amount which is paid  
13 or incurred in connection with any expansion of the  
14 building envelope of the residence, and

15           “(4) does not include improvements to swim-  
16 ming pools or hot tubs or any other expenditure spe-  
17 cifically excluded by the Secretary, after consultation  
18 with the Secretary of Energy.

19       “(d) QUALIFIED WHOLE HOME ENERGY EFFI-  
20 CIENCY RETROFIT.—For purposes of this section—

21           “(1) IN GENERAL.—The term ‘qualified whole  
22 home energy efficiency retrofit’ means the implemen-  
23 tation of measures placed in service during the tax-  
24 able year intended to reduce the energy use of the  
25 principal residence of the taxpayer which is located

1 in the United States. A qualified whole home energy  
2 efficiency retrofit shall—

3 “(A) be designed, implemented, and in-  
4 stalled by a contractor which is—

5 “(i) accredited by the Building Per-  
6 formance Institute (hereafter in this sec-  
7 tion referred to as ‘BPI’) or a preexisting  
8 BPI accreditation-based State certification  
9 program with enhancements to achieve  
10 State energy policy,

11 “(ii) a Residential Energy Services  
12 Network (hereafter in this section referred  
13 to as ‘RESNET’) accredited Energy Smart  
14 Home Performance Team, or

15 “(iii) accredited by an equivalent cer-  
16 tification program approved by the Sec-  
17 retary, after consultation with the Sec-  
18 retary of Energy, for this purpose,

19 “(B) install a set of measures modeled to  
20 achieve a reduction in energy use of at least 20  
21 percent below the baseline energy use estab-  
22 lished in subparagraph (C), using computer  
23 modeling software approved under paragraph  
24 (2),

1           “(C) establish the baseline energy use by  
2           calibrating the model using sections 3 and 4  
3           and Annex D of BPI Standard BPI-2400-S-  
4           2011: Standardized Qualification of Whole  
5           House Energy Savings Estimates, or an equiva-  
6           lent standard approved by the Secretary, after  
7           consultation with the Secretary of Energy, for  
8           this purpose,

9           “(D) document the measures implemented  
10          in the residence through photographs taken be-  
11          fore and after the retrofit, including photo-  
12          graphs of its visible energy systems and enve-  
13          lope as relevant, and

14          “(E) implement a test-out procedure, fol-  
15          lowing guidelines of the applicable certification  
16          program specified under clause (i) or (ii) of  
17          subparagraph (A), or equivalent guidelines ap-  
18          proved by the Secretary, after consultation with  
19          the Secretary of Energy, for this purpose, to  
20          ensure—

21                  “(i) the safe operation of all systems  
22                  post retrofit, and

23                  “(ii) that all improvements are in-  
24                  cluded in, and have been installed accord-  
25                  ing to, standards of the applicable certifi-

1 cation program specified under clause (i)  
2 or (ii) of subparagraph (A), or equivalent  
3 standards approved by the Secretary, after  
4 consultation with the Secretary of Energy,  
5 for this purpose.

6 For purposes of subparagraph (A)(iii), an orga-  
7 nization or State may submit an equivalent cer-  
8 tification program for approval by the Sec-  
9 retary, in consultation with the Secretary of  
10 Energy. The Secretary shall approve or deny  
11 such submission not later than 180 days after  
12 receipt, and, if the Secretary fails to respond in  
13 that time period, the submitted equivalent cer-  
14 tification program shall be considered approved.

15 “(2) APPROVED MODELING SOFTWARE.—For  
16 purposes of paragraph (1)(B), the contractor shall  
17 use modeling software certified by RESNET as fol-  
18 lowing the software verification test suites in section  
19 4.2.1 of RESNET Publication No. 06–001 or cer-  
20 tified by an alternative organization as following an  
21 equivalent standard, as approved by the Secretary,  
22 after consultation with the Secretary of Energy, for  
23 this purpose.

24 “(3) DOCUMENTATION.—The Secretary, after  
25 consultation with the Secretary of Energy, shall pre-

1 scribe regulations directing what specific documenta-  
2 tion is required to be retained or submitted by the  
3 taxpayer in order to claim the credit under this sec-  
4 tion, which shall include, in addition to the photo-  
5 graphs under paragraph (1)(D), a form approved by  
6 the Secretary that is completed and signed by the  
7 qualified whole home energy efficiency retrofit con-  
8 tractor under penalties of perjury. Such form shall  
9 include—

10 “(A) a statement that the contractor fol-  
11 lowed the specified procedures for establishing  
12 baseline energy use and estimating reduction in  
13 energy use,

14 “(B) the name of the software used for  
15 calculating the baseline energy use and reduc-  
16 tion in energy use, the percentage reduction in  
17 projected energy savings achieved, and a state-  
18 ment that such software was certified for this  
19 program by the Secretary, after consultation  
20 with the Secretary of Energy,

21 “(C) a statement that the contractor will  
22 retain the details of the calculations and under-  
23 lying energy bills for 5 years and will make  
24 such details available for inspection by the Sec-

1           retary or the Secretary of Energy, if so re-  
2           quested,

3           “(D) a list of measures installed and a  
4           statement that all measures included in the re-  
5           duction in energy use estimate are included in,  
6           and installed according to, standards of the ap-  
7           plicable certification program specified under  
8           clause (i) or (ii) of subparagraph (A), or equiv-  
9           alent standards approved by the Secretary,  
10          after consultation with the Secretary of Energy,

11          “(E) a statement that the contractor meets  
12          the requirements of paragraph (1)(A), and

13          “(F) documentation of the total cost of the  
14          project in order to comply with the limitation  
15          under subsection (b)(4)(B).

16          “(e) ADDITIONAL RULES.—For purposes of this sec-  
17          tion—

18          “(1) NO DOUBLE BENEFIT.—

19                  “(A) IN GENERAL.—With respect to any  
20                  residence, no credit shall be allowed under this  
21                  section for any taxable year in which the tax-  
22                  payer claims a credit under section 25C.

23                  “(B) RENEWABLE ENERGY SYSTEMS AND  
24                  APPLIANCES.—In the case of a renewable en-  
25                  ergy system or appliance that qualifies for an-

1 other credit under this chapter, the resulting re-  
2 duction in energy use shall not be taken into  
3 account in determining the percentage energy  
4 use reductions under subsection (b).

5 “(C) NO DOUBLE BENEFIT FOR CERTAIN  
6 EXPENDITURES.—The term ‘qualified home en-  
7 ergy efficiency expenditures’ shall not include  
8 any expenditure for which a deduction or credit  
9 is claimed by the taxpayer under this chapter  
10 for the taxable year or with respect to which  
11 the taxpayer receives any Federal energy effi-  
12 ciency rebate.

13 “(2) PRINCIPAL RESIDENCE.—The term ‘prin-  
14 cipal residence’ has the same meaning as when used  
15 in section 121.

16 “(3) SPECIAL RULES.—Rules similar to the  
17 rules under paragraphs (4), (5), (6), (7), and (8) of  
18 section 25D(e) and section 25C(e)(2) shall apply, as  
19 determined by the Secretary, after consultation with  
20 the Secretary of Energy.

21 “(4) BASIS ADJUSTMENTS.—For purposes of  
22 this subtitle, if a credit is allowed under this section  
23 with respect to any expenditure with respect to any  
24 property, the increase in the basis of such property  
25 which would (but for this paragraph) result from

1 such expenditure shall be reduced by the amount of  
2 the credit so allowed.

3 “(5) ELECTION NOT TO CLAIM CREDIT.—No  
4 credit shall be determined under subsection (a) for  
5 the taxable year if the taxpayer elects not to have  
6 subsection (a) apply to such taxable year.

7 “(6) MULTIPLE YEAR RETROFITS.—If the tax-  
8 payer has claimed a credit under this section in a  
9 previous taxable year, the baseline energy use for the  
10 calculation of reduced energy use must be estab-  
11 lished after the previous retrofit has been placed in  
12 service.

13 “(f) TERMINATION.—This section shall not apply  
14 with respect to any costs paid or incurred after December  
15 31, 2024.

16 “(g) SECRETARY REVIEW.—The Secretary, after con-  
17 sultation with the Secretary of Energy, shall establish a  
18 review process for the retrofits performed, including an es-  
19 timate of the usage of the credit and a statistically valid  
20 analysis of the average actual energy use reductions, uti-  
21 lizing utility bill data collected on a voluntary basis, and  
22 report to Congress not later than June 30, 2017, any find-  
23 ings and recommendations for—

24 “(1) improvements to the effectiveness of the  
25 credit under this section, and



1           “(2) expansion of the credit under this section  
2 to rental units.”.

3           (b) CONFORMING AMENDMENTS.—

4           (1) Section 1016(a) of such Code is amended—

5                 (A) by striking “and” at the end of para-  
6 graph (36),

7                 (B) by striking the period at the end of  
8 paragraph (37) and inserting “, and”, and

9                 (C) by adding at the end the following new  
10 paragraph:

11                 “(38) to the extent provided in section  
12 25E(e)(4), in the case of amounts with respect to  
13 which a credit has been allowed under section  
14 25E.”.

15           (2) Section 6501(m) is amended by inserting  
16 “25E(e)(5),” after “section”.

17           (3) The table of sections for subpart A of part  
18 IV of subchapter A chapter 1 is amended by insert-  
19 ing after the item relating to section 25D the fol-  
20 lowing new item:

“Sec. 25E. Performance based energy improvements.”.

21           (c) EFFECTIVE DATE.—The amendments made by  
22 this section shall apply to amounts paid or incurred for  
23 a qualified whole home energy efficiency retrofit placed in  
24 service after December 31, 2015.

1 **SEC. 206. EXTENSION OF NEW ENERGY EFFICIENT HOME**  
2 **CREDIT.**

3 (a) IN GENERAL.—Section 45L(g) of the Internal  
4 Revenue Code of 1986 is amended by striking “December  
5 31, 2014” and inserting “December 31, 2023”.

6 (b) EFFECTIVE DATE.—The amendment made by  
7 this section shall apply to homes acquired after December  
8 31, 2014.

9 **SEC. 207. EXTENSION AND MODIFICATION OF ENERGY EF-**  
10 **FICIENT COMMERCIAL BUILDINGS DEDUC-**  
11 **TION.**

12 (a) IN GENERAL.—Section 179D(h) of the Internal  
13 Revenue Code of 1986 is amended by striking “December  
14 31, 2014” and inserting “December 31, 2023”.

15 (b) INCREASE IN DEDUCTION LIMITATIONS.—

16 (1) IN GENERAL.—Section 179D(b)(1)(A) of  
17 such Code is amended by striking “\$1.80” and in-  
18 serting “\$3.00”.

19 (2) PARTIAL PAY.—Section 179D(d)(1)(A) is  
20 amended by striking “substituting ‘\$.60’ for  
21 ‘\$1.80’.” and inserting “substituting ‘\$1.00’ for  
22 ‘\$3.00’.”.

23 (3) REDUCED AMOUNT FOR LOWER EFFICIENCY  
24 PROPERTY.—Section 179D(d) of such Code is  
25 amended by adding at the end the following new  
26 paragraph:

1           “(1) 30 TO 50 PERCENT PROPERTY.—In the  
2 case of property which would be energy efficient  
3 commercial building property were subsection  
4 (c)(1)(D) applied by substituting ‘more than 30 per-  
5 cent and less than 50 percent’ for ‘50 percent or  
6 more’, subsection (b) shall be applied to such prop-  
7 erty by substituting ‘\$1.80’ for ‘\$3.00’.”.

8           (c) UPDATING PARTIAL ALLOWANCE REGULA-  
9 TIONS.—Section 179D(d)(1)(B) of such Code is amended  
10 by adding at the end the following: “Not later than 1 year  
11 after the date of the enactment of the Clean Energy Vic-  
12 tory Bond Act of 2015, and every three years thereafter,  
13 the Secretary shall, after consultation with the Secretary  
14 of Energy, update the targets for such systems in such  
15 a manner as the Secretary determines will encourage inno-  
16 vation in commercial building energy efficiency.”.

17           (d) EFFECTIVE DATE.—The amendment made by  
18 this section shall apply to property placed in service after  
19 December 31, 2014.

20 **SEC. 208. PLUG-IN ELECTRIC VEHICLE GRANTS IN LIEU OF**  
21 **TAX CREDITS.**

22           (a) IN GENERAL.—The Secretary of Energy, in con-  
23 sultation with the Secretary of the Treasury, shall estab-  
24 lish a voluntary program through which the Secretary of  
25 Energy shall—

1           (1) authorize the issuance of an electronic  
2 voucher to offset the purchase price of a qualified  
3 plug-in electric vehicle or a new qualified plug-in  
4 electric drive motor vehicle purchased from a dealer  
5 participating in the program;

6           (2) register dealers for participation in the pro-  
7 gram and require that all dealers so registered ac-  
8 cept such vouchers as partial payment or down pay-  
9 ment for the purchase of any such vehicle offered for  
10 sale by such dealer;

11           (3) make electronic payments to dealers for eli-  
12 gible transactions by such dealers; and

13           (4) in consultation with the Inspector General  
14 of the Department of Transportation establish and  
15 provide for the enforcement of measures to prevent  
16 and penalize fraud under the program.

17           (b) VOUCHER LIMITATIONS.—A voucher issued  
18 under the program shall have a value that may be applied  
19 to offset the purchase price of a vehicle by—

20           (1) in the case of a qualified plug-in electric ve-  
21 hicle, \$2,500; or

22           (2) in the case of a new qualified plug-in elec-  
23 tric drive motor vehicle, \$2,500 plus an amount de-  
24 termined with respect to the vehicle under section  
25 30D(b)(3) of the Internal Revenue Code of 1986.

1 (c) TREATED AS ADVANCE PAYMENT OF CREDIT.—

2 Use of a voucher under the program to offset the purchase  
3 price of a vehicle shall, for purposes of the Internal Rev-  
4 enue Code of 1986, be treated as advance payment of the  
5 credit allowed under section 30 or 30D of such Code, as  
6 the case may be, and the amount of credit which would  
7 (but for this paragraph) be allowable with respect to such  
8 vehicle under either such section shall be reduced (but not  
9 below zero) by the amount of the voucher so used.

10 (d) DEFINITIONS AND SPECIAL RULES.—For pur-  
11 poses of this section—

12 (1) QUALIFIED PLUG-IN ELECTRIC VEHICLE.—

13 The term “qualified plug-in electric vehicle” shall  
14 have the meaning given such term by section 30(d)  
15 of the Internal Revenue Code of 1986.

16 (2) NEW QUALIFIED PLUG-IN ELECTRIC DRIVE

17 MOTOR VEHICLE.—The term “new qualified plug-in  
18 electric drive motor vehicle” shall have the meaning  
19 given such term by section 30D(d) of such Code.

20 (3) NO COMBINATION OF VOUCHERS.—Only 1

21 voucher issued under the program may be applied  
22 toward the purchase of a single vehicle.

23 (4) COMBINATION WITH OTHER INCENTIVES

24 PERMITTED.—The availability or use of a Federal,  
25 State, or local incentive or a State-issued voucher

1 for the purchase of any vehicle shall not limit the  
2 value or issuance of a voucher under the program to  
3 any person otherwise eligible to receive such a  
4 voucher.

5 (5) NO ADDITIONAL FEES.—A dealer partici-  
6 pating in the program may not charge a person pur-  
7 chasing a vehicle any additional fees associated with  
8 the use of a voucher under the program.

9 (6) APPLICATION OF CERTAIN RULES.—Rules  
10 similar to the rules of paragraphs (1), (2), (3), (4),  
11 and (5) of section 30(e) of such Code shall apply for  
12 purposes of this section.

13 (e) TERMINATION AND PHASEOUT.—

14 (1) TERMINATION FOR QUALIFIED PLUG-IN  
15 ELECTRIC VEHICLES.—This section shall not apply  
16 to any qualified plug-in electric vehicle acquired  
17 after December 31, 2018.

18 (2) PHASEOUT FOR NEW QUALIFIED PLUG-IN  
19 ELECTRIC DRIVE MOTOR VEHICLE.—The amount of  
20 any voucher with respect to any new qualified plug  
21 in electric drive motor vehicle shall be reduced as  
22 provided in section 30D(e) of the Internal Revenue  
23 Code of 1986.

24 (f) REGULATIONS.—The Secretary of Energy, in con-  
25 sultation with the Secretary of the Treasury, shall pre-

- 1 scribe such regulations as may be necessary or appropriate
- 2 to carry out the purposes of this section.

○