

117TH CONGRESS
1ST SESSION

S. 622

To amend the Internal Revenue Code of 1986 to enhance the qualifying advanced energy project credit.

IN THE SENATE OF THE UNITED STATES

MARCH 9, 2021

Mr. MANCHIN (for himself, Ms. STABENOW, and Mr. DAINES) 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 enhance the qualifying advanced energy project credit.

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 “American Jobs in En-
5 ergy Manufacturing Act of 2021”.

6 **SEC. 2. ADJUSTMENT OF QUALIFYING ADVANCED ENERGY**
7 **PROJECT CREDIT.**

8 (a) IN GENERAL.—Section 48C of the Internal Rev-
9 enue Code of 1986 is amended—

10 (1) in subsection (c)(1)—

1 (A) in subparagraph (A)—

2 (i) by inserting “, any portion of the
3 qualified investment of which is certified
4 by the Secretary under subsection (d) as
5 eligible for a credit under this section”
6 after “means a project”,

7 (ii) in clause (i)—

8 (I) by striking “a manufacturing
9 facility for the production of” and in-
10 sserting “an industrial or manufac-
11 turing facility for the production or
12 recycling of”,

13 (II) in clause (I), by inserting
14 “water,” after “sun,”,

15 (III) in clause (II), by striking
16 “an energy storage system for use
17 with electric or hybrid-electric motor
18 vehicles” and inserting “energy stor-
19 age systems and components”,

20 (IV) in clause (III), by striking
21 “grids to support the transmission of
22 intermittent sources of renewable en-
23 ergy, including storage of such en-
24 ergy” and inserting “grid moderniza-
25 tion equipment or components”,

1 (V) in subclause (IV), by striking
2 “and sequester carbon dioxide emis-
3 sions” and inserting “, remove, use,
4 or sequester carbon oxide emissions”,
5 (VI) by striking subclause (V)
6 and inserting the following:
7 “(V) equipment designed to re-
8 fine, electrolyze, or blend any fuel,
9 chemical, or product which is—
10 “(aa) renewable, or
11 “(bb) low-carbon and low-
12 emission,”,
13 (VII) by striking subclause (VI),
14 (VIII) by redesignating subclause
15 (VII) as subclause (IX),
16 (IX) by inserting after subclause
17 (V) the following new subclauses:
18 “(VI) property designed to
19 produce energy conservation tech-
20 nologies (including residential, com-
21 mercial, and industrial applications),
22 “(VII) light-, medium-, or heavy-
23 duty electric or fuel cell vehicles, as
24 well as—

1 “(aa) technologies, compo-
2 nents, or materials for such vehi-
3 cles, and

4 “(bb) associated charging or
5 refueling infrastructure,

6 “(VIII) hybrid vehicles with a
7 gross vehicle weight rating of not less
8 than 14,000 pounds, as well as tech-
9 nologies, components, or materials for
10 such vehicles, or”, and

11 (X) in subclause (IX), as so re-
12 designated, by striking “and” at the
13 end and inserting “or”, and

14 (iii) by striking clause (ii) and insert-
15 ing the following:

16 “(ii) which re-equips an industrial or
17 manufacturing facility with equipment de-
18 signed to reduce its greenhouse gas emis-
19 sions well below current best practices
20 through the installation of—

21 “(I) low- or zero-carbon process
22 heat systems,

23 “(II) carbon capture, transport,
24 utilization and storage systems,

1 “(III) energy efficiency and re-
2 duction in waste from industrial proc-
3 esses, or

4 “(IV) any industrial technology
5 which significantly reduces greenhouse
6 gas emissions, as determined by the
7 Secretary.”.

8 (B) by redesignating subparagraph (B) as
9 subparagraph (C), and

10 (C) by inserting after subparagraph (A)
11 the following new subparagraph:

12 “(B) ADDITIONAL QUALIFYING ADVANCED
13 ENERGY PROJECTS.—The term ‘qualifying ad-
14 vanced energy project’ shall also include any
15 project described in subparagraph (A) which is
16 located in a census tract—

17 “(i) which, prior to the date of enact-
18 ment of the American Jobs in Energy
19 Manufacturing Act of 2021, had no
20 projects which received a certification and
21 allocation of credits under subsection (d),
22 and

23 “(ii)(I) in which, after December 31,
24 1999, a coal mine has closed,

1 “(II) in which, after December 31,
2 2009, a coal-fired electric generating unit
3 has been retired, or

4 “(III) which is immediately adjacent
5 to a census tract described in subclause (I)
6 or (II).”,

7 (2) in subsection (d)—

8 (A) in paragraph (1)—

9 (i) in subparagraph (A), by striking
10 “this section” and inserting “the American
11 Jobs in Energy Manufacturing Act of
12 2021”, and

13 (ii) by striking subparagraph (B) and
14 inserting the following:

15 “(B) LIMITATIONS.—

16 “(i) INITIAL ALLOCATION.—The total
17 amount of credits that may be allocated
18 under the program prior to the date of en-
19 actment of the American Jobs in Energy
20 Manufacturing Act of 2021 shall not ex-
21 ceed \$2,300,000,000.

22 “(ii) ADDITIONAL ALLOCATION.—The
23 total amount of credits that may be allo-
24 cated under the program on or after to the
25 date of enactment of the American Jobs in

1 Energy Manufacturing Act of 2021 shall
2 not exceed \$8,000,000,000, of which not
3 greater than \$4,000,000,000 may be allo-
4 cated to projects which are not located in
5 a census tract described in subparagraph
6 (B) of subsection (c)(1).”,

7 (B) in paragraph (2)—

8 (i) in subparagraph (A), by striking
9 “2-year” and inserting “3-year”,

10 (ii) in subparagraph (B)—

11 (I) by striking “1 year” and in-
12 serting “18 months”, and

13 (II) by adding at the end the fol-
14 lowing new sentence: “Not later than
15 180 days after the date on which such
16 evidence was provided by the appli-
17 cant, the Secretary shall determine
18 whether the requirements of the cer-
19 tification have been met.”, and

20 (iii) by adding at the end the fol-
21 lowing new subparagraph:

22 “(D) LOCATION OF PROJECT.—In the case
23 of an applicant which receives a certification, if
24 the Secretary determines that the project has
25 been placed in service at a location which is ma-

1 terially different than the location specified in
2 the application for such project, the certifi-
3 cation shall no longer be valid.”,

4 (C) in paragraph (3)—

5 (i) by striking subparagraph (A) and
6 inserting the following:

7 “(A) shall take into consideration only
8 those projects—

9 “(i) where there is a reasonable expect-
10 tation of commercial viability, and

11 “(ii) which will ensure laborers and
12 mechanics employed by contractors and
13 subcontractors in the performance of any
14 qualifying advanced energy project shall be
15 paid wages at rates not less than the pre-
16 vailing rates on projects of a similar char-
17 acter in the locality as determined by the
18 Secretary of Labor, in accordance with
19 subchapter IV of chapter 31 of title 40,
20 United States Code, and”, and

21 (ii) in subparagraph (B)—

22 (I) by striking clauses (i) and (ii)
23 and inserting the following:

24 “(i) will provide the greatest net im-
25 pact in avoiding or reducing anthropogenic

1 emissions of greenhouse gases (or, in the
2 case of a project described in subsection
3 (c)(1)(A)(ii), will provide the greatest re-
4 duction of greenhouse gas emissions as
5 compared to current best practices),

6 “(ii) will provide the greatest domestic
7 job creation (both direct and indirect) dur-
8 ing the credit period,”

9 (II) by redesignating clauses (iii)
10 through (v) as clauses (iv) through
11 (vi), respectively, and

12 (III) by inserting after clause (ii)
13 the following new clause:

14 “(iii) will provide the greatest job cre-
15 ation within the vicinity of the project, par-
16 ticularly with respect to—

17 “(I) low-income communities (as
18 described in section 45D(e)), and

19 “(II) dislocated workers who
20 were previously employed in manufac-
21 turing, coal power plants, or coal min-
22 ing,” and

23 (D) in paragraph (4)—

24 (i) by striking subparagraph (A) and
25 inserting the following:

1 “(A) REVIEW AND REPORT.—Not later
2 than 4 years after the date of enactment of the
3 American Jobs in Energy Manufacturing Act of
4 2021, the Secretary shall—

5 “(i) review the credits allocated under
6 this section as of such date, and

7 “(ii) submit a report regarding the al-
8 location of such credits to—

9 “(I) the Committee on Finance
10 and the Committee on Energy and
11 Natural Resources of the Senate, and

12 “(II) the Committee on Ways
13 and Means and the Committee on En-
14 ergy and Commerce of the House of
15 Representatives.”, and

16 (ii) by adding at the end the following
17 new subparagraph:

18 “(D) SPECIAL RULE.—For purposes of re-
19 allocating credits pursuant to this paragraph,
20 the limitation under paragraph (1)(B)(ii) with
21 respect to allocation of credits to projects which
22 are not located in a census tract described in
23 subparagraph (B) of subsection (c)(1) shall not
24 apply.”,

1 (3) in subsection (e), by inserting “45Q,” after
2 “section”, and

3 (4) by adding at the end the following new sub-
4 section:

5 “(f) TECHNICAL ASSISTANCE.—For purposes of as-
6 sisting with applications for certification under subsection
7 (d), the Secretary of Energy shall provide technical assist-
8 ance to any State (or political subdivision thereof), tribe,
9 or economic development organization which, prior to the
10 date of enactment of the American Jobs in Energy Manu-
11 facturing Act of 2021—

12 “(1) had no applicants for certification under
13 such subsection, or

14 “(2) had less than 2 qualifying advanced energy
15 projects which received an allocation of credits under
16 such subsection.”.

17 (b) AUTHORIZATION OF APPROPRIATIONS.—To carry
18 out subsection (f) of section 48C of the Internal Revenue
19 Code of 1986 (as added by subsection (a)(4)), there is au-
20 thorized to be appropriated to the State Energy Program
21 of the Department of Energy, out of moneys in the Treas-
22 ury not otherwise appropriated, \$500,000, to remain avail-
23 able until expended.

1 (c) EFFECTIVE DATE.—The amendments made by
2 this section shall apply to property placed in service after
3 December 31, 2021.

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