

111TH CONGRESS  
1ST SESSION

# H. R. 4210

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.

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## IN THE HOUSE OF REPRESENTATIVES

DECEMBER 3, 2009

Mr. THOMPSON of California (for himself and Mr. WU) introduced the following bill; which was referred to the Committee on Ways and Means

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## 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 such Code is amended by add-  
18 ing at the end the following new paragraph:

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

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

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

25 “(ii) which is designed to receive elec-  
26 trical energy, to store such energy, and to

1           convert such energy to electricity and de-  
2           liver such electricity for sale.

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

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

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

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

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

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

24                                   “(ii) are owned by—

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

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

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

15           (c) EFFECTIVE DATE.—The amendments made by  
16 this section shall apply to periods after the date of the  
17 enactment of this Act, under rules similar to the rules of  
18 section 48(m) of such Code (as in effect on the day before  
19 the date of the enactment of the Revenue Reconciliation  
20 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           Such term may include property used to charge  
2           plug-in and hybrid electric vehicles if such vehi-  
3           cles are equipped with smart grid services which  
4           control time-of-day charging and discharging of  
5           such vehicles. Such term shall not include any  
6           property for which any other credit is allowed  
7           under this chapter.

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

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

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

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