

111TH CONGRESS  
1ST SESSION

# H. R. 3525

To amend the Internal Revenue Code of 1986 to provide for the treatment of bonds issued to finance renewable energy resource facilities, conservation and efficiency facilities, and other specified greenhouse gas emission technologies.

---

## IN THE HOUSE OF REPRESENTATIVES

JULY 31, 2009

Mr. THOMPSON of California (for himself and Mr. HELLER) 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 for the treatment of bonds issued to finance renewable energy resource facilities, conservation and efficiency facilities, and other specified greenhouse gas emission technologies.

1       *Be it enacted by the Senate and House of Representa-*  
2       *tives of the United States of America in Congress assembled,*

1 **SECTION 1. TREATMENT OF BONDS ISSUED TO FINANCE**  
 2 **RENEWABLE ENERGY RESOURCE FACILITIES**  
 3 **AND CONSERVATION AND EFFICIENCY FA-**  
 4 **CILITIES AND OTHER SPECIFIED GREEN-**  
 5 **HOUSE GAS EMISSION TECHNOLOGIES.**

6 (a) IN GENERAL.—Section 142(a) of the Internal  
 7 Revenue Code of 1986 is amended by striking “or” at the  
 8 end of paragraph (14), by striking the period at the end  
 9 of paragraph (15) and inserting a comma, and by insert-  
 10 ing after paragraph (15) the following new paragraphs:

11 “(16) renewable energy resource facilities,

12 “(17) conservation and efficiency facilities and  
 13 projects, or

14 “(18) zero emission vehicles and related facili-  
 15 ties or projects.”.

16 (b) RENEWABLE ENERGY RESOURCE FACILITY.—  
 17 Section 142 of such Code is further amended by adding  
 18 at the end the following new subsection:

19 “(n) RENEWABLE ENERGY RESOURCE FACILI-  
 20 TIES.—For purposes of subsection (a)(16)—

21 “(1) IN GENERAL.—The term ‘renewable en-  
 22 ergy resource facility’ means—

23 “(A) any facility used to produce electric  
 24 or thermal energy (including a distributed gen-  
 25 eration facility) from—

26 “(i) solar, wind, or geothermal energy,

1 “(ii) marine and hydrokinetic renew-  
2 able energy,

3 “(iii) incremental hydropower,

4 “(iv) biomass (as defined in section  
5 203(b) of the Energy Policy Act of 2005  
6 (42 U.S.C. 15852(b))), or

7 “(v) landfill gas, or

8 “(B) any facility or project used for the  
9 manufacture of facilities referred to in subpara-  
10 graph (A).

11 “(2) DEFINITIONS.—For purposes of paragraph  
12 (1)—

13 “(A) GEOTHERMAL ENERGY.—The term  
14 ‘geothermal energy’ means energy derived from  
15 a geothermal deposit (within the meaning of  
16 section 613(e)(2)) or from geothermal heat  
17 pumps.

18 “(B) MARINE AND HYDROKINETIC RENEW-  
19 ABLE ENERGY.—The term ‘marine and  
20 hydrokinetic renewable energy’ has the meaning  
21 given such term in section 45(c)(10).

22 “(C) INCREMENTAL HYDROPOWER.—The  
23 term ‘incremental hydropower’ means additional  
24 energy generated as a result of efficiency im-  
25 provements or capacity additions to existing hy-

1 dropower facilities made on or after the date of  
 2 enactment of this subsection. The term ‘incre-  
 3 mental hydropower’ does not include additional  
 4 energy generated as a result of operational  
 5 changes not directly associated with efficiency  
 6 improvements or capacity additions.”.

7 (c) CONSERVATION AND EFFICIENCY.—Section 142  
 8 of such Code is amended by adding at the end the fol-  
 9 lowing new subsection:

10 “(o) CONSERVATION AND EFFICIENCY FACILITIES  
 11 AND PROJECTS.—For purposes of subsection (a)(17), the  
 12 term ‘conservation and efficiency facility and project’  
 13 means—

14 “(1) any facility used for the conservation or  
 15 the efficient use of energy, including energy efficient  
 16 retrofitting of existing buildings, or for the efficient  
 17 storage, transmission, or distribution of energy, in-  
 18 cluding any facility or project designed to implement  
 19 smart grid technologies (as described in title XIII of  
 20 the Energy Independence and Security Act of 2007,  
 21 or individual components of such technologies as  
 22 listed in section 1301 of such Act),

23 “(2) any facility used for the conservation of or  
 24 the efficient use of water, including—

25 “(A) any facility or project designed to—

1 “(i) reduce the demand for water,  
 2 “(ii) improve efficiency in use and re-  
 3 duce losses and waste of water, and  
 4 “(iii) improve land management prac-  
 5 tices to conserve water, or  
 6 “(B) any individual component of a facility  
 7 or project referred to in subparagraph (A), or  
 8 “(3) any facility or project used for the manu-  
 9 facture of facilities referred to in paragraphs (1) and  
 10 (2).

11 For purposes of paragraph (2)(A), facilities and projects  
 12 does not include facilities or projects that store water.”.

13 (d) ZERO EMISSION VEHICLES AND RELATED FA-  
 14 CILITIES OR PROJECTS.—Section 142 of such Code is  
 15 amended by adding at the end the following new sub-  
 16 section:

17 “(p) ZERO EMISSION VEHICLES AND RELATED FA-  
 18 CILITIES OR PROJECTS.—

19 “(1) ZERO EMISSION VEHICLES.—The term  
 20 ‘zero emission vehicles’ means vehicles that have no  
 21 tailpipe emissions, evaporative emissions, or onboard  
 22 emission-control systems that can deteriorate over  
 23 time.

24 “(2) FACILITIES RELATED TO ZERO EMISSION  
 25 VEHICLES.—A facility or project is related to a zero

1        emission vehicle if the facility is any real or personal  
2        property to be used in the design, technology trans-  
3        fer, manufacture, production, assembly, distribution,  
4        or service of zero emission vehicles.”.

5        (e) COORDINATION WITH SECTION 45.—Paragraph  
6        (3) of section 45(b) of such Code is amended by adding  
7        at the end the following new sentence: “Clause (ii) of sub-  
8        paragraph (A) shall not apply with respect to (I) any  
9        qualified facility that is a renewable energy resource facil-  
10       ity described in section 142(a)(16), (II) any qualified facil-  
11       ity that is a conservation and efficiency facility described  
12       in section 142(a)(17), or (III) any qualified facility that  
13       is a zero emission vehicle and related facility or project  
14       described in section 142(a)(18).”.

15       (f) COORDINATION WITH SECTION 45K.—Subpara-  
16       graph (A) of section 45K(b)(3) of such Code is amended  
17       by adding at the end the following flush sentence: “Clause  
18       (i)(II) shall not apply with respect to (aa) any qualified  
19       facility that is a renewable energy resource facility de-  
20       scribed in section 142(a)(16), (bb) any qualified facility  
21       that is a conservation and efficiency facility described sec-  
22       tion 142(a)(17), or (cc) any qualified facility that is a zero  
23       emission vehicle and related facility or project described  
24       in section 142(a)(18).”.

1       (g) COORDINATION WITH SECTION 146(g)(3).—Sec-  
2   tion 146(g)(3) is amended by striking “or (15)” and all  
3   that follows through the end of the paragraph and insert-  
4   ing “(15), (16), (17), or (18)”.

5       (h) EFFECTIVE DATE.—The amendments made by  
6   this section shall apply to obligations issued after the date  
7   of the enactment of this Act.

○