

114TH CONGRESS
1ST SESSION

H. R. 2657

To amend the Internal Revenue Code of 1986 to modify the energy credit to provide greater incentives for industrial energy efficiency.

IN THE HOUSE OF REPRESENTATIVES

JUNE 4, 2015

Mr. REED (for himself, Mr. BLUMENAUER, Mr. GIBSON, Mr. KIND, Mr. HECK of Nevada, Mr. WELCH, Mr. COLLINS of New York, Mr. RYAN of Ohio, Mr. AMODEL, and Ms. TITUS) 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 modify the energy credit to provide greater incentives for industrial energy efficiency.

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 “Power Efficiency and
5 Resiliency Act” or as the “POWER Act”.

6 **SEC. 2. MODIFICATIONS IN CREDIT FOR COMBINED HEAT**
7 **AND POWER SYSTEM PROPERTY.**

8 (a) INCREASED ENERGY PERCENTAGE.—Section
9 48(a)(2)(A)(i) of the Internal Revenue Code of 1986 is

1 amended by striking “and” at the end of subclause (III),
 2 by redesignating subclause (IV) as subclause (V), and by
 3 inserting after subclause (III) the following new subclause:

4 “(IV) energy property described
 5 in paragraph (3)(A)(v), and”.

6 (b) MODIFICATION OF CERTAIN CAPACITY LIMITA-
 7 TIONS.—Section 48(c)(3)(B) of such Code is amended—

8 (1) by striking “15 megawatts” in clause (ii)
 9 and inserting “25 megawatts”,

10 (2) by striking “20,000 horsepower” in clause
 11 (ii) and inserting “34,000 horsepower”, and

12 (3) by striking clause (iii).

13 (c) EXTENSION OF CREDIT FOR COMBINED HEAT
 14 AND POWER SYSTEM PROPERTY.—Section
 15 48(c)(3)(A)(iv) of such Code is amended by striking “Jan-
 16 uary 1, 2017” and inserting “January 1, 2019”.

17 (d) EFFECTIVE DATE.—

18 (1) IN GENERAL.—Except as provided in para-
 19 graph (2), the amendments made by this section
 20 shall apply to periods after the date of the enact-
 21 ment of this Act, under rules similar to the rules of
 22 section 48(m) of the Internal Revenue Code of 1986
 23 (as in effect on the day before the date of the enact-
 24 ment of the Revenue Reconciliation Act of 1990).

1 (2) EXTENSION OF CREDIT.—The amendments
 2 made by subsection (c) shall apply to property
 3 placed in service after December 31, 2016.

4 **SEC. 3. ENERGY CREDIT FOR WASTE HEAT TO POWER**
 5 **PROPERTY.**

6 (a) IN GENERAL.—Section 48(a)(3)(A) of the Inter-
 7 nal Revenue Code of 1986 is amended by striking “or”
 8 at the end of clause (vi), by inserting “or” at the end of
 9 clause (vii), and by adding at the end the following new
 10 clause:

11 “(viii) waste heat to power property,”.

12 (b) WASTE HEAT TO POWER PROPERTY.—Section
 13 48(c) of such Code is amended by adding at the end the
 14 following new paragraph:

15 “(5) WASTE HEAT TO POWER PROPERTY.—

16 “(A) WASTE HEAT TO POWER PROP-
 17 PERTY.—The term ‘waste heat to power prop-
 18 erty’ means property comprising a system which
 19 generates electricity through the recovery of a
 20 qualified waste heat resource.

21 “(B) QUALIFIED WASTE HEAT RESOURCE
 22 DEFINED.—The term ‘qualified waste heat re-
 23 source’ means—

24 “(i) exhaust heat or flared gas from
 25 any industrial process,

1 “(ii) waste gas or industrial tail gas
 2 that would otherwise be flared, incinerated,
 3 or vented,

4 “(iii) a pressure drop in any gas for
 5 an industrial or commercial process, or

6 “(iv) such other forms of waste heat
 7 resources as the Secretary may determine.

8 “(C) EXCEPTION.—The term ‘qualified
 9 waste heat resource’ does not include any heat
 10 resource from a process whose primary purpose
 11 is the generation of electricity utilizing a fossil
 12 fuel or nuclear energy.

13 “(D) TERMINATION.—The term ‘waste
 14 heat to power property’ shall not include any
 15 property placed in service after December 31,
 16 2018.”.

17 (c) INCREASED ENERGY PERCENTAGE.—Section
 18 48(a)(2)(A)(i) of such Code, as amended by section 2, is
 19 amended by striking “and” at the end of subclause (IV)
 20 and by inserting after subclause (V) the following new
 21 subclause:

22 “(VI) energy property described
 23 in paragraph (3)(A)(viii), and”.

24 (d) EFFECTIVE DATE.—The amendments made by
 25 this section shall apply to periods after the date of the

1 enactment of this Act, under rules similar to the rules of
2 section 48(m) of the Internal Revenue Code of 1986 (as
3 in effect on the day before the date of the enactment of
4 the Revenue Reconciliation Act of 1990).

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