AMENDMENT NO.  Calendar No.

Purpose: To amend the Internal Revenue Code of 1986 to expand certain energy tax incentives, and for other purposes.


S. 2657

To support innovation in advanced geothermal research and development, and for other purposes.

Referred to the Committee on _______ and ordered to be printed

Ordered to lie on the table and to be printed

Amendment intended to be proposed by Mr. Wyden to the amendment (No. _____) proposed by Ms. Murkowski

Viz:

At the end, add the following:

TITLE IV—AMENDMENTS TO THE INTERNAL REVENUE CODE OF 1986

SEC. 4001. MODIFICATION OF LIMITATIONS ON NEW QUALIFIED PLUG-IN ELECTRIC DRIVE MOTOR VEHICLE CREDIT.

(a) In General.—Subsection (e) of section 30D of the Internal Revenue Code of 1986 is amended to read as follows:
“(e) Limitation on Number of New Qualified Plug-In Electric Drive Motor Vehicles Eligible for Credit.—

“(1) In general.—In the case of any new qualified plug-in electric drive motor vehicle sold after the date of the enactment of the American Energy Innovation Act of 2020—

“(A) if such vehicle is sold during the transition period, the amount determined under subsection (b)(2) shall be reduced by $500, and

“(B) if such vehicle is sold during the phaseout period, only the applicable percentage of the credit otherwise allowable under subsection (a) shall be allowed.

“(2) Transition period.—For purposes of this subsection, the transition period is the period subsequent to the first date on which the number of new qualified plug-in electric drive motor vehicles manufactured by the manufacturer of the vehicle referred to in paragraph (1) sold for use in the United States after December 31, 2009, is at least 200,000.

“(3) Phaseout period.—

“(A) In general.—For purposes of this subsection, the phaseout period is the period beginning with the second calendar quarter fol-
owing the calendar quarter which includes the first date on which the number of new qualified plug-in electric drive motor vehicles manufactured by the manufacturer of the vehicle referred to in paragraph (1) sold for use in the United States after December 31, 2009, is at least 600,000.

“(B) Applicable percentage.—For purposes of paragraph (1)(B), the applicable percentage is—

“(i) 50 percent for the first calendar quarter of the phaseout period, and

“(ii) 0 percent for each calendar quarter thereafter.

“(C) Exclusion of sale of certain vehicles.—

“(i) In general.—For purposes of subparagraph (A), any new qualified plug-in electric drive motor vehicle manufactured by the manufacturer of the vehicle referred to in paragraph (1) which was sold during the exclusion period shall not be included for purposes of determining the number of such vehicles sold.
“(ii) Exclusion Period.—For purposes of this subparagraph, the exclusion period is the period—

“(I) beginning on the first date on which the number of new qualified plug-in electric drive motor vehicles manufactured by the manufacturer of the vehicle referred to in paragraph (1) sold for use in the United States after December 31, 2009, is at least 200,000, and


“(4) Controlled Groups.—Rules similar to the rules of section 30B(f)(4) shall apply for purposes of this subsection.”.

(b) Effective Date.—The amendment made by this section shall apply to vehicles sold after the date of the enactment of this Act.
(b) Effective Date.—The amendments made by this section shall apply to property purchased after December 31, 2020.

SEC. 4003. EXTENSION OF ENERGY CREDIT FOR OFFSHORE WIND FACILITIES.

(a) In General.—Section 48(a)(5) of the Internal Revenue Code of 1986 is amended by adding at the end the following:

`````````````````````````````````````````````````````````````````````````````````````````````````````````````````````````````````````````````````````````````````````````````````````````````````````````````````````````````````````````````````````````````````````````````````````````````````````````````````````````````````````````````````````````````````````````````````````````````````````````````````````````````````````````````````````````````````````````````````````````````````````````````````````````````````````````````````````````````````````````````````````````````````````````````````````````````````````````````````````````````````````````````````````````````````````````````````````````````````````````````````````````````````````````````````````````````````````````````````````````````````````````````````````````````````````````````````````````````````````````````````````````````````````````````````````````````````````````````````````````````````````````````````````````````````````````````````````````````````````````````````````````````````````````````````````````````````````````````````````````````````````````````````````````````````````````````
“(ii) **Applicable Year.**—

“(I) **In General.**—For purposes of this subparagraph, the term ‘applicable year’ means the later of—

“(aa) calendar year 2025, or

“(bb) the calendar year subsequent to the first calendar year in which the Secretary, in consultation with the Secretary of Energy, determines that the United States has increased its offshore wind capacity by not less than 3,000 megawatts as compared to such capacity on January 1, 2021.

“(II) **Exclusion of Certain Facilities.**—For purposes of subclause (I)(bb), the Secretary shall not include any increase in offshore wind capacity which is attributable to any facility the construction of which began before January 1, 2021.

“(iii) **Qualified Offshore Wind Facility.**—For purposes of this subparagraph, the term ‘qualified offshore wind fa-
cility’ means a qualified facility described in paragraph (1) of section 45(d) which is located in the inland navigable waters of the United States, including the Great Lakes, or in the coastal waters of the United States, including the territorial seas of the United States, the exclusive economic zone of the United States, and the outer Continental Shelf of the United States.

“(iv) Report on Offshore Wind Capacity.—On January 15, 2025, and annually thereafter until the calendar year described in clause (ii)(I)(bb), the Secretary, in consultation with the Secretary of Energy, shall issue a report to be made available to the public which discloses the increase in the offshore wind capacity of the United States, as measured in total megawatts, since January 1, 2021.”.

(b) Effective Date.—The amendment made by this section shall apply to periods after December 31, 2016, under rules similar to the rules of section 48(m) of the Internal Revenue Code of 1986 (as in effect on the
day before the date of the enactment of the Revenue Rec-

SEC. 4004. ENERGY CREDIT FOR ENERGY STORAGE TECH-
NOLOGIES.

(a) In General.—Subclause (II) of section
48(a)(2)(A)(i) of the Internal Revenue Code of 1986 is
amended by striking “paragraph (3)(A)(i)” and inserting
“clause (i) or (viii) of paragraph (3)(A)”.

(b) Energy Storage Technologies.—Subpara-
graph (A) of section 48(a)(3) of the Internal Revenue
Code of 1986 is amended by striking “or” at the end of
clause (vi), by adding “or” at the end of clause (vii), and
by adding at the end the following new clause:

“(viii) equipment which receives, stores, and delivers energy using batteries,
compressed air, pumped hydropower, hydrogen storage (including hydrolysis), thermal energy storage, regenerative fuel cells,
flywheels, capacitors, superconducting magnets, or other technologies identified
by the Secretary in consultation with the Secretary of Energy, and which has a capacity of not less than 5 kilowatt hours,”.
(c) Phaseout of Credit.—Paragraph (6) of section 48(a) of the Internal Revenue Code of 1986 is amended—

(1) by striking “ENERGY” in the heading and inserting “AND ENERGY STORAGE”; and

(2) by striking “paragraph (3)(A)(i)” both places it appears and inserting “clause (i) or (viii) of paragraph (3)(A)”.

(d) Effective Date.—The amendments made by this section shall apply to property placed in service after December 31, 2019.

SEC. 4005. RESIDENTIAL ENERGY EFFICIENT PROPERTY CREDIT FOR BATTERY STORAGE TECHNOLOGY.

(a) In General.—Subsection (a) of section 25D of the Internal Revenue Code of 1986 is amended by striking “and” at the end of paragraph (4), by inserting “and” after the comma at the end of paragraph (5), and by adding at the end the following new paragraph:

“(6) the qualified battery storage technology expenditures,”.

(b) Qualified Battery Storage Technology Expenditure.—Subsection (d) of section 25D of the Internal Revenue Code of 1986 is amended by adding at the end the following new paragraph:
“(6) QUALIFIED BATTERY STORAGE TECHNOLOGY EXPENDITURE.—The term ‘qualified battery storage technology expenditure’ means an expenditure for battery storage technology which—

“(A) is installed on or in connection with a dwelling unit located in the United States and used as a residence by the taxpayer, and

“(B) has a capacity of not less than 3 kilowatt hours.”.

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to expenditures paid or incurred in taxable years beginning after December 31, 2019.

SEC. 4006. RESIDENTIAL ENERGY-EFFICIENT PROPERTY CREDIT FOR BIOMASS FUEL PROPERTY EXPENDITURES.

(a) ALLOWANCE OF CREDIT.—Section 25D(a) of the Internal Revenue Code of 1986, as amended by section 4005(a), is amended—

(1) in paragraph (5), by striking “and” at the end,

(2) in paragraph (6), by adding “and” at the end, and

(3) by inserting after paragraph (6) the following:
“(7) the qualified biomass fuel property expenditures,”.

(b) QUALIFIED BIOMASS FUEL PROPERTY EXPENDITURES.—Section 25D(d) of such Code, as amended by section 4005(b), is amended by adding at the end the following new paragraph:

“(7) QUALIFIED BIOMASS FUEL PROPERTY EXPENDITURE.—

“(A) IN GENERAL.—The term ‘qualified biomass fuel property expenditure’ means an expenditure for property—

“(i) which uses the burning of biomass fuel to heat a dwelling unit located in the United States and used as a residence by the taxpayer, or to heat water for use in such a dwelling unit, and

“(ii) which has a thermal efficiency rating of at least 75 percent (measured by the higher heating value of the fuel).

“(B) BIOMASS FUEL.—For purposes of this section, the term ‘biomass fuel’ means any plant-derived fuel available on a renewable or recurring basis, including agricultural crops and trees, wood and wood waste and residues, plants (including aquatic plants), grasses, resi-
dues, and fibers. Such term includes densified biomass fuels such as wood pellets.”.

(c) Effective Date.—The amendments made by this section shall apply to expenditures paid or incurred in taxable years beginning after December 31, 2019.

SEC. 4007. INVESTMENT CREDIT FOR WASTE HEAT TO POWER PROPERTY.

(a) In General.—Section 48(a)(3)(A) of the Internal Revenue Code of 1986, as amended by section 4004(b), is amended—

(1) at the end of clause (vii), by striking “or”;
(2) at the end of clause (viii), by inserting “or” after the comma; and
(3) by adding at the end the following:

“(ix) waste heat to power property,”.

(b) Definitions and Limitations.—Section 48(c) of the Internal Revenue Code of 1986 is amended by adding at the end the following:

“(5) Waste heat to power property.—
“(A) In general.—The term ‘waste heat to power property’ means property—
“(i) comprising a system which generates electricity through the recovery of a qualified waste heat resource, and
“(ii) the construction of which begins before January 1, 2025.

“(B) QUALIFIED WASTE HEAT RESOURCE.—The term ‘qualified waste heat resource’ means—

“(i) exhaust heat or flared gas from an industrial process that does not have, as its primary purpose, the production of electricity, and

“(ii) a pressure drop in any gas for an industrial or commercial process.

“(C) LIMITATIONS.—

“(i) IN GENERAL.—For purposes of subsection (a)(1), the basis of any waste heat to power property taken into account under this section shall not exceed the excess of—

“(I) the basis of such property, over

“(II) the fair market value of comparable property which does not have the capacity to capture and convert a qualified waste heat resource to electricity.
“(ii) Capacity limitation.—The term ‘waste heat to power property’ shall not include any property comprising a system if such system has a capacity in excess of 50 megawatts.”.

(c) Effective Date.—The amendments made by this section shall apply to periods after the date of enactment of this Act, in taxable years ending after such date, under rules similar to the rules of section 48(m) of the Internal Revenue Code of 1986 (as in effect on the day before the date of the enactment of the Revenue Reconciliation Act of 1990).

SEC. 4008. ENHANCING ENERGY CREDIT FOR GEOTHERMAL ENERGY.

(a) In General.—Section 48(a)(2)(A)(i)(II) of the Internal Revenue Code of 1986, as amended by section 4004, is amended by striking “clause (i) or (viii) of paragraph (3)(A)” and inserting “clause (i), (iii), or (viii) of paragraph (3)(A)”.

(b) Phaseout of Credit.—Paragraph (6) of section 48(a) of the Internal Revenue Code of 1986, as amended by section 4004, is amended—

(1) by striking “and energy storage” in the heading and inserting “, energy storage, and geothermal energy”; and
(2) by striking “clause (i) or (viii) of paragraph
paragraph (3)(A)” both places it appears and inserting “clause
(i), (iii), or (viii) of paragraph (3)(A)”.
(c) EFFECTIVE DATE.—The amendments made by
this section shall apply to property placed in service after
December 31, 2019.

SEC. 4009. EXTENSION OF RENEWABLE ELECTRICITY PRO-
DUCTION CREDIT.
(a) IN GENERAL.—The following provisions of section 45(d) of the Internal Revenue Code of 1986 are each
amended by striking “January 1, 2021” each place it ap-
pears and inserting “January 1, 2024”:
(1) Paragraph (2)(A).
(2) Paragraph (3)(A).
(3) Paragraph (4)(B).
(4) Paragraph (6).
(5) Paragraph (7).
(6) Paragraph (9).
(7) Paragraph (11)(B).
(b) EXTENSION OF ELECTION TO TREAT QUALIFIED
FACILITIES AS ENERGY PROPERTY.—Section
48(a)(5)(C)(ii) of the Internal Revenue Code of 1986 is
amended by striking “January 1, 2021” and inserting
“January 1, 2024”.
(c) Application of Extension to Wind Facilities.—

(1) IN GENERAL.—Section 45(d)(1) of the Internal Revenue Code of 1986 is amended by striking “January 1, 2021” and inserting “January 1, 2024”.

(2) Application of Phaseout Percentage.—

(A) IN GENERAL.—Section 45(b)(5)(D) of such Code is amended by striking “January 1, 2021” and inserting “January 1, 2024”.

(B) Treatment as Energy Property.—

Section 48(a)(5)(E)(iv) of such Code is amended by striking “January 1, 2021” and inserting “January 1, 2024”.

(d) Effective Date.—The amendments made by this section shall apply to property placed in service after December 31, 2020.

SEC. 4010. EXTENSION OF ENERGY CREDIT.

(a) Extensions.—Section 48 of the Internal Revenue Code of 1986 is amended—

(1) in subsection (a)—

(A) in paragraph (2)(A)(i)(II), by striking “January 1, 2022” and inserting “January 1, 2025”, and
(B) in paragraph (3)(A)—
(i) in clause (ii), by striking “January 1, 2022” and inserting “January 1, 2025”, and
(ii) in clause (vii), by striking “January 1, 2022” and inserting “January 1, 2025”, and
(2) in subsection (c)—
(A) in paragraph (1)(D), by striking “January 1, 2022” and inserting “January 1, 2025”,
(B) in paragraph (2)(D), by striking “January 1, 2022” and inserting “January 1, 2025”,
(C) in paragraph (3)(A)(iv), by striking “January 1, 2022” and inserting “January 1, 2025”, and
(D) in paragraph (4)(C), by striking “January 1, 2022” and inserting “January 1, 2025”.

(b) Phaseouts.—
(1) Solar Energy, energy storage, and geothermal energy property.—Section 48(a)(6) of the Internal Revenue Code of 1986, as amended by section 4004, is amended—
(A) in subparagraph (A)—

(i) by striking “January 1, 2022, the energy percentage” and inserting “January 1, 2025, the energy percentage”,

(ii) in clause (i), by striking “after December 31, 2019, and before January 1, 2021” and inserting “after December 31, 2022, and before January 1, 2024”, and

(iii) in clause (ii), by striking “after December 31, 2020, and before January 1, 2022” and inserting “after December 31, 2023, and before January 1, 2025”, and

(B) in subparagraph (B), by striking “begins before January 1, 2022, and which is not placed in service before January 1, 2024” and inserting “begins before January 1, 2025, and which is not placed in service before January 1, 2027”.

(2) FIBER-OPTIC SOLAR, QUALIFIED FUEL CELL, AND QUALIFIED SMALL WIND ENERGY PROPERTY.—Section 48(a)(7) of such Code is amended—

(A) in subparagraph (A)—

(i) in clause (i), by striking “after December 31, 2019, and before January 1,
1  2021” and inserting “after December 31, 2022, and before January 1, 2024”, and
2
3  (ii) in clause (ii), by striking “after December 31, 2020, and before January 1, 2022” and inserting “after December 31, 2023, and before January 1, 2025”, and
4  (B) in subparagraph (B), by striking “January 1, 2024” and inserting “January 1, 2027”.
5
6  (c) EFFECTIVE DATE.—The amendments made by this section shall apply to periods after December 31, 2019.
7
8 SEC. 4011. PERMANENT EXTENSION OF ENERGY EFFICIENT COMMERCIAL BUILDINGS DEDUCTION.
9  (a) IN GENERAL.—Section 179D of the Internal Revenue Code of 1986 is amended by striking subsection (h).
10  (b) EFFECTIVE DATE.—The amendment made by this section shall apply to property placed in service after December 31, 2020.
11
12 SEC. 4012. UPDATING NEW ENERGY EFFICIENT HOME CREDIT.
13  (a) IN GENERAL.—Section 45L of the Internal Revenue Code of 1986 is amended—
14  (1) in subsection (a)(2)—
(A) in subparagraph (A), by striking “$2,000” and inserting “$2,500”; and

(B) in subparagraph (B), by inserting “or (4)” after “paragraph (3)”;  

(2) in subsection (b)—

(A) in paragraph (2)(B), by striking “this section” and inserting “the American Energy Innovation Act of 2020”; and

(B) by adding at the end the following:

“(5) 2018 IECC.—

“(A) IN GENERAL.—The term ‘2018 IECC’ means the 2018 International Energy Conservation Code, as such Code (including supplements) is in effect on the date of the enactment of the American Energy Innovation Act of 2020.

“(B) SPECIAL RULE.—For purposes of subsection (c)(1)(B)(i)(I), in determining whether a dwelling unit has been constructed in accordance with the standards of chapter 4 of the 2018 IECC by achieving a level of energy efficiency which meets Section R406.4(N1106.4) of such Code, such determination shall be made without accounting for on-site energy generation.”;
(3) by striking subsection (c) and inserting the following:

“(c) ENERGY SAVING REQUIREMENTS.—A dwelling unit meets the energy saving requirements of this subsection if such unit—

“(1)(A) is certified—

“(i) to have a level of annual heating and cooling energy consumption which is at least 60 percent below the annual level of heating and cooling energy consumption of a comparable dwelling unit—

“(I) which is constructed in accordance with the standards of chapter 4 of the 2006 International Energy Conservation Code, as such Code (including supplements) is in effect on January 1, 2006, and

“(II) for which the heating and cooling equipment efficiencies correspond to the minimum allowed under the regulations established by the Department of Energy pursuant to the National Appliance Energy Conservation Act of 1987 and in effect at the time of completion of construction, and
“(ii) to have building envelope component improvements account for at least \(\frac{1}{5}\) of such 60 percent, or
“(B) is certified—
“(i) to have a level of annual energy consumption which is at least 15 percent below the annual level of energy consumption of a comparable dwelling unit—
“(I) which is constructed in accordance with the standards of chapter 4 of the 2018 IECC, and
“(II) which meets the requirements described in subparagraph (A)(i)(II), and
“(ii) to have building envelope component improvements account for at least \(\frac{1}{5}\) of such 15 percent,
“(2) is a manufactured home which—
“(A) conforms to Federal Manufactured Home Construction and Safety Standards (part 3280 of title 24, Code of Federal Regulations), and
“(B) meets the requirements described in subparagraph (A) or (B) of paragraph (1),
“(3) meets the requirements established by the Administrator of the Environmental Protection
Agency under the Energy Star Labeled Homes program, or

“(4) is a manufactured home which—

“(A) conforms to the standards described in paragraph (2)(A), and

“(B) meets the requirements described in paragraph (3).”; and

(4) in subsection (g), by striking “December 31, 2020” and inserting “December 31, 2022”.

(b) EFFECTIVE DATE.—The amendments made by this section shall apply to qualified new energy efficient homes acquired after December 31, 2020.

SEC. 4013. UPDATING CREDIT FOR NONBUSINESS ENERGY PROPERTY.

(a) IN GENERAL.—Section 25C of the Internal Revenue Code of 1986 is amended—

(1) in subsection (a)(1), by striking “10 percent” and inserting “15 percent”,

(2) in subsection (b)—

(A) in paragraph (1)—

(i) by striking “$500” and inserting “$1,200”, and

(ii) by striking “December 31, 2005” and inserting “December 31, 2019”, and
(B) by striking paragraphs (2) and (3) and inserting the following:

“(2) LIMITATION ON INSULATION MATERIAL OR SYSTEM.—In the case of amounts paid or incurred for components described in subsection (c)(3)(A) by any taxpayer for any taxable year, the credit allowed under this section with respect to such amounts for such year shall not exceed the excess (if any) of $600 over the aggregate credits allowed under this section with respect to such amounts for all prior taxable years ending after December 31, 2019.

“(3) LIMITATION ON WINDOWS.—

“(A) IN GENERAL.—

“(i) ENERGY STAR MOST EFFICIENT.—In the case of amounts paid or incurred by any taxpayer for any taxable year for components described in subsection (c)(3)(B) which meet the most efficient certification under applicable Energy Star program requirements, the credit allowed under this section with respect to such amounts for such year shall not exceed the excess (if any) of $600 over the aggregate credits allowed under this section with respect to such amounts for all
prior taxable years ending after December 31, 2019.

“(ii) Energy Star.—In the case of amounts paid or incurred by any taxpayer for any taxable year for components described in subsection (c)(3)(B) which do not meet the most efficient certification under applicable Energy Star program requirements, the credit allowed under this section with respect to such amounts for such year shall not exceed the excess (if any) of $200 over the aggregate credits allowed under this section with respect to such amounts for all prior taxable years ending after December 31, 2019.

“(B) Election.—

“(i) In general.—For purposes of any amounts paid or incurred by any taxpayer for components described in subsection (c)(3)(B), the credit allowed under this section shall only be allowed for components described in clause (i) of subparagraph (A) or clause (ii) of such subparagraph, but not both, as elected by the taxpayer during the first taxable year in
which such credit is being claimed by the taxpayer.

“(ii) IRREVOCABILITY.—The Secretary shall, through such rules, regulations, and procedures as are determined appropriate, establish procedures for making an election under this subparagraph, which shall require that—

“(I) any election made by the taxpayer shall be irrevocable, and

“(II) such election shall remain in effect for all subsequent taxable years.

“(4) LIMITATION ON DOORS.—In the case of amounts paid or incurred for components described in subsection (c)(3)(C) by any taxpayer for any taxable year, the credit allowed under this section with respect to such amounts for such year shall not exceed—

“(A) the excess (if any) of $500 over the aggregate credits allowed under this section with respect to such amounts for all prior taxable years ending after December 31, 2019, or

“(B) $250 for each exterior door.
“(5) Limitation on residential energy property expenditures.—The amount of the credit allowed under this section by reason of subsection (a)(2) shall not exceed—

“(A) in the case of any energy-efficient building property—

“(i) for any item of property described in subparagraph (A), (B), or (C) of subsection (d)(3), $600, and

“(ii) for any item of property described in subparagraph (D) or (E) of such subsection, $400, and

“(B) in the case of any qualified natural gas, propane, or oil furnace or hot water boiler (as defined in subsection (d)(4)), an amount equal to—

“(i) $600 for a hot water boiler, and

“(ii) in the case of a furnace, an amount equal to the sum of—

“(I) $300, plus

“(II) if the taxpayer is converting from a non-condensing furnace to a condensing furnace, $300.”,

(3) in subsection (c)—

(A) in paragraph (2)—
by striking subparagraphs (A) and (B) and inserting the following:

“(A) applicable Energy Star program requirements, in the case of an exterior window, a skylight, or an exterior door, and”,

(ii) by redesignating subparagraph (C) as subparagraph (B), and

(iii) in subparagraph (B), as so redesignated, by striking “2009 International” and all that follows through “Act of 2009” and inserting “2015 IECC (as defined in section 45L(b)(5))”,

(B) in paragraph (3)—

(i) in subparagraph (B), by adding “and” at the end,

(ii) in subparagraph (C), by striking “, and” and inserting a period, and

(iii) by striking subparagraph (D), and

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

“(5) LABOR COSTS.—The term ‘qualified energy efficiency improvements’ includes expenditures for labor costs properly allocable to the onsite prepa-
ration, assembly, or original installation of any energy efficient building envelope component.”,

(4) in subsection (d)—

(A) in paragraph (2)(A)—

(i) in clause (i), by adding “or” at the end,

(ii) in clause (ii), by striking “, or” and inserting a period, and

(iii) by striking clause (iii),

(B) in paragraph (3)—

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

“(A) an electric heat pump water heater which, in the standard Department of Energy test procedure, yields a uniform energy factor of at least 3.0,”,

(ii) in subparagraph (B), by striking “January 1, 2009” and inserting “the date of enactment of the American Energy Innovation Act of 2020”,

(iii) in subparagraph (C), by striking “January 1, 2009” and inserting “the date of enactment of the American Energy Innovation Act of 2020”,
(iv) by striking subparagraph (D) and inserting the following:

“(D) a natural gas, propane, or oil water heater which, in the standard Department of Energy test procedure, yields—

“(i) in the case of a storage tank water heater—

“(I) in the case of a medium-draw water heater, a uniform energy factor of not less than 0.78, and

“(II) in the case of a high-draw water heater, a uniform energy factor of not less than 0.80, and

“(ii) in the case of a tankless water heater—

“(I) in the case of a medium-draw water heater, a uniform energy factor of not less than 0.87, and

“(II) in the case of a high-draw water heater, a uniform energy factor of not less than 0.90, and”, and

(v) in subparagraph (E), by striking “of at least 75 percent” and inserting the following: “(as determined pursuant to the applicable list published by the Environ-
mental Protection Agency for certified wood stoves, hydronic heaters, or forced-air furnaces) of at least—

“(i) in the case of any stove placed in service before January 1, 2021, 73 percent, and

“(ii) in the case of any stove placed in service after December 31, 2020, 75 percent.”,

(C) in paragraph (4), by striking “not less than 95” and inserting the following: “not less than—

“(A) in the case of a furnace, 97 percent, and

“(B) in the case of a hot water boiler, 95 percent.”,

(D) by striking paragraph (5), and

(E) by redesignating paragraph (6) as paragraph (5),

(5) in subsection (e), by adding the following new paragraphs at the end:

“(4) INSTALLATION STANDARDS.—The terms ‘energy efficient building envelope component’ and ‘qualified energy property’ shall not include any components or property which are not installed ac-
according to any applicable Air Conditioning Contractors of America Quality Installation standards which are in effect at the time that such components or property are placed in service.

“(5) REPLACEMENT OF TERMINATED STANDARDS.—In the case of any standard, requirement, or criteria applicable to any energy efficient building envelope component or qualified energy property which is terminated after the date of enactment of the American Energy Innovation Act of 2020, the Secretary, in consultation with the Secretary of Energy, shall identify a similar standard, requirement, or criteria for purposes of determining the eligibility of any such component or property for purposes of credit allowed under this section.”, and

(6) in subsection (g)(2), by striking “December 31, 2020” and inserting “December 31, 2024”.

(b) EFFECTIVE DATE.—The amendments made by this section shall apply to property placed in service after December 31, 2020.

SEC. 4014. GREEN ENERGY PUBLICLY TRADED PARTNER-SHIPS.

(a) IN GENERAL.—Section 7704(d)(1)(E) is amend-
(1) by striking “income and gains derived from the exploration” and inserting “income and gains derived from—

“(i) the exploration”,

(2) by inserting “or” before “industrial source”,

(3) by striking “, or the transportation or storage” and all that follows and inserting the following:

“(ii) the generation of electric power or thermal energy exclusively using any qualified energy resource (as defined in section 45(c)(1)),

“(iii) the operation of energy property (as defined in section 48(a)(3), determined without regard to any date by which the construction of the facility is required to begin),

“(iv) in the case of a facility described in paragraph (3) or (7) of section 45(d) (determined without regard to any placed in service date or date by which construction of the facility is required to begin),

the accepting or processing of open-loop biomass or municipal solid waste,
“(v) the storage of electric power or thermal energy exclusively using energy property that is energy storage property (as defined in section 48(c)(5)),

“(vi) the generation, storage, or distribution of electric power or thermal energy exclusively using energy property that is combined heat and power system property (as defined in section 48(c)(3), determined without regard to subparagraph (B)(iii) thereof and without regard to any date by which the construction of the facility is required to begin),

“(vii) the transportation or storage of any fuel described in subsection (b), (c), (d), or (e) of section 6426,

“(viii) the conversion of renewable biomass (as defined in subparagraph (I) of section 211(o)(1) of the Clean Air Act (as in effect on the date of the enactment of this clause)) into renewable fuel (as defined in subparagraph (J) of such section as so in effect), or the storage or transportation of such fuel,
“(ix) the production, storage, or transportation of any fuel which—

“(I) uses as its primary feedstock carbon oxides captured from an anthropogenic source or the atmosphere,

“(II) does not use as its primary feedstock carbon oxide which is deliberately released from naturally occurring subsurface springs, and

“(III) is determined by the Secretary, after consultation with the Secretary of Energy and the Administrator of the Environmental Protection Agency, to achieve a reduction of not less than a 60 percent in lifecycle greenhouse gas emissions (as defined in section 211(o)(1)(H) of the Clean Air Act, as in effect on the date of the enactment of this clause) compared to baseline lifecycle greenhouse gas emissions (as defined in section 211(o)(1)(C) of such Act, as so in effect),

“(x) the generation of electric power from, a qualifying gasification project (as
defined in section 48B(c)(1) without regard to subparagraph (C)) that is described in section 48(d)(1)(B), or

“(xi) in the case of a qualified facility (as defined in section 45Q(d), without regard to any date by which construction of the facility is required to begin) not less than 50 percent (30 percent in the case of a facility placed in service before January 1, 2020) of the total carbon oxide production of which is qualified carbon oxide (as defined in section 45Q(c))—

“(I) the generation, availability for such generation, or storage of electric power at such facility, or

“(II) the capture of carbon dioxide by such facility,”.

(b) Effective Date.—The amendments made by this section apply to taxable years beginning after December 31, 2019.

SEC. 4015. EXTENSION OF CREDIT FOR RESIDENTIAL ENERGY EFFICIENT PROPERTY.

(a) Extension.—Section 25D(h) of the Internal Revenue Code of 1986 is amended by striking “December 31, 2021” and inserting “December 31, 2024”.


(b) Applicable Percentage.—Section 25D(g) of the Internal Revenue Code of 1986 is amended—

(1) in paragraph (1), by striking “January 1, 2020” and inserting “January 1, 2023”,

(2) in paragraph (2), by striking “after December 31, 2019, and before January 1, 2021” and inserting “after December 31, 2022, and before January 1, 2024”, and

(3) in paragraph (3), by striking “after December 31, 2020, and before January 1, 2022” and inserting “after December 31, 2023, and before January 1, 2025”.

(c) Effective Date.—The amendments made by this section shall apply to property placed in service after December 31, 2019.