

114TH CONGRESS  
1ST SESSION

# S. 1516

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

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IN THE SENATE OF THE UNITED STATES

JUNE 4, 2015

Ms. COLLINS (for herself and Mr. CASEY) introduced the following bill; which was read twice and referred to the Committee on Finance

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## 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.**—Clause (i)  
9 of section 48(a)(2)(A) of the Internal Revenue Code of  
10 1986 is amended by striking “and” at the end of sub-

1 clause (III), by redesignating subclause (IV) as subclause  
2 (V), and by inserting after subclause (III) the following  
3 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.—Subparagraph (A) of section  
7   48(a)(3) of the Internal Revenue Code of 1986 is amended  
8   by striking “or” at the end of clause (vi), by inserting  
9   “or” at the end of clause (vii), and by adding at the end  
10 the following new clause:

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

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

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

16                           “(A) WASTE HEAT TO POWER PROP-  
17                           ERTY.—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.—Clause (i)  
18 of section 48(a)(2)(A) of such Code, as amended by sec-  
19 tion 2(a) of this Act, is further amended by inserting after  
20 the new subclause (V) the following new subclause:

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

23 (d) EFFECTIVE DATE.—The amendments made by  
24 this section shall apply to periods after the date of the  
25 enactment of this Act, under rules similar to the rules of

1 section 48(m) of the Internal Revenue Code of 1986 (as  
2 in effect on the day before the date of the enactment of  
3 the Revenue Reconciliation Act of 1990).

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