

AMENDMENT NO. \_\_\_\_\_ Calendar No. \_\_\_\_\_

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

**IN THE SENATE OF THE UNITED STATES—116th Cong., 2d Sess.**

**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:

1 At the end, add the following:

2 **TITLE IV—AMENDMENTS TO THE**  
 3 **INTERNAL REVENUE CODE**  
 4 **OF 1986**

5 **SEC. 4001. MODIFICATION OF LIMITATIONS ON NEW QUALI-**  
 6 **FIED PLUG-IN ELECTRIC DRIVE MOTOR VEHI-**  
 7 **CLE CREDIT.**

8 (a) IN GENERAL.—Subsection (e) of section 30D of  
 9 the Internal Revenue Code of 1986 is amended to read  
 10 as follows:

1       “(e) LIMITATION ON NUMBER OF NEW QUALIFIED  
2 PLUG-IN ELECTRIC DRIVE MOTOR VEHICLES ELIGIBLE  
3 FOR CREDIT.—

4               “(1) IN GENERAL.—In the case of any new  
5 qualified plug-in electric drive motor vehicle sold  
6 after the date of the enactment of the American En-  
7 ergy Innovation Act of 2020—

8                       “(A) if such vehicle is sold during the tran-  
9 sition period, the amount determined under  
10 subsection (b)(2) shall be reduced by \$500, and

11                       “(B) if such vehicle is sold during the  
12 phaseout period, only the applicable percentage  
13 of the credit otherwise allowable under sub-  
14 section (a) shall be allowed.

15               “(2) TRANSITION PERIOD.—For purposes of  
16 this subsection, the transition period is the period  
17 subsequent to the first date on which the number of  
18 new qualified plug-in electric drive motor vehicles  
19 manufactured by the manufacturer of the vehicle re-  
20 ferred to in paragraph (1) sold for use in the United  
21 States after December 31, 2009, is at least 200,000.

22               “(3) PHASEOUT PERIOD.—

23                       “(A) IN GENERAL.—For purposes of this  
24 subsection, the phaseout period is the period be-  
25 ginning with the second calendar quarter fol-

1           lowing the calendar quarter which includes the  
2           first date on which the number of new qualified  
3           plug-in electric drive motor vehicles manufac-  
4           tured by the manufacturer of the vehicle re-  
5           ferred to in paragraph (1) sold for use in the  
6           United States after December 31, 2009, is at  
7           least 600,000.

8           “(B) APPLICABLE PERCENTAGE.—For  
9           purposes of paragraph (1)(B), the applicable  
10          percentage is—

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

13                 “(ii) 0 percent for each calendar quar-  
14                 ter thereafter.

15          “(C) EXCLUSION OF SALE OF CERTAIN VE-  
16          HICLES.—

17                 “(i) IN GENERAL.—For purposes of  
18                 subparagraph (A), any new qualified plug-  
19                 in electric drive motor vehicle manufac-  
20                 tured by the manufacturer of the vehicle  
21                 referred to in paragraph (1) which was  
22                 sold during the exclusion period shall not  
23                 be included for purposes of determining  
24                 the number of such vehicles sold.

1                   “(ii) EXCLUSION PERIOD.—For pur-  
2                   poses of this subparagraph, the exclusion  
3                   period is the period—

4                                 “(I) beginning on the first date  
5                                 on which the number of new qualified  
6                                 plug-in electric drive motor vehicles  
7                                 manufactured by the manufacturer of  
8                                 the vehicle referred to in paragraph  
9                                 (1) sold for use in the United States  
10                                after December 31, 2009, is at least  
11                                200,000, and

12                                “(II) ending on the date of the  
13                                enactment of the American Energy  
14                                Innovation Act of 2020.

15                   “(4) CONTROLLED GROUPS.—Rules similar to  
16                   the rules of section 30B(f)(4) shall apply for pur-  
17                   poses of this subsection.”.

18                   (b) EFFECTIVE DATE.—The amendment made by  
19                   this section shall apply to vehicles sold after the date of  
20                   the enactment of this Act.

21   **SEC. 4002. EXTENSION OF CREDIT FOR NEW QUALIFIED**  
22                                 **FUEL CELL MOTOR VEHICLES.**

23                   (a) IN GENERAL.—Section 30B(k)(1) of the Internal  
24                   Revenue Code of 1986 is amended by striking “December  
25                   31, 2020” and inserting “December 31, 2024”.

1 (b) EFFECTIVE DATE.—The amendments made by  
2 this section shall apply to property purchased after De-  
3 cember 31, 2020.

4 **SEC. 4003. EXTENSION OF ENERGY CREDIT FOR OFFSHORE**  
5 **WIND FACILITIES.**

6 (a) IN GENERAL.—Section 48(a)(5) of the Internal  
7 Revenue Code of 1986 is amended by adding at the end  
8 the following:

9 “(F) QUALIFIED OFFSHORE WIND FACILI-  
10 TIES.—

11 “(i) IN GENERAL.—In the case of any  
12 qualified offshore wind facility—

13 “(I) subparagraph (C)(ii) shall be  
14 applied by substituting ‘January 1 of  
15 the applicable year (as determined  
16 under subparagraph (F)(ii))’ for ‘Jan-  
17 uary 1, 2021’,

18 “(II) subparagraph (E) shall not  
19 apply, and

20 “(III) for purposes of this para-  
21 graph, section 45(d)(1) shall be ap-  
22 plied by substituting ‘January 1 of  
23 the applicable year (as determined  
24 under section 48(a)(5)(F)(ii))’ for  
25 ‘January 1, 2021’.

1 “(ii) APPLICABLE YEAR.—

2 “(I) IN GENERAL.—For purposes  
3 of this subparagraph, the term ‘applicable year’ means the later of—  
4

5 “(aa) calendar year 2025, or

6 “(bb) the calendar year sub-  
7 sequent to the first calendar year  
8 in which the Secretary, in con-  
9 sultation with the Secretary of  
10 Energy, determines that the  
11 United States has increased its  
12 offshore wind capacity by not less  
13 than 3,000 megawatts as com-  
14 pared to such capacity on Janu-  
15 ary 1, 2021.

16 “(II) EXCLUSION OF CERTAIN  
17 FACILITIES.—For purposes of sub-  
18 clause (I)(bb), the Secretary shall not  
19 include any increase in offshore wind  
20 capacity which is attributable to any  
21 facility the construction of which  
22 began before January 1, 2021.

23 “(iii) QUALIFIED OFFSHORE WIND FA-  
24 CILITY.—For purposes of this subpara-  
25 graph, the term ‘qualified offshore wind fa-

1 cility’ means a qualified facility described  
2 in paragraph (1) of section 45(d) which is  
3 located in the inland navigable waters of  
4 the United States, including the Great  
5 Lakes, or in the coastal waters of the  
6 United States, including the territorial  
7 seas of the United States, the exclusive  
8 economic zone of the United States, and  
9 the outer Continental Shelf of the United  
10 States.

11 “(iv) REPORT ON OFFSHORE WIND  
12 CAPACITY.—On January 15, 2025, and an-  
13 nually thereafter until the calendar year  
14 described in clause (ii)(I)(bb), the Sec-  
15 retary, in consultation with the Secretary  
16 of Energy, shall issue a report to be made  
17 available to the public which discloses the  
18 increase in the offshore wind capacity of  
19 the United States, as measured in total  
20 megawatts, since January 1, 2021.”.

21 (b) EFFECTIVE DATE.—The amendment made by  
22 this section shall apply to periods after December 31,  
23 2016, under rules similar to the rules of section 48(m)  
24 of the Internal Revenue Code of 1986 (as in effect on the

1 day before the date of the enactment of the Revenue Rec-  
2 onciliation Act of 1990).

3 **SEC. 4004. ENERGY CREDIT FOR ENERGY STORAGE TECH-**  
4 **NOLOGIES.**

5 (a) IN GENERAL.—Subclause (II) of section  
6 48(a)(2)(A)(i) of the Internal Revenue Code of 1986 is  
7 amended by striking “paragraph (3)(A)(i)” and inserting  
8 “clause (i) or (viii) of paragraph (3)(A)”.

9 (b) ENERGY STORAGE TECHNOLOGIES.—Subpara-  
10 graph (A) of section 48(a)(3) of the Internal Revenue  
11 Code of 1986 is amended by striking “or” at the end of  
12 clause (vi), by adding “or” at the end of clause (vii), and  
13 by adding at the end the following new clause:

14 “(viii) equipment which receives,  
15 stores, and delivers energy using batteries,  
16 compressed air, pumped hydropower, hy-  
17 drogen storage (including hydrolysis), ther-  
18 mal energy storage, regenerative fuel cells,  
19 flywheels, capacitors, superconducting  
20 magnets, or other technologies identified  
21 by the Secretary in consultation with the  
22 Secretary of Energy, and which has a ca-  
23 pacity of not less than 5 kilowatt hours,”.



1 (c) PHASEOUT OF CREDIT.—Paragraph (6) of sec-  
2 tion 48(a) of the Internal Revenue Code of 1986 is amend-  
3 ed—

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

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

9 (d) EFFECTIVE DATE.—The amendments made by  
10 this section shall apply to property placed in service after  
11 December 31, 2019.

12 **SEC. 4005. RESIDENTIAL ENERGY EFFICIENT PROPERTY**  
13 **CREDIT FOR BATTERY STORAGE TECH-**  
14 **NOLOGY.**

15 (a) IN GENERAL.—Subsection (a) of section 25D of  
16 the Internal Revenue Code of 1986 is amended by striking  
17 “and” at the end of paragraph (4), by inserting “and”  
18 after the comma at the end of paragraph (5), and by add-  
19 ing at the end the following new paragraph:

20 “(6) the qualified battery storage technology ex-  
21 penditures,”.

22 (b) QUALIFIED BATTERY STORAGE TECHNOLOGY  
23 EXPENDITURE.—Subsection (d) of section 25D of the In-  
24 ternal Revenue Code of 1986 is amended by adding at the  
25 end the following new paragraph:

1           “(6) QUALIFIED BATTERY STORAGE TECH-  
2           NOLOGY EXPENDITURE.—The term ‘qualified bat-  
3           tery storage technology expenditure’ means an ex-  
4           penditure for battery storage technology which—

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

8                   “(B) has a capacity of not less than 3 kilo-  
9                   watt hours.”.

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

13 **SEC. 4006. RESIDENTIAL ENERGY-EFFICIENT PROPERTY**  
14                   **CREDIT FOR BIOMASS FUEL PROPERTY EX-**  
15                   **PENDITURES.**

16          (a) ALLOWANCE OF CREDIT.—Section 25D(a) of the  
17 Internal Revenue Code of 1986, as amended by section  
18 4005(a), is amended—

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

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

23                   (3) by inserting after paragraph (6) the fol-  
24                   lowing:

1           “(7) the qualified biomass fuel property expend-  
2           itures,”.

3           (b) QUALIFIED BIOMASS FUEL PROPERTY EXPENDI-  
4           TURES.—Section 25D(d) of such Code, as amended by  
5           section 4005(b), is amended by adding at the end the fol-  
6           lowing new paragraph:

7           “(7) QUALIFIED BIOMASS FUEL PROPERTY EX-  
8           PENDITURE.—

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

12                   “(i) which uses the burning of bio-  
13                   mass fuel to heat a dwelling unit located in  
14                   the United States and used as a residence  
15                   by the taxpayer, or to heat water for use  
16                   in such a dwelling unit, and

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

20           “(B) BIOMASS FUEL.—For purposes of  
21           this section, the term ‘biomass fuel’ means any  
22           plant-derived fuel available on a renewable or  
23           recurring basis, including agricultural crops and  
24           trees, wood and wood waste and residues,  
25           plants (including aquatic plants), grasses, resi-

1           dues, and fibers. Such term includes densified  
2           biomass fuels such as wood pellets.”.

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

6 **SEC. 4007. INVESTMENT CREDIT FOR WASTE HEAT TO**  
7           **POWER PROPERTY.**

8           (a) IN GENERAL.—Section 48(a)(3)(A) of the Inter-  
9 nal Revenue Code of 1986, as amended by section  
10 4004(b), is amended—

11           (1) at the end of clause (vii), by striking “or”;

12           (2) at the end of clause (viii), by inserting “or”  
13 after the comma; and

14           (3) by adding at the end the following:

15                   “(ix) waste heat to power property,”.

16           (b) DEFINITIONS AND LIMITATIONS.—Section 48(c)  
17 of the Internal Revenue Code of 1986 is amended by add-  
18 ing at the end the following:

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

20                           “(A) IN GENERAL.—The term ‘waste heat  
21 to power property’ means property—

22                                   “(i) comprising a system which gen-  
23 erates electricity through the recovery of a  
24 qualified waste heat resource, and

1                   “(ii) the construction of which begins  
2                   before January 1, 2025.

3                   “(B) QUALIFIED WASTE HEAT RE-  
4                   SOURCE.—The term ‘qualified waste heat re-  
5                   source’ means—

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

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

12                   “(C) LIMITATIONS.—

13                   “(i) IN GENERAL.—For purposes of  
14                   subsection (a)(1), the basis of any waste  
15                   heat to power property taken into account  
16                   under this section shall not exceed the ex-  
17                   cess of—

18                   “(I) the basis of such property,  
19                   over

20                   “(II) the fair market value of  
21                   comparable property which does not  
22                   have the capacity to capture and con-  
23                   vert a qualified waste heat resource to  
24                   electricity.

1                   “(ii) CAPACITY LIMITATION.—The  
2                   term ‘waste heat to power property’ shall  
3                   not include any property comprising a sys-  
4                   tem if such system has a capacity in excess  
5                   of 50 megawatts.”.

6           (c) EFFECTIVE DATE.—The amendments made by  
7 this section shall apply to periods after the date of enact-  
8 ment of this Act, in taxable years ending after such date,  
9 under rules similar to the rules of section 48(m) of the  
10 Internal Revenue Code of 1986 (as in effect on the day  
11 before the date of the enactment of the Revenue Reconcili-  
12 ation Act of 1990).

13 **SEC. 4008. ENHANCING ENERGY CREDIT FOR GEOTHERMAL**  
14 **ENERGY.**

15           (a) IN GENERAL.—Section 48(a)(2)(A)(i)(II) of the  
16 Internal Revenue Code of 1986, as amended by section  
17 4004, is amended by striking “clause (i) or (viii) of para-  
18 graph (3)(A)” and inserting “clause (i), (iii), or (viii) of  
19 paragraph (3)(A)”.

20           (b) PHASEOUT OF CREDIT.—Paragraph (6) of sec-  
21 tion 48(a) of the Internal Revenue Code of 1986, as  
22 amended by section 4004, is amended—

23                   (1) by striking “AND ENERGY STORAGE” in the  
24 heading and inserting “, ENERGY STORAGE, AND  
25 GEOTHERMAL ENERGY”; and

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

4           (c) **EFFECTIVE DATE.**—The amendments made by  
5 this section shall apply to property placed in service after  
6 December 31, 2019.

7 **SEC. 4009. EXTENSION OF RENEWABLE ELECTRICITY PRO-**  
8 **DUCTION CREDIT.**

9           (a) **IN GENERAL.**—The following provisions of sec-  
10 tion 45(d) of the Internal Revenue Code of 1986 are each  
11 amended by striking “January 1, 2021” each place it ap-  
12 pears and inserting “January 1, 2024”:

13           (1) Paragraph (2)(A).

14           (2) Paragraph (3)(A).

15           (3) Paragraph (4)(B).

16           (4) Paragraph (6).

17           (5) Paragraph (7).

18           (6) Paragraph (9).

19           (7) Paragraph (11)(B).

20           (b) **EXTENSION OF ELECTION TO TREAT QUALIFIED**  
21 **FACILITIES AS ENERGY PROPERTY.**—Section  
22 48(a)(5)(C)(ii) of the Internal Revenue Code of 1986 is  
23 amended by striking “January 1, 2021” and inserting  
24 “January 1, 2024”.

1 (c) APPLICATION OF EXTENSION TO WIND FACILI-  
2 TIES.—

3 (1) IN GENERAL.—Section 45(d)(1) of the In-  
4 ternal Revenue Code of 1986 is amended by striking  
5 “January 1, 2021” and inserting “January 1,  
6 2024”.

7 (2) APPLICATION OF PHASEOUT PERCENT-  
8 AGE.—

9 (A) IN GENERAL.—Section 45(b)(5)(D) of  
10 such Code is amended by striking “January 1,  
11 2021” and inserting “January 1, 2024”.

12 (B) TREATMENT AS ENERGY PROPERTY.—  
13 Section 48(a)(5)(E)(iv) of such Code is amend-  
14 ed by striking “January 1, 2021” and inserting  
15 “January 1, 2024”.

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

19 **SEC. 4010. EXTENSION OF ENERGY CREDIT.**

20 (a) EXTENSIONS.—Section 48 of the Internal Rev-  
21 enue Code of 1986 is amended—

22 (1) in subsection (a)—

23 (A) in paragraph (2)(A)(i)(II), by striking  
24 “January 1, 2022” and inserting “January 1,  
25 2025”, and



1 (B) in paragraph (3)(A)—

2 (i) in clause (ii), by striking “January  
3 1, 2022” and inserting “January 1,  
4 2025”, and

5 (ii) in clause (vii), by striking “Janu-  
6 ary 1, 2022” and inserting “January 1,  
7 2025”, and

8 (2) in subsection (c)—

9 (A) in paragraph (1)(D), by striking “Jan-  
10 uary 1, 2022” and inserting “January 1,  
11 2025”,

12 (B) in paragraph (2)(D), by striking “Jan-  
13 uary 1, 2022” and inserting “January 1,  
14 2025”,

15 (C) in paragraph (3)(A)(iv), by striking  
16 “January 1, 2022” and inserting “January 1,  
17 2025”, and

18 (D) in paragraph (4)(C), by striking “Jan-  
19 uary 1, 2022” and inserting “January 1,  
20 2025”.

21 (b) PHASEOUTS.—

22 (1) SOLAR ENERGY, ENERGY STORAGE, AND  
23 GEOTHERMAL ENERGY PROPERTY.—Section  
24 48(a)(6) of the Internal Revenue Code of 1986, as  
25 amended by section 4004, is amended—

1 (A) in subparagraph (A)—

2 (i) by striking “January 1, 2022, the  
3 energy percentage” and inserting “Janu-  
4 ary 1, 2025, the energy percentage”,

5 (ii) in clause (i), by striking “after  
6 December 31, 2019, and before January 1,  
7 2021” and inserting “after December 31,  
8 2022, and before January 1, 2024”, and

9 (iii) in clause (ii), by striking “after  
10 December 31, 2020, and before January 1,  
11 2022” and inserting “after December 31,  
12 2023, and before January 1, 2025”, and

13 (B) in subparagraph (B), by striking “be-  
14 gins before January 1, 2022, and which is not  
15 placed in service before January 1, 2024” and  
16 inserting “begins before January 1, 2025, and  
17 which is not placed in service before January 1,  
18 2027”.

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

22 (A) in subparagraph (A)—

23 (i) in clause (i), by striking “after De-  
24 cember 31, 2019, and before January 1,

1                   2021” and inserting “after December 31,  
2                   2022, and before January 1, 2024”, and  
3                   (ii) in clause (ii), by striking “after  
4                   December 31, 2020, and before January 1,  
5                   2022” and inserting “after December 31,  
6                   2023, and before January 1, 2025”, and  
7                   (B) in subparagraph (B), by striking  
8                   “January 1, 2024” and inserting “January 1,  
9                   2027”.

10           (c) EFFECTIVE DATE.—The amendments made by  
11 this section shall apply to periods after December 31,  
12 2019.

13 **SEC. 4011. PERMANENT EXTENSION OF ENERGY EFFICIENT**  
14 **COMMERCIAL BUILDINGS DEDUCTION.**

15           (a) IN GENERAL.—Section 179D of the Internal Rev-  
16 enue Code of 1986 is amended by striking subsection (h).

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

20 **SEC. 4012. UPDATING NEW ENERGY EFFICIENT HOME**  
21 **CREDIT.**

22           (a) IN GENERAL.—Section 45L of the Internal Rev-  
23 enue Code of 1986 is amended—

24                   (1) in subsection (a)(2)—

1 (A) in subparagraph (A), by striking  
2 “\$2,000” and inserting “\$2,500”; and

3 (B) in subparagraph (B), by inserting “or  
4 (4)” after “paragraph (3)”;  
5 (2) in subsection (b)—

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

9 (B) by adding at the end the following:  
10 “(5) 2018 IECC.—

11 “(A) IN GENERAL.—The term ‘2018  
12 IECC’ means the 2018 International Energy  
13 Conservation Code, as such Code (including  
14 supplements) is in effect on the date of the en-  
15 actment of the American Energy Innovation  
16 Act of 2020.

17 “(B) SPECIAL RULE.—For purposes of  
18 subsection (c)(1)(B)(i)(I), in determining  
19 whether a dwelling unit has been constructed in  
20 accordance with the standards of chapter 4 of  
21 the 2018 IECC by achieving a level of energy  
22 efficiency which meets Section R406.4  
23 (N1106.4) of such Code, such determination  
24 shall be made without accounting for on-site en-  
25 ergy generation.”;

1           (3) by striking subsection (c) and inserting the  
2 following:

3           “(c) ENERGY SAVING REQUIREMENTS.—A dwelling  
4 unit meets the energy saving requirements of this sub-  
5 section if such unit—

6           “(1)(A) is certified—

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

12           “(I) which is constructed in accord-  
13 ance with the standards of chapter 4 of the  
14 2006 International Energy Conservation  
15 Code, as such Code (including supple-  
16 ments) is in effect on January 1, 2006,  
17 and

18           “(II) for which the heating and cool-  
19 ing equipment efficiencies correspond to  
20 the minimum allowed under the regula-  
21 tions established by the Department of En-  
22 ergy pursuant to the National Appliance  
23 Energy Conservation Act of 1987 and in  
24 effect at the time of completion of con-  
25 struction, and

1           “(ii) to have building envelope component  
2 improvements account for at least  $\frac{1}{5}$  of such  
3 60 percent, or

4           “(B) is certified—

5           “(i) to have a level of annual energy con-  
6 sumption which is at least 15 percent below the  
7 annual level of energy consumption of a com-  
8 parable dwelling unit—

9           “(I) which is constructed in accord-  
10 ance with the standards of chapter 4 of the  
11 2018 IECC, and

12           “(II) which meets the requirements  
13 described in subparagraph (A)(i)(II), and

14           “(ii) to have building envelope component  
15 improvements account for at least  $\frac{1}{5}$  of such  
16 15 percent,

17           “(2) is a manufactured home which—

18           “(A) conforms to Federal Manufactured  
19 Home Construction and Safety Standards (part  
20 3280 of title 24, Code of Federal Regulations),  
21 and

22           “(B) meets the requirements described in  
23 subparagraph (A) or (B) of paragraph (1),

24           “(3) meets the requirements established by the  
25 Administrator of the Environmental Protection

1 Agency under the Energy Star Labeled Homes pro-  
2 gram, or

3 “(4) is a manufactured home which—

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

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

8 (4) in subsection (g), by striking “December  
9 31, 2020” and inserting “December 31, 2022”.

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

13 **SEC. 4013. UPDATING CREDIT FOR NONBUSINESS ENERGY**  
14 **PROPERTY.**

15 (a) IN GENERAL.—Section 25C of the Internal Rev-  
16 enue Code of 1986 is amended—

17 (1) in subsection (a)(1), by striking “10 per-  
18 cent” and inserting “15 percent”,

19 (2) in subsection (b)—

20 (A) in paragraph (1)—

21 (i) by striking “\$500” and inserting  
22 “\$1,200”, and

23 (ii) by striking “December 31, 2005”  
24 and inserting “December 31, 2019”, and

1 (B) by striking paragraphs (2) and (3) and  
2 inserting the following:

3 “(2) LIMITATION ON INSULATION MATERIAL OR  
4 SYSTEM.—In the case of amounts paid or incurred  
5 for components described in subsection (c)(3)(A) by  
6 any taxpayer for any taxable year, the credit allowed  
7 under this section with respect to such amounts for  
8 such year shall not exceed the excess (if any) of  
9 \$600 over the aggregate credits allowed under this  
10 section with respect to such amounts for all prior  
11 taxable years ending after December 31, 2019.

12 “(3) LIMITATION ON WINDOWS.—

13 “(A) IN GENERAL.—

14 “(i) ENERGY STAR MOST EFFI-  
15 CIENT.—In the case of amounts paid or in-  
16 curred by any taxpayer for any taxable  
17 year for components described in sub-  
18 section (c)(3)(B) which meet the most effi-  
19 cient certification under applicable Energy  
20 Star program requirements, the credit al-  
21 lowed under this section with respect to  
22 such amounts for such year shall not ex-  
23 ceed the excess (if any) of \$600 over the  
24 aggregate credits allowed under this sec-  
25 tion with respect to such amounts for all



1 prior taxable years ending after December  
2 31, 2019.

3 “(ii) ENERGY STAR.—In the case of  
4 amounts paid or incurred by any taxpayer  
5 for any taxable year for components de-  
6 scribed in subsection (e)(3)(B) which do  
7 not meet the most efficient certification  
8 under applicable Energy Star program re-  
9 quirements, the credit allowed under this  
10 section with respect to such amounts for  
11 such year shall not exceed the excess (if  
12 any) of \$200 over the aggregate credits al-  
13 lowed under this section with respect to  
14 such amounts for all prior taxable years  
15 ending after December 31, 2019.

16 “(B) ELECTION.—

17 “(i) IN GENERAL.—For purposes of  
18 any amounts paid or incurred by any tax-  
19 payer for components described in sub-  
20 section (e)(3)(B), the credit allowed under  
21 this section shall only be allowed for com-  
22 ponents described in clause (i) of subpara-  
23 graph (A) or clause (ii) of such subpara-  
24 graph, but not both, as elected by the tax-  
25 payer during the first taxable year in



1           “(5) LIMITATION ON RESIDENTIAL ENERGY  
2 PROPERTY EXPENDITURES.—The amount of the  
3 credit allowed under this section by reason of sub-  
4 section (a)(2) shall not exceed—

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

7           “(i) for any item of property described  
8 in subparagraph (A), (B), or (C) of sub-  
9 section (d)(3), \$600, and

10           “(ii) for any item of property de-  
11 scribed in subparagraph (D) or (E) of such  
12 subsection, \$400, and

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

17           “(i) \$600 for a hot water boiler, and

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

20           “(I) \$300, plus

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

24           (3) in subsection (c)—

25           (A) in paragraph (2)—

1 (i) by striking subparagraphs (A) and  
2 (B) and inserting the following:

3 “(A) applicable Energy Star program re-  
4 quirements, in the case of an exterior window,  
5 a skylight, or an exterior door, and”,

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

8 (iii) in subparagraph (B), as so redes-  
9 ignated, by striking “2009 International”  
10 and all that follows through “Act of 2009”  
11 and inserting “2015 IECC (as defined in  
12 section 45L(b)(5))”,

13 (B) in paragraph (3)—

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

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

18 (iii) by striking subparagraph (D),  
19 and

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

22 “(5) LABOR COSTS.—The term ‘qualified en-  
23 ergy efficiency improvements’ includes expenditures  
24 for labor costs properly allocable to the onsite prepa-

1       ration, assembly, or original installation of any en-  
2       ergy efficient building envelope component.”,

3               (4) in subsection (d)—

4                       (A) in paragraph (2)(A)—

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

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

9                               (iii) by striking clause (iii),

10                      (B) in paragraph (3)—

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

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

17                               (ii) in subparagraph (B), by striking  
18                               “January 1, 2009” and inserting “the date  
19                               of enactment of the American Energy In-  
20                               novation Act of 2020”,

21                               (iii) in subparagraph (C), by striking  
22                               “January 1, 2009” and inserting “the date  
23                               of enactment of the American Energy In-  
24                               novation Act of 2020”,

1 (iv) by striking subparagraph (D) and  
2 inserting the following:

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

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

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

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

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

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

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

22 (v) in subparagraph (E), by striking  
23 “of at least 75 percent” and inserting the  
24 following: “(as determined pursuant to the  
25 applicable list published by the Environ-

1                   mental Protection Agency for certified  
2                   wood stoves, hydronic heaters, or forced-air  
3                   furnaces) of at least—

4                   “(i) in the case of any stove placed in  
5                   service before January 1, 2021, 73 per-  
6                   cent, and

7                   “(ii) in the case of any stove placed in  
8                   service after December 31, 2020, 75 per-  
9                   cent.”,

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

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

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

17                  (D) by striking paragraph (5), and

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

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

22                  “(4) INSTALLATION STANDARDS.—The terms  
23                  ‘energy efficient building envelope component’ and  
24                  ‘qualified energy property’ shall not include any  
25                  components or property which are not installed ac-

1 cording to any applicable Air Conditioning Contrac-  
2 tors of America Quality Installation standards which  
3 are in effect at the time that such components or  
4 property are placed in service.

5 “(5) REPLACEMENT OF TERMINATED STAND-  
6 ARDS.—In the case of any standard, requirement, or  
7 criteria applicable to any energy efficient building  
8 envelope component or qualified energy property  
9 which is terminated after the date of enactment of  
10 the American Energy Innovation Act of 2020, the  
11 Secretary, in consultation with the Secretary of En-  
12 ergy, shall identify a similar standard, requirement,  
13 or criteria for purposes of determining the eligibility  
14 of any such component or property for purposes of  
15 credit allowed under this section.”, and

16 (6) in subsection (g)(2), by striking “December  
17 31, 2020” and inserting “December 31, 2024”.

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

21 **SEC. 4014. GREEN ENERGY PUBLICLY TRADED PARTNER-**  
22 **SHIPS.**

23 (a) IN GENERAL.—Section 7704(d)(1)(E) is amend-  
24 ed—



1           (1) by striking “income and gains derived from  
2 the exploration” and inserting “income and gains  
3 derived from—

4                           “(i) the exploration”,

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

7           (3) by striking “, or the transportation or stor-  
8 age” and all that follows and inserting the following:

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

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

18                           “(iv) in the case of a facility described  
19 in paragraph (3) or (7) of section 45(d)  
20 (determined without regard to any placed  
21 in service date or date by which construc-  
22 tion of the facility is required to begin),  
23 the accepting or processing of open-loop  
24 biomass or municipal solid waste,

1           “(v) the storage of electric power or  
2 thermal energy exclusively using energy  
3 property that is energy storage property  
4 (as defined in section 48(c)(5)),

5           “(vi) the generation, storage, or dis-  
6 tribution of electric power or thermal en-  
7 ergy exclusively using energy property that  
8 is combined heat and power system prop-  
9 erty (as defined in section 48(c)(3), deter-  
10 mined without regard to subparagraph  
11 (B)(iii) thereof and without regard to any  
12 date by which the construction of the facil-  
13 ity is required to begin),

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

17           “(viii) the conversion of renewable bio-  
18 mass (as defined in subparagraph (I) of  
19 section 211(o)(1) of the Clean Air Act (as  
20 in effect on the date of the enactment of  
21 this clause)) into renewable fuel (as de-  
22 fined in subparagraph (J) of such section  
23 as so in effect), or the storage or transpor-  
24 tation of such fuel,

1                   “(ix) the production, storage, or  
2 transportation of any fuel which—

3                   “(I) uses as its primary feedstock  
4 carbon oxides captured from an an-  
5 thropogenic source or the atmosphere,

6                   “(II) does not use as its primary  
7 feedstock carbon oxide which is delib-  
8 erately released from naturally occur-  
9 ring subsurface springs, and

10                   “(III) is determined by the Sec-  
11 retary, after consultation with the  
12 Secretary of Energy and the Adminis-  
13 trator of the Environmental Protec-  
14 tion Agency, to achieve a reduction of  
15 not less than a 60 percent in lifecycle  
16 greenhouse gas emissions (as defined  
17 in section 211(o)(1)(H) of the Clean  
18 Air Act, as in effect on the date of the  
19 enactment of this clause) compared to  
20 baseline lifecycle greenhouse gas emis-  
21 sions (as defined in section  
22 211(o)(1)(C) of such Act, as so in ef-  
23 fect),

24                   “(x) the generation of electric power  
25 from, a qualifying gasification project (as

1 defined in section 48B(c)(1) without re-  
2 gard to subparagraph (C)) that is de-  
3 scribed in section 48(d)(1)(B), or

4 “(xi) in the case of a qualified facility  
5 (as defined in section 45Q(d), without re-  
6 gard to any date by which construction of  
7 the facility is required to begin) not less  
8 than 50 percent (30 percent in the case of  
9 a facility placed in service before January  
10 1, 2020) of the total carbon oxide produc-  
11 tion of which is qualified carbon oxide (as  
12 defined in section 45Q(c))—

13 “(I) the generation, availability  
14 for such generation, or storage of elec-  
15 tric power at such facility, or

16 “(II) the capture of carbon diox-  
17 ide by such facility.”

18 (b) EFFECTIVE DATE.—The amendments made by  
19 this section apply to taxable years beginning after Decem-  
20 ber 31, 2019.

21 **SEC. 4015. EXTENSION OF CREDIT FOR RESIDENTIAL EN-**  
22 **ERGY EFFICIENT PROPERTY.**

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

1 (b) APPLICABLE PERCENTAGE.—Section 25D(g) of  
2 the Internal Revenue Code of 1986 is amended—

3 (1) in paragraph (1), by striking “January 1,  
4 2020” and inserting “January 1, 2023”,

5 (2) in paragraph (2), by striking “after Decem-  
6 ber 31, 2019, and before January 1, 2021” and in-  
7 serting “after December 31, 2022, and before Janu-  
8 ary 1, 2024”, and

9 (3) in paragraph (3), by striking “after Decem-  
10 ber 31, 2020, and before January 1, 2022” and in-  
11 serting “after December 31, 2023, and before Janu-  
12 ary 1, 2025”.

13 (c) EFFECTIVE DATE.—The amendments made by  
14 this section shall apply to property placed in service after  
15 December 31, 2019.