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H. R. 6275

To promote the domestic development and deployment of clean energy technologies required for the 21st century.

IN THE HOUSE OF REPRESENTATIVES

AUGUST 2, 2012

Mr. FILNER (for himself, Mr. HINCHEY, Mr. KUCINICH, Mr. CICILLINE, Mr. QUIGLEY, Mr. CARNAHAN, Mr. CLAY, Ms. PINGREE of Maine, Mr. CARSON of Indiana, Mr. JOHNSON of Georgia, and Mr. ROTHMAN of New Jersey) introduced the following bill; which was referred to the Committee on Ways and Means, and in addition to the Committees on Energy and Commerce, Science, Space, and Technology, and Transportation and Infrastructure, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned

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A BILL

To promote the domestic development and deployment of clean energy technologies required for the 21st century.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE; TABLE OF CONTENTS; FINDINGS.

(a) SHORT TITLE.—This Act may be cited as the ''Clean Energy Victory Bond Act of 2012''.

(b) TABLE OF CONTENTS.—The table of contents for this Act is as follows:

Sec. 1. Short title; table of contents; findings.
Sec. 2. Findings.

TITLE I—REVENUE PROVISIONS

Sec. 101. Extension and modification of energy investment tax credit.
Sec. 102. Extension and modification of credit for electricity produced from certain renewable resources.
Sec. 103. Extension and modification of grants for specified energy property in lieu of tax credits.
Sec. 104. Modification of and increased allocation for qualifying advanced energy project credit.
Sec. 105. Extension of credit for nonbusiness energy property.

TITLE II—GRANT PROGRAMS AND LOAN GUARANTEES

Sec. 201. Plug-in electric vehicle grants in lieu of tax credits.
Sec. 202. Plug-in hybrid electric vehicle charging station grant program.
Sec. 203. Extension of renewable energy and electric power transmission loan guarantees.

TITLE III—CLEAN ENERGY VICTORY BONDS

Sec. 301. Clean Energy Victory Bonds.

SEC. 2. FINDINGS.

Congress finds the following:

(1) There is enormous potential for increasing renewable energy production and energy efficiency installation in the United States.

(2) A major barrier to rapid expansion of renewable energy and energy efficiency is upfront capital costs. Government tax incentives and other assistance programs have proven beneficial in encouraging private sector development, manufacturing and installation of renewable energy and energy efficiency projects nationwide. However, these government incentives are not currently meeting demand from the private sector, and we are not taking full advantage of the potential for clean energy and

transportation, as well as energy efficiency in the United States.

(3) Other nations, including China and Germany are ahead of the United States in manufacturing and deploying various clean energy technologies, even though the United States invented many of these technologies.

(4) Investments in renewable energy and energy efficiency projects in the United States create green jobs for U.S. citizens across the United States. Hundreds of thousands of jobs could be created through expanded government support for clean energy and energy efficiency.

(5) As Americans choose energy efficiency and clean energy and transportation, it reduces our dependence on foreign oil and improves our energy security.

(6) Bonds are a low-cost method for encouraging clean energy, not requiring direct budget allocations or expenditures. The projects supported through Clean Energy Victory Bonds will create jobs and business revenues that will increase Federal tax revenues, while simultaneously reducing health and environmental costs incurred by the Federal Government nationwide.

(7) In World War II, over 80 percent of American households purchased Victory Bonds to support the war effort, raising over $185 billion, or over $2 trillion in today's dollars.

TITLE I—REVENUE PROVISIONS

SEC. 101. EXTENSION AND MODIFICATION OF ENERGY INVESTMENT TAX CREDIT.

(a) EXTENSION.—

(1) SOLAR ENERGY.—Paragraphs (2)(A)(i)(II) and (3)(A)(ii) of section 48(a) of the Internal Revenue Code of 1986 are each amended by striking ''January 1, 2017'' and inserting ''January 1, 2023''.

(2) GEOTHERMAL HEAT PUMPS.—Clause (vii) of section 48(a)(3)(A) of such Code is amended by striking ''January 1, 2017'' and inserting ''January 1, 2023''.

(3) FUEL CELL PROPERTY.—Subparagraph (D) of section 48(c)(1) of such Code is amended by striking ''December 31, 2016'' and inserting ''December 31, 2022''.

(4) MICROTURBINE PROPERTY.—Subparagraph (D) of section 48(c)(2) of such Code is amended by striking ''December 31, 2016'' and inserting ''December 31, 2022''.

(5) COMBINED HEAT AND POWER.—Clause (iv) of section 48(c)(3) of such Code is amended by striking ''January 1, 2017'' and inserting ''January 1, 2023''.

(6) SMALL WIND.—Subparagraph (C) of section 48(c)(4) of such Code is amended by striking ''December 31, 2016'' and inserting ''December 31, 2022''.

(7) OFFSHORE WIND.—

(A) IN GENERAL.—Clause (i) of section 48(a)(5)(C) of such Code is amended—

(i) by striking ''is placed in service in'' in clause (i) and inserting the following: ''is—

''(I) except as provided in subclause (II), placed in service in'',

(ii) by striking the period at the end and inserting '', and'', and

(iii) by adding at the end the following new subclause:

''(II) in the case of an offshore wind facility, placed in service after December 31, 2008, and before January 1, 2021.''.

(B) OFFSHORE WIND FACILITY.—Subparagraph (C) of section 48(a)(5) of such Code is amended by adding at the end the following new clause:

"(iii) OFFSHORE WIND FACILITY.—The term 'offshore wind facility' means any qualified facility described in section 45(d)(1) and 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 United States, and the outer Continental Shelf of the United States.".

(b) MODIFICATION OF FUEL CELL PROPERTY.—Paragraph (1) of section 48(c) of such Code is amended by redesignating subparagraph (D) as subparagraph (E) and by inserting after subparagraph (C) the following new subparagraph:

"(D) EXCEPTION FOR FUEL DERIVED FROM FOSSIL FUELS.—The term 'qualified fuel cell powerplant' shall not include any fuel cell powerplant the fuel of which is derived from, or is produced by using, any fossil fuel.".

(c) EFFECTIVE DATE.—The amendments made by this section shall take effect on the date of the enactment of this Act.

SEC. 102. EXTENSION AND MODIFICATION OF CREDIT FOR ELECTRICITY PRODUCED FROM CERTAIN RENEWABLE RESOURCES.

(a) EXTENSION.—Subsection (d) of section 45 of the Internal Revenue Code of 1986 is amended—

(1) by striking ''January 1, 2013'' in paragraph (1) and inserting ''January 1, 2023'',

(2) by striking ''January 1, 2014'' each place it appears in paragraphs (4), (9), and (11) and inserting ''January 1, 2023'', and

(3) by striking ''January 1, 2006'' in paragraph (4) and inserting ''January 1, 2023''.

(b) MODIFICATION OF BIOFUEL AS QUALIFIED ENERGY RESOURCE.—

(1) IN GENERAL.—Paragraph (1) of section 45(c) of such Code is amended by striking ''and'' at the end of subparagraph (H), by striking the period at the end of subparagraph (I) and inserting '', and'', and by adding at the end the following new subparagraph:

''(J) second generation biomass.''.

(2) SECOND GENERATION BIOMASS DEFINED.—Subsection (c) of section 45 of such Code is amended by adding at the end the following new paragraph:

''(11) SECOND GENERATION BIOMASS.—The term 'second generation biomass' means any biomass which is composed of lignocellulosic or hemicellulosic matter that is available on a renewable or recurring basis (other than any fuel described in section 40(b)(6)(E)(iii)).''.

(3) QUALIFIED FACILITY.—Subsection (d) of section 45 of such Code is amended by adding at the end the following new paragraph:

''(12) SECOND GENERATION BIOMASS.—In the case of a facility producing electricity from second generation biomass, the term 'qualified facility' means any facility owned by the taxpayer which is originally placed in service on or after the date of the enactment of this paragraph and before January 1, 2023.''.

(4) CONFORMING AMENDMENTS.—

(A) Subsection (d) of section 45 of such Code is amended by striking ''January 1, 2014'' each place it appears in paragraphs (2)(A)(i), (3), (6), and (7) and inserting ''the

date of the enactment of the Clean Energy Victory Bond Act of 2012''.

(B) Clause (ii) of section 45(d)(2)(A) of such Code is amended by striking ''January 1, 2014,'' and inserting ''the date of the enactment of the Clean Energy Victory Bond Act of 2012''.

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to property placed in service after the date of the enactment of this Act.

SEC. 103. EXTENSION AND MODIFICATION OF GRANTS FOR SPECIFIED ENERGY PROPERTY IN LIEU OF TAX CREDITS.

(a) IN GENERAL.—Subsection (a) of section 1603 of division B of the American Recovery and Reinvestment Act of 2009 is amended—

(1) in paragraph (1), by striking ''2009, 2010, or 2011'' and inserting ''2009, 2010, 2011, 2012, 2013, or 2014'', and

(2) in paragraph (2)—

(A) by striking ''after 2011'' and inserting ''after 2014'', and

(B) by striking ''2009, 2010, or 2011'' and inserting ''2009, 2010, 2011, 2012, 2013, or 2014''.

(b) MODIFICATION RELATING TO BIOMASS.—Paragraph (1) of section 1603(d) of division B of such Act is amended by striking ''or (11)'' and inserting ''(11), or (12)''.

(c) CONFORMING AMENDMENT.—Subsection (j) of section 1603 of division B of such Act is amended by striking ''2012'' and inserting ''2015''.

SEC. 104. MODIFICATION OF AND INCREASED ALLOCATION FOR QUALIFYING ADVANCED ENERGY PROJECT CREDIT.

(a) INCREASED ALLOCATION.—Subparagraph (B) of section 48C(d) of the Internal Revenue Code of 1986 is amended by striking ''$2,300,000,000'' and inserting ''$7,300,000,000''.

(b) EXTENSION OF APPLICATION DEADLINE.—Subparagraph (A) of section 48C(d)(2) of such Code is amended by adding at the end the following new sentence: ''The application referred to in the preceding sentence shall be treated as timely made if submitted not later than 24 months after the date of the enactment of this Act.''.

(c) ELIMINATION OF CARBON DIOXIDE SEQUESTRATION.—Clause (i) of section 48C(c)(1)(A) of such Code is amended by striking subclause (IV) and by redesignating subclauses (V), (VI), and (VII) as subclauses (IV), (V), and (VI), respectively.

(d) MODIFICATION OF SELECTION CRITERIA FOR RENEWABLE FUEL PROJECTS.—Subparagraph (B) of section 48C(d)(3) is amended by striking ''and'' at the end of clause (iv), by striking the period at the end of clause (v) and inserting '', and'', and by adding at the end the following new clause:

''(vi) in the case of a project with respect to property designed to refine or blend renewable fuels, do not produce a net increase in carbon dioxide emissions and do not use inputs which displace food crops.''.

(e) EFFECTIVE DATE.—The amendment made by this section shall apply to credits allocated after the date of the enactment of this Act.

SEC. 105. EXTENSION OF CREDIT FOR NONBUSINESS ENERGY PROPERTY.

Paragraph (2) of section 25C(g) of the Internal Revenue Code of 1986 is amended by striking ''December 31, 2011'' and inserting ''December 31, 2022''.

TITLE II—GRANT PROGRAMS AND LOAN GUARANTEES

SEC. 201. PLUG-IN ELECTRIC VEHICLE GRANTS IN LIEU OF TAX CREDITS.

(a) IN GENERAL.—The Secretary of Energy, in consultation with the Secretary of the Treasury, shall establish a voluntary program through which the Secretary of Energy shall—

(1) authorize the issuance of an electronic voucher to offset the purchase price of a qualified plug-in electric vehicle or a new qualified plug-in electric drive motor vehicle purchased from a dealer participating in the program;

(2) register dealers for participation in the program and require that all dealers so registered accept such vouchers as partial payment or down payment for the purchase of any such vehicle offered for sale by such dealer;

(3) make electronic payments to dealers for eligible transactions by such dealers; and

(4) in consultation with the Inspector General of the Department of Transportation establish and provide for the enforcement of measures to prevent and penalize fraud under the program.

(b) VOUCHER LIMITATIONS.—A voucher issued under the program shall have a value that may be applied to offset the purchase price of a vehicle by—

(1) in the case of a qualified plug-in electric vehicle, $2,500; or

(2) in the case of a new qualified plug-in electric drive motor vehicle, $2,500 plus an amount determined with respect to the vehicle under section 30D(b)(3) of the Internal Revenue Code of 1986.

(c) TREATED AS ADVANCE PAYMENT OF CREDIT.—Use of a voucher under the program to offset the purchase price of a vehicle shall, for purposes of the Internal Revenue Code of 1986, be treated as advance payment of the credit allowed under section 30 or 30D of such Code, as the case may be, and the amount of credit which would (but for this paragraph) be allowable with respect to such vehicle under either such section shall be reduced (but not below zero) by the amount of the voucher so used.

(d) DEFINITIONS AND SPECIAL RULES.—For purposes of this section—

(1) QUALIFIED PLUG-IN ELECTRIC VEHICLE.—The term ''qualified plug-in electric vehicle'' shall have the meaning given such term by section 30(d) of the Internal Revenue Code of 1986.

(2) NEW QUALIFIED PLUG-IN ELECTRIC DRIVE MOTOR VEHICLE.—The term ''new qualified plug-in electric drive motor vehicle'' shall have the meaning given such term by section 30D(d) of such Code.

(3) NO COMBINATION OF VOUCHERS.—Only 1 voucher issued under the program may be applied toward the purchase of a single vehicle.

(4) COMBINATION WITH OTHER INCENTIVES PERMITTED.—The availability or use of a Federal, State, or local incentive or a State-issued voucher for the purchase of any vehicle shall not limit the value or issuance of a voucher under the program to any person otherwise eligible to receive such a voucher.

(5) NO ADDITIONAL FEES.—A dealer participating in the program may not charge a person purchasing a vehicle any additional fees associated with the use of a voucher under the program.

(6) APPLICATION OF CERTAIN RULES.—Rules similar to the rules of paragraphs (1), (2), (3), (4), and (5) of section 30(e) of such Code shall apply for purposes of this section.

(e) TERMINATION AND PHASEOUT.—

(1) TERMINATION FOR QUALIFIED PLUG-IN ELECTRIC VEHICLES.—This section shall not apply

to any qualified plug-in electric vehicle acquired after December 31, 2015.

(2) PHASEOUT FOR NEW QUALIFIED PLUG-IN ELECTRIC DRIVE MOTOR VEHICLE.—The amount of any voucher with respect to any new qualified plug-in electric drive motor vehicle shall be reduced as provided in section 30D(e) of the Internal Revenue Code of 1986.

(f) REGULATIONS.—The Secretary of Energy, in consultation with the Secretary of the Treasury, shall prescribe such regulations as may be necessary or appropriate to carry out the purposes of this section.

SEC. 202. PLUG-IN HYBRID ELECTRIC VEHICLE CHARGING STATION GRANT PROGRAM.

(a) AVAILABILITY OF FUNDS.—From amounts raised through the sale of Clean Energy Victory Bonds, the Secretary of the Treasury shall provide funding to the Secretary of Energy to establish the plug-in hybrid electric vehicle charging station grant program under subsection (b) and the new battery technology research and development program under subsection (c).

(b) PLUG-IN HYBRID ELECTRIC VEHICLE CHARGING STATION GRANT PROGRAM.—To the extent that funding is available pursuant to subsection (a), the Secretary of Energy shall provide up to a total of $500,000,000 in

grants to State, local, and tribal governments for the installation and operation of public charging stations for plug-in hybrid electric vehicles.

(c) BATTERY TECHNOLOGY DEVELOPMENT.—To the extent that funding is available pursuant to subsection (a), the Secretary of Energy shall provide up to a total of $500,000,000 through a competitive grant program for research and development on batteries for plug-in hybrid electric vehicles.

SEC. 203. EXTENSION OF RENEWABLE ENERGY AND ELECTRIC POWER TRANSMISSION LOAN GUARANTEES.

Section 1705 of the Energy Policy Act of 2005 (42 U.S.C. 16516) is amended—

(1) in subsection (a), by striking ''September 30, 2011'' and inserting ''September 30, 2022''; and

(2) in subsection (e), by striking ''September 30, 2011'' and inserting ''September 30, 2022''.

TITLE III—CLEAN ENERGY VICTORY BONDS

SEC. 301. CLEAN ENERGY VICTORY BONDS.

(a) INITIAL CAPITALIZATION.—The Secretary of the Treasury shall issue Clean Energy Victory Bonds in an amount not to exceed $7,500,000,000 on the credit of the United States for purposes of raising revenue for the ex-

tension of certain energy-related tax benefits extended by this Act.

(b) DENOMINATIONS AND MATURITY.—Clean Energy Victory Bonds shall be in the form of United States Savings Bonds of Series EE or as administered by the Bureau of the Public Debt of the Department of the Treasury in denominations of $25, and shall mature within such periods as determined by the Secretary of the Treasury.

(c) INTEREST.—Clean Energy Victory Bonds shall bear interest at the rate the Secretary of the Treasury sets for Savings Bonds of Series EE and Series I, plus a rate of return determined by the Secretary of the Treasury which is based on the valuation of carbon mitigated or energy saved through funded projects funded from the proceeds of such bonds.

(d) PROMOTION.—

(1) IN GENERAL.—The Secretary of the Treasury shall take such actions, independently and in conjunction with financial institutions offering Clean Energy Victory Bonds, to promote the purchase of Clean Energy Victory Bonds, including campaigns describing the financial and social benefits of purchasing Clean Energy Victory Bonds.

(2) PROMOTIONAL ACTIVITIES.—Such promotional activities may include advertisements, pamphlets, or other promotional materials—

(A) in periodicals;

(B) on billboards and other outdoor venues;

(C) on television;

(D) on radio;

(E) on the Internet;

(F) within financial institutions that offer Clean Energy Victory Bonds; or

(G) any other venues or outlets the Secretary of the Treasury may identify.

(3) LIMITATION.—There are authorized to be appropriated for such promotional activities not more than—

(A) $10,000,000 in the first year after the date of the enactment of this Act, and

(B) $2,000,000 in each year thereafter.

(e) FUTURE CAPITALIZATION.—

(1) IN GENERAL.—After the initial capitalization limit is reached under subsection (a), the Secretary of the Treasury may issue additional Clean Energy Victory Bonds on the credit of the United States.

(2) SINGLE ISSUE LIMITATION.—No such additional issue may exceed $7,500,000,000.

(3) AGGREGATE LIMITATIONS.—The aggregate of any such additional issues during the 4-year period beginning on the day after the initial capitalization limit is reached under subsection (a) may not exceed $50,000,000,000. The aggregate of any such additional issues after the expiration of such 4-year period may not exceed $50,000,000,000.

(f) LAWFUL INVESTMENTS.—Clean Energy Victory Bonds shall be lawful investments, and may be accepted as security for all fiduciary, trust, and public funds, the investment or deposit of which shall be under the authority or control of the United States or any officer or officers thereof.

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