

110TH CONGRESS
2D SESSION

H. R. 7238

To provide a tax credit for qualified energy storage air conditioner property.

IN THE HOUSE OF REPRESENTATIVES

SEPTEMBER 29, 2008

Mr. THOMPSON of California (for himself and Mr. HERGER) introduced the following bill; which was referred to the Committee on Ways and Means

A BILL

To provide a tax credit for qualified energy storage air conditioner property.

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. CREDIT FOR QUALIFIED ENERGY STORAGE AIR**
4 **CONDITIONER PROPERTY INSTALLED IN A**
5 **PRINCIPAL RESIDENCE.**

6 (a) IN GENERAL.—Subsection (a) of section 25D of
7 the Internal Revenue Code of 1986 is amended by striking
8 “and” at the end of paragraph (2), by striking the period
9 at the end of paragraph (3) and inserting “, and”, and
10 by adding at the end the following new paragraph:

1 “(4) 30 percent of the qualified energy storage
2 air conditioner property expenditures made by the
3 taxpayer during such year.”.

4 (b) QUALIFIED ENERGY STORAGE AIR CONDITIONER
5 PROPERTY EXPENDITURE.—Section 25D(d) of such Code
6 is amended by adding at the end the following new para-
7 graph:

8 “(4) QUALIFIED ENERGY STORAGE AIR CONDI-
9 TIONER PROPERTY EXPENDITURE.—The term
10 ‘qualified energy storage air conditioner property ex-
11 penditure’ means an expenditure for qualified energy
12 storage air conditioner property (as defined in sec-
13 tion 48(d)) installed on or in connection with a
14 dwelling unit located in the United States and used
15 as a principal residence (within the meaning of sec-
16 tion 121) by the taxpayer.”.

17 (c) MODIFICATION OF MAXIMUM CREDIT.—

18 (1) IN GENERAL.—Paragraph (1) of section
19 25D(b) of such Code is amended by striking “and”
20 at the end of subparagraph (B), by striking the pe-
21 riod at the end of subparagraph (C) and inserting
22 “, and”, and by adding at the end the following new
23 subparagraph:

24 “(D) \$500 with respect to each half kilo-
25 watt of peak demand reduction (as defined in

1 section 48(d)) of qualified energy storage air
2 conditioner property (as defined in section
3 48(d)) for which qualified energy storage air
4 conditioner expenditures are made.”.

5 (2) CONFORMING AMENDMENTS.—Subpara-
6 graph (A) of section 25D(e)(4) of such Code is
7 amended by striking “and” at the end of clause (ii),
8 by striking the period at the end of clause (iii) and
9 inserting “, and”, and by adding at the end the fol-
10 lowing new clause:

11 “(iv) \$1,667 in the case of each half
12 kilowatt of peak demand reduction (as de-
13 fined in section 48(d)) of qualified energy
14 storage air conditioner property (as defined
15 in section 48(d)) for which qualified energy
16 storage air conditioner expenditures are
17 made.”.

18 (d) EXTENSION OF CREDIT.—Subsection (f) of sec-
19 tion 25D of such Code is amended by inserting “(Decem-
20 ber 31, 2014, in the case of qualified energy storage air
21 conditioner property (as defined in section 48(d))” before
22 the period at the end.

23 (e) EFFECTIVE DATE.—The amendments made by
24 this section shall apply to taxable years beginning after
25 December 31, 2008.

1 **SEC. 2. BUSINESS CREDIT FOR QUALIFIED ENERGY STOR-**
2 **AGE AIR CONDITIONER PROPERTY.**

3 (a) **IN GENERAL.**—Subparagraph (A) of section
4 48(a)(3) of the Internal Revenue Code of 1986 is amended
5 by deleting “or” at the end of clause (iii), by inserting
6 “or” at the end of clause (iv), and by inserting clause (iv)
7 the following new clause:

8 “(v) qualified energy storage air con-
9 ditioner property but only with respect to
10 periods ending before January 1, 2015,”.

11 (b) **30 PERCENT CREDIT.**—Clause (i) of section
12 48(a)(2)(A) of such Code is amended by striking “and”
13 at the end of subclause (II) and by inserting after sub-
14 clause (III) the following new subclause:

15 “(IV) qualified energy storage air
16 conditioner property, and”.

17 (c) **QUALIFIED ENERGY STORAGE AIR CONDITIONER**
18 **PROPERTY.**—Section 48 of such Code is amended by add-
19 ing at the end the following new subsection:

20 “(d) **QUALIFIED ENERGY STORAGE AIR CONDI-**
21 **TIONER PROPERTY.**—For the purposes of this section—

22 “(1) **IN GENERAL.**—The term ‘qualified energy
23 storage air conditioner property’ means a cooling
24 system which—

25 “(A) consists of thermal storage or ice
26 storage components which create, store, and

1 supply cooling energy to reduce peak electricity
2 demand by displacing the daytime peak elec-
3 trical demand of conventional mechanical cool-
4 ing equipment,

5 “(B) has a nameplate operational capa-
6 bility to deliver a minimum of 29,000 Btu and
7 a maximum of 240,000 Btu of cooling capacity,

8 “(C) is designed to deliver such cooling ca-
9 pacity for a minimum continuous period of 3
10 hours, available daily from May 1 through Sep-
11 tember 30, coincident with daytime peak load
12 periods,

13 “(D) is designed so as to reduce peak kilo-
14 watt demand by 90 percent for the cooling load
15 served, and

16 “(E) is designed so as not to exceed the 24
17 hour energy consumption of conventional cool-
18 ing equipment by more than 10 percent.

19 “(2) INCLUSION OF RELATED EQUIPMENT.—
20 Such term shall include any secondary components
21 which integrate the cooling system described in
22 paragraph (1) with the conventional cooling system,
23 including equipment and controls for measuring and
24 reporting operation and performance, but shall not

1 include any portion of the conventional cooling sys-
2 tem.

3 “(3) LIMITATION.—

4 “(A) IN GENERAL.—In the case of quali-
5 fied energy storage air conditioner property
6 placed in service during the taxable year, the
7 credit otherwise determined under this section
8 for such year with respect to such property
9 shall not exceed an amount equal to \$500 for
10 each 0.5 kilowatt of peak demand reduction of
11 such property.

12 “(B) PEAK DEMAND REDUCTION.—For
13 purposes of this subsection, the term ‘peak de-
14 mand reduction’ means the removal of electrical
15 demand (kW) on the utility grid system during
16 the daily time period of high electrical demand.
17 The peak demand reduction shall be determined
18 based on Energy Efficiency Ratio (EER) stand-
19 ards for residential and commercial air condi-
20 tioning equipment, established under the En-
21 ergy Policy and Conservation Act of 1975.”.

22 (d) EFFECTIVE DATE.—The amendments made by
23 this Act shall apply to taxable years beginning after De-
24 cember 31, 2008.

○