

114TH CONGRESS  
1ST SESSION

# H. R. 2657

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 HOUSE OF REPRESENTATIVES

JUNE 4, 2015

Mr. REED (for himself, Mr. BLUMENAUER, Mr. GIBSON, Mr. KIND, Mr. HECK of Nevada, Mr. WELCH, Mr. COLLINS of New York, Mr. RYAN of Ohio, Mr. AMODEL, and Ms. TITUS) introduced the following bill; which was referred to the Committee on Ways and Means

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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.—Section  
9 48(a)(2)(A)(i) of the Internal Revenue Code of 1986 is

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

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

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

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

16   “(A) WASTE HEAT TO POWER PROP-  
17   PERTY.—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 enactment of this Act, under rules similar to the rules of  
2 section 48(m) of the Internal Revenue Code of 1986 (as  
3 in effect on the day before the date of the enactment of  
4 the Revenue Reconciliation Act of 1990).

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