

117TH CONGRESS  
1ST SESSION

**S.** \_\_\_\_\_

To amend the Internal Revenue Code of 1986 to provide tax credits for energy storage technologies, and for other purposes.

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IN THE SENATE OF THE UNITED STATES

Mr. HEINRICH (for himself, Ms. COLLINS, Mr. SCHATZ, Mr. BENNET, Mr. WHITEHOUSE, Ms. HIRONO, Ms. SMITH, Mr. REED, Mr. BOOKER, Mrs. FEINSTEIN, Mr. VAN HOLLEN, and Mr. KING) introduced the following bill; which was read twice and referred to the Committee on

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**A BILL**

To amend the Internal Revenue Code of 1986 to provide tax credits for energy storage technologies, and for other purposes.

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 “Energy Storage Tax  
5 Incentive and Deployment Act of 2021”.

1 **SEC. 2. ENERGY CREDIT FOR ENERGY STORAGE TECH-**  
2 **NOLOGIES.**

3 (a) IN GENERAL.—Subclause (II) of section  
4 48(a)(2)(A)(i) of the Internal Revenue Code of 1986 is  
5 amended by striking “paragraph (3)(A)(i)” and inserting  
6 “clause (i) or (ix) of paragraph (3)(A)”.

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

12 “(ix) equipment which receives, stores,  
13 and delivers energy using batteries, com-  
14 pressed air, pumped hydropower, hydrogen  
15 storage (including electrolysis), thermal en-  
16 ergy storage, regenerative fuel cells,  
17 flywheels, capacitors, superconducting  
18 magnets, or other technologies identified  
19 by the Secretary in consultation with the  
20 Secretary of Energy, and which has a ca-  
21 pacity of not less than 5 kilowatt hours.”.

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

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

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

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

7   **SEC. 3. RESIDENTIAL ENERGY EFFICIENT PROPERTY**  
8                   **CREDIT FOR BATTERY STORAGE TECH-**  
9                   **NOLOGY.**

10          (a) IN GENERAL.—Subsection (a) of section 25D of  
11          the Internal Revenue Code of 1986 is amended—

12               (1) by striking “and” at the end of paragraph  
13               (5), and

14               (2) by adding at the end the following new  
15               paragraph:

16               “(7) the qualified battery storage technology ex-  
17               penditures,”.

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

22               “(7) QUALIFIED BATTERY STORAGE TECH-  
23               NOLOGY EXPENDITURE.—The term ‘qualified bat-  
24               tery storage technology expenditure’ means an ex-  
25               penditure for battery storage technology which—

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

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

6           (c) EFFECTIVE DATE.—The amendments made by  
7 this section shall apply to expenditures paid or incurred  
8 in taxable years beginning after December 31, 2020.