****

|  |  |
| --- | --- |
| **For Immediate Release:** | **Contact:** [Megan Taylor](mailto:Megan_Taylor@heller.senate.gov) |
| September 29, 2017 | 202-224-6244 |

**Heller, Heinrich Introduce Bipartisan Bill to Establish Investment Tax Credit For Energy Storage**

Washington, D.C. – U.S. Senators Dean Heller (R-NV), Chairman of the Senate Finance Committee’s Subcommittee on Energy, Natural Resources, and Infrastructure, and Martin Heinrich (D-NM) introduced the bipartisan Energy Storage Tax Incentive and Deployment Act of 2017 (S.1868), legislation to establish investment tax credit (ITCs) for business and home use of energy storage.

“In a state with immense renewable energy potential, like Nevada, utilizing energy storage technologies is critical to the affordability, efficiency, and reliability of our electrical grid. The bipartisan Energy Storage Tax Incentive and Deployment Act will help attract investment to Nevada and allow our constituents to see real savings in their monthly bills,” **said Heller**. “As Chairman of the Senate Finance Subcommittee on Energy, Natural Resources, and Infrastructure, I’m proud to work with Senator Heinrich on this bill and will continue to work for an all-of-the-above energy policy.”

“I continue to be incredibly excited by the potential for innovative energy storage technologies to improve the efficiency, reliability and resiliency of our electric delivery systems that power homes and businesses. Widespread use of energy storage could help integrate renewable energy sources into our grid, support more robust microgrids, and optimize the operation of all types of power generating sources,” **said Heinrich**. “This bipartisan bill will make it easier and more affordable to utilize energy storage technologies that will strengthen the renewable energy sector and support the thousands of clean energy jobs in New Mexico.”

Currently, there are no direct tax incentives available for energy storage. Energy storage complements intermittent renewable resources, such as solar and wind, to increase full-time availability, provide backup power in case of emergencies, and help reduce the need for high-cost power during periods of peak demand—such as during the coldest mornings or hottest afternoons. According to a U.S. Department of Energy study, there are about 25,000 megawatts of installed energy storage in the United States.

The proposed tax incentives are modeled on the current ITCs for solar energy and apply to either large, grid-connected energy storage systems or to smaller battery systems for residential power. Home battery storage, coupled with roof-top solar or a small wind system, could be used to store energy during the day for use later in the day or during overcast skies and to help consumers reduce their energy bills.

Senators Heller and Heinrich [introduced a similar version of the bill](https://www.heller.senate.gov/public/index.cfm/pressreleases?ID=E2A22E55-5453-4CD6-B6B7-49AF0D22F0F6) last year.

As a member of the Senate Finance Committee, Heller has successfully fought to include provisions in an end-of-the-year tax package (Public Law 114-113) to extend and enhance the production tax credit (PTC) and investment tax credit (ITC). These two incentives play a major role in driving investment into the renewable energy sector.

**Background:**

Highlights of the Energy Storage Tax Incentive and Deployment Act:

• Business Energy Investment Credit for Energy Storage - For commercial applications, the bill provides the same tax incentive as currently available for solar energy in section 48 of the tax code. All energy storage technologies would qualify, including batteries, flywheels, pumped hydro, thermal energy, and compressed air. To qualify for the ITC, the system must have a storage capacity of at least 5 kilowatt-hours. The credit allowed is the same as currently available for solar energy, including the phasedown. The IRS currently allows an ITC for energy storage when it is installed in conjunction with a solar energy system. The bill would extend the ITC to any energy storage project in all applications, including consumer-owned, grid-connected, or off-grid.

• Residential Energy Property Tax Credit for Energy Storage - For residential applications, the bill provides homeowners the same credit as currently available for solar energy in section 25D. However, only battery storage is eligible for the residential ITC, and the system must have a storage capacity of at least 3 kilowatt-hours.