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**Heller Supports Bipartisan Bill To Create Tax** **Credit For Energy Storage**Legislation establishes incentives for business and home use of energy storage**(Washington, DC)** – Today, U.S. Senator Dean Heller issued the following statement after becoming a cosponsor of S. 3159, the [*Energy Storage Tax Incentive and Deployment Act*](http://www.heinrich.senate.gov/download/energystoragetaxincentiveanddeploymentact2016). The legislation, introduced by Senator Martin Heinrich (D-N.M.), a member of the Senate Committee on Energy and Natural Resources, establishes investment tax credits (ITC) for business and home use of energy storage. The bipartisan bill was also cosponsored by Senators Brian Schatz (D-Hawaii), Al Franken (D-Minn.), Jeff Merkley (D-Ore.), Angus King (I-Maine), Jack Reed (D-R.I.), and Mazie K. Hirono (D-Hawaii).  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 a small wind or roof-top solar 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."In a state with immense renewable energy potential, like Nevada, utilizing energy storage technologies are important to the affordability, efficiency, and reliability of our electrical grid," **said Sen. Heller.** "The Energy Storage Tax Incentive and Deployment Act will not only attract investments to our state but will also allow for our constituents to see real savings in their monthly bills. I'd like to thank Senator Heinrich for his leadership on this bipartisan legislation.""This bipartisan bill will ensure federal policy supports the integration of emerging storage technologies into our nation's energy grid. Grid-scale energy storage will bolster system resilience during emergencies and outages, provide reliable supplemental services to the grid, and displace new investment in expensive substations and transmission lines," **said Sen. Heinrich.** "As generation and storage technologies improve and become less expensive in the coming years, economics will drive new electrical generation consistently in the direction of clean, pollution-free power. Thousands of workers in New Mexico already work in the renewable energy sector, and with our incredible potential for both solar and wind and innovative research and development at our national laboratories and universities, the state is poised to become a major producer and exporter of clean power.""Our bipartisan legislation would make it easier for more renewable energy to be integrated into the grid, increasing reliability while continuing to expand our clean energy economy," **said Sen. Schatz.** "By promoting more development of energy storage technologies, we can ease our dependence on foreign oil and create good, clean energy jobs in Hawai‘i and across the country.""I've focused on expanding energy storage for a long time now because it's a potential game changer in our race to a clean energy future" **said Sen. Franken, a member of the Senate Energy Committee.** "This bipartisan bill creates new incentives for businesses and homeowners to invest in energy storage capacity. And by making these smart investments, we can help create a cleaner, more reliable energy grid all while supporting good jobs in Minnesota and across the country.""It's critical that we do all we can to promote the use of renewable energy.  I'm fully supportive of establishing investment tax credits for energy storage, which plays an important role in capturing the energy generated by clean, sustainable sources such as wind and solar," **said Sen. Reed.** "Providing incentives for the creative and effective storage of energy will help prepare individual households, industry, utilities, and our nation's electric grid to navigate the future of clean power and energy efficiency.""Innovative storage technology is the tool that can help us capture the full potential of renewable resources, like wind and solar, and move us closer to achieving a cleaner, more stable and more affordable energy future," **said Sen. King.** "This investment tax credit will play an important role in encouraging storage innovation, supporting the growth of the industry, and helping businesses and consumers alike as they take their energy future into their own hands by investing in renewable power.""As Hawaii moves toward achieving a goal of 100 percent renewable energy, accelerating the use of energy storage will help our state reduce our reliance on fossil fuels," **said Sen. Mazie K. Hirono.** "We've made tremendous progress over the past 20 years to make this technology more accessible. When I was Lieutenant Governor of Hawaii, an energy storage facility took up the size of a football field. Today it is one quarter of that size. Investment in research and development made this advancement possible. This bill establishes new tax credits that build on what we've learned from the solar industry to spur innovation in energy storage.""It's time to set our sights on fully transitioning to running our country on clean energy," **said Sen. Merkley.** "Developing affordable energy storage is an indispensable component of making that vision a reality."Energy storage compliments intermittent renewable resources, such as wind and solar 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. And [according](http://energy.gov/sites/prod/files/2014/09/f18/Grid%20Energy%20Storage%20December%202013.pdf) to the U.S. Department of Energy, in the United States today there are about 25,000 megawatts of installed energy storage.The Energy Storage Tax Incentive and Deployment Act has the backing of the Energy Storage Association, the National Electrical Contractors Association, and the National Electrical Manufacturers Association. "Extending the investment tax credit to energy storage is critical to accelerate transition to a flexible, efficient and resilient U.S. electric grid," **said Matt Robert, Executive Director of the Energy Storage Association.** "This legislation demonstrates there is bipartisan agreement that reducing tax burdens on innovators and opening new opportunities for utilities, businesses and households to invest in intelligent energy systems is an effective way to modernize our energy infrastructure and create a cleaner, more reliable electric grid.""Energy storage is an important component of the work we do on both the utility and customer sides of the service point And this work is performed routinely by qualified electrical contractors and electricians nationwide," **said Marco A. Giamberardino, Executive Director for Government Affairs of the National Electrical Contractors Association.**"Senators Heinrich, Heller, and Schatz's legislation will go along way to ensure the tax code will recognize and incentivize energy storage technology for what it is--a critical part of an integrated approach to modernizing the nation's electric grid. These additional incentives will help usher a national transformation to a smarter and more reliable power grid. NECA thanks Senator Heinrich for his leadership on this important issue.""Energy storage is an essential part of a modern, flexible electricity system, providing a multitude of services that make the grid more efficient, reliable, and sustainable," **said Kevin J. Cosgriff, President and CEO of the National Electrical Manufacturers Association.** "NEMA and our nearly 400 member manufacturers applaud Senator Heinrich and the bill cosponsors for leading the way in promoting increased adoption of energy storage by introducing the Energy Storage Tax Incentive and Deployment Act."**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 IRS code.  All energy storage technologies would qualify, including batteries, flywheels, pumped hydro, thermal energy, compressed air, etc.  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 phase down.  The IRS currently allows a limited ITC for energy storage when it is installed in conjunction with a solar or wind energy system.  The bill would extend the ITC for 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.

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