

.....  
(Original Signature of Member)

113TH CONGRESS  
2D SESSION

# H. R.

To promote the domestic development and deployment of clean energy technologies required for the 21st century.

---

## IN THE HOUSE OF REPRESENTATIVES

Ms. LOFGREN (for herself and Ms. MATSUI) introduced the following bill; which was referred to the Committee on \_\_\_\_\_

---

# A BILL

To promote the domestic development and deployment of clean energy technologies required for the 21st century.

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; TABLE OF CONTENTS.**

4 (a) SHORT TITLE.—This Act may be cited as the  
5 “Clean Energy Victory Bond Act of 2014”.

6 (b) TABLE OF CONTENTS.—The table of contents for  
7 this Act is as follows:

- Sec. 1. Short title; table of contents.
- Sec. 2. Findings.

### TITLE I—CLEAN ENERGY VICTORY BONDS

Sec. 101. Clean Energy Victory Bonds.

#### TITLE II—REVENUE PROVISIONS

Sec. 201. Extension and modification of energy investment tax credit.

Sec. 202. Extension of residential energy efficient property credit.

Sec. 203. Extension and modification of credit for electricity produced from certain renewable resources.

Sec. 204. Extension of credit for nonbusiness energy property.

Sec. 205. Performance based home energy improvements.

Sec. 206. Extension of new energy efficient home credit.

Sec. 207. Extension and modification of energy efficient commercial buildings deduction.

Sec. 208. Plug-in electric vehicle grants in lieu of tax credits.

### 1 **SEC. 2. FINDINGS.**

2 Congress finds the following:

3 (1) There is enormous potential for increasing  
4 renewable energy production and energy efficiency  
5 installation in the United States.

6 (2) A major barrier to rapid expansion of re-  
7 newable energy and energy efficiency is upfront cap-  
8 ital costs. Government tax incentives and other as-  
9 sistance programs have proven beneficial in encour-  
10 aging private sector development, manufacturing  
11 and installation of renewable energy and energy effi-  
12 ciency projects nationwide. However, these govern-  
13 ment incentives are not currently meeting demand  
14 from the private sector, and we are not taking full  
15 advantage of the potential for clean energy and  
16 transportation, as well as energy efficiency in the  
17 United States.

18 (3) Other nations, including China and Ger-  
19 many are ahead of the United States in manufac-

1 turing and deploying various clean energy tech-  
2 nologies, even though the United States invented  
3 many of these technologies.

4 (4) Investments in renewable energy and energy  
5 efficiency projects in the United States create green  
6 jobs for U.S. citizens across the United States. Hun-  
7 dreds of thousands of jobs could be created through  
8 expanded government support for clean energy and  
9 energy efficiency.

10 (5) As Americans choose energy efficiency and  
11 clean energy and transportation, it reduces our de-  
12 pendence on foreign oil and improves our energy se-  
13 curity.

14 (6) Bonds are a low-cost method for encour-  
15 aging clean energy, not requiring direct budget allo-  
16 cations or expenditures. The projects supported  
17 through Clean Energy Victory Bonds will create jobs  
18 and business revenues that will increase Federal tax  
19 revenues, while simultaneously reducing health and  
20 environmental costs incurred by the Federal Govern-  
21 ment nationwide.

22 (7) In World War II, over 80 percent of Amer-  
23 ican households purchased Victory Bonds to support  
24 the war effort, raising over \$185 billion, or over \$2  
25 trillion in today's dollars.

1           **TITLE I—CLEAN ENERGY**  
2                           **VICTORY BONDS**

3   **SEC. 101. CLEAN ENERGY VICTORY BONDS.**

4           (a) INITIAL CAPITALIZATION.—The Secretary of the  
5 Treasury shall issue Clean Energy Victory Bonds in an  
6 amount not to exceed \$7,500,000,000 on the credit of the  
7 United States for purposes of raising revenue for the ex-  
8 tension of certain energy-related tax benefits extended by  
9 this Act.

10          (b) DENOMINATIONS AND MATURITY.—Clean Energy  
11 Victory Bonds shall be in the form of United States Sav-  
12 ings Bonds of Series EE or as administered by the Bureau  
13 of the Public Debt of the Department of the Treasury in  
14 denominations of \$25, and shall mature within such peri-  
15 ods as determined by the Secretary of the Treasury.

16          (c) INTEREST.—Clean Energy Victory Bonds shall  
17 bear interest at the rate the Secretary of the Treasury  
18 sets for Savings Bonds of Series EE and Series I, plus  
19 a rate of return determined by the Secretary of the Treas-  
20 ury which is based on the valuation of carbon mitigated  
21 or energy saved through funded projects funded from the  
22 proceeds of such bonds.

23          (d) PROMOTION.—

24               (1) IN GENERAL.—The Secretary of the Treas-  
25 ury shall take such actions, independently and in

1 conjunction with financial institutions offering Clean  
2 Energy Victory Bonds, to promote the purchase of  
3 Clean Energy Victory Bonds, including campaigns  
4 describing the financial and social benefits of pur-  
5 chasing Clean Energy Victory Bonds.

6 (2) PROMOTIONAL ACTIVITIES.—Such pro-  
7 motional activities may include advertisements, pam-  
8 phlets, or other promotional materials—

9 (A) in periodicals;

10 (B) on billboards and other outdoor  
11 venues;

12 (C) on television;

13 (D) on radio;

14 (E) on the Internet;

15 (F) within financial institutions that offer  
16 Clean Energy Victory Bonds; or

17 (G) any other venues or outlets the Sec-  
18 retary of the Treasury may identify.

19 (3) LIMITATION.—There are authorized to be  
20 appropriated for such promotional activities not  
21 more than—

22 (A) \$10,000,000 in the first year after the  
23 date of the enactment of this Act, and

24 (B) \$2,000,000 in each year thereafter.

25 (e) FUTURE CAPITALIZATION.—

1           (1) IN GENERAL.—After the initial capitaliza-  
2           tion limit is reached under subsection (a), the Sec-  
3           retary of the Treasury may issue additional Clean  
4           Energy Victory Bonds on the credit of the United  
5           States.

6           (2) SINGLE ISSUE LIMITATION.—No such addi-  
7           tional issue may exceed \$7,500,000,000.

8           (3) AGGREGATE LIMITATIONS.—The aggregate  
9           of any such additional issues during the 4-year pe-  
10          riod beginning on the day after the initial capitaliza-  
11          tion limit is reached under subsection (a) may not  
12          exceed \$50,000,000,000. The aggregate of any such  
13          additional issues after the expiration of such 4-year  
14          period may not exceed \$50,000,000,000.

15          (f) LAWFUL INVESTMENTS.—Clean Energy Victory  
16          Bonds shall be lawful investments, and may be accepted  
17          as security for all fiduciary, trust, and public funds, the  
18          investment or deposit of which shall be under the author-  
19          ity or control of the United States or any officer or officers  
20          thereof.

## 21   **TITLE II—REVENUE PROVISIONS**

### 22   **SEC. 201. EXTENSION AND MODIFICATION OF ENERGY IN-** 23                                   **VESTMENT TAX CREDIT.**

24          (a) EXTENSION.—

1           (1) SOLAR ENERGY.—Paragraphs (2)(A)(i)(II)  
2           and (3)(A)(ii) of section 48(a) of the Internal Rev-  
3           enue Code of 1986 are each amended by striking  
4           “January 1, 2017” and inserting “January 1,  
5           2023”.

6           (2) GEOTHERMAL HEAT PUMPS.—Clause (vii)  
7           of section 48(a)(3)(A) of such Code is amended by  
8           striking “January 1, 2017” and inserting “January  
9           1, 2023”.

10          (3) FUEL CELL PROPERTY.—Subparagraph (D)  
11          of section 48(e)(1) of such Code is amended by  
12          striking “December 31, 2016” and inserting “De-  
13          cember 31, 2022”.

14          (4) MICROTURBINE PROPERTY.—Subparagraph  
15          (D) of section 48(e)(2) of such Code is amended by  
16          striking “December 31, 2016” and inserting “De-  
17          cember 31, 2022”.

18          (5) COMBINED HEAT AND POWER.—Clause (iv)  
19          of section 48(e)(3) of such Code is amended by  
20          striking “January 1, 2017” and inserting “January  
21          1, 2023”.

22          (6) SMALL WIND.—Subparagraph (C) of section  
23          48(e)(4) of such Code is amended by striking “De-  
24          cember 31, 2016” and inserting “December 31,  
25          2022”.

1 (7) OFFSHORE WIND.—

2 (A) IN GENERAL.—Clause (ii) of section  
3 48(a)(5)(C) of such Code is amended—

4 (i) by striking “is placed in service in”  
5 and inserting the following: “is—

6 “(I) except as provided in sub-  
7 clause (II), placed in service in”,

8 (ii) by adding at the end the following  
9 new subclause:

10 “(II) in the case of an offshore  
11 wind facility, placed in service after  
12 December 31, 2008, and before Janu-  
13 ary 1, 2021, and”.

14 (B) OFFSHORE WIND FACILITY.—Para-  
15 graph (5) of section 48(a) of such Code is  
16 amended by adding at the end the following  
17 new subparagraph:

18 “(E) OFFSHORE WIND FACILITY.—The  
19 term ‘offshore wind facility’ means any quali-  
20 fied facility described in section 45(d)(1) and  
21 located in the inland navigable waters of the  
22 United States, including the Great Lakes, or in  
23 the coastal waters of the United States, includ-  
24 ing the territorial seas of the United States, the  
25 exclusive economic zone of United States, and



1           the outer Continental Shelf of the United  
2           States.”.

3           (b) **MODIFICATION OF FUEL CELL PROPERTY.**—  
4 Paragraph (1) of section 48(c) of such Code, as amended  
5 by this Act, is amended by redesignating subparagraph  
6 (D) as subparagraph (E) and by inserting after subpara-  
7 graph (C) the following new subparagraph:

8                   “(D) **EXCEPTION FOR FUEL DERIVED**  
9                   **FROM FOSSIL FUELS.**—The term ‘qualified fuel  
10                   cell powerplant’ shall not include any fuel cell  
11                   powerplant the fuel of which is derived from, or  
12                   is produced by using, any fossil fuel.”.

13           (c) **EFFECTIVE DATE.**—The amendments made by  
14 this section shall take effect on the date of the enactment  
15 of this Act.

16 **SEC. 202. EXTENSION OF RESIDENTIAL ENERGY EFFICIENT**  
17 **PROPERTY CREDIT.**

18           (a) **IN GENERAL.**—Subsection (g) of section 25D of  
19 the Internal Revenue Code of 1986 is amended by striking  
20 “December 31, 2016” and inserting “December 31,  
21 2023”.

22           (b) **EFFECTIVE DATE.**—The amendment made by  
23 this section shall apply to taxable years beginning after  
24 December 31, 2016.

1 **SEC. 203. EXTENSION AND MODIFICATION OF CREDIT FOR**  
2 **ELECTRICITY PRODUCED FROM CERTAIN RE-**  
3 **NEWABLE RESOURCES.**

4 (a) EXTENSION.—Subsection (d) of section 45 of the  
5 Internal Revenue Code of 1986 is amended—

6 (1) by striking “January 1, 2013” in paragraph

7 (1) and inserting “January 1, 2023”,

8 (2) by striking “January 1, 2014” each place  
9 it appears in paragraphs (2), (3), (4), (9), and (11)  
10 and inserting “January 1, 2023”, and

11 (3) by striking “January 1, 2006” in paragraph  
12 (4) and inserting “January 1, 2023”.

13 (b) MODIFICATIONS WITH RESPECT TO CLOSED-  
14 LOOP BIOMASS.—

15 (1) IN GENERAL.—Paragraph (2) of section  
16 45(c) of such Code is amended to read as follows:

17 “(2) CLOSED-LOOP BIOMASS.—

18 “(A) IN GENERAL.—The term ‘closed-loop  
19 biomass’ means any organic matter from a  
20 plant which—

21 “(i) is planted exclusively for purposes  
22 of being used at a qualified facility to  
23 produce electricity, or

24 “(ii) is a byproduct from harvesting  
25 timber (including tops, branches, crooks)  
26 or is invasive woody vegetation that inter-

1           feres with regeneration or the natural  
2           growth of the forest from which timber is  
3           harvested.

4           “(B) LIMITATION.—For purposes of sub-  
5           paragraph (A)(ii), byproduct from harvesting  
6           timber shall not be treated as closed-loop bio-  
7           mass unless—

8                   “(i) such byproduct does not exceed  
9                   30 percent (by weight) of the harvested  
10                  timber to which it relates, and

11                   “(ii) the percentage byproduct re-  
12                  moved (by weight) does not exceed—

13                           “(I) 25 percent in the case tim-  
14                          ber harvested from good soil, and

15                           “(II) 0 percent in the case of  
16                          timber harvested from poor soil.

17           For purposes of the preceding sentence, soil  
18           quality shall be determined by reference to soil  
19           classifications by the Natural Resources Con-  
20           servations Service.”.

21           (2) QUALIFIED FACILITY.—Paragraph (2) of  
22           section 45(d) of such Code is amended by adding at  
23           the end the following new subparagraph:

24                   “(D) GREENHOUSE GAS EMISSIONS.—In  
25                  the case of a facility placed in service after De-

1            cember 31, 2014, such term shall not include  
2            any facility unless, with respect to the facility,  
3            the taxpayer annually during the 10-year period  
4            described in subsection (a) demonstrates to the  
5            satisfaction of the Secretary that such facility’s  
6            use of closed-loop biomass will result in a 50  
7            percent reduction in greenhouse gas emissions  
8            compared to a similar facility using natural gas  
9            combined-cycle generation.”.

10           (c) MODIFICATION OF OPEN-LOOP BIOMASS DEFINI-  
11 TION.—The second sentence of subparagraph (A) of sec-  
12 tion 45(c)(3) of such Code is amended—

13           (1) by striking “or biomass” and inserting “,  
14 biomass”, and

15           (2) by inserting before the period at the end the  
16 following: “, any biomass which is primarily a food  
17 crop, or biomass derived from any crop that dis-  
18 places any forest existing on the date of the enact-  
19 ment of the Clean Energy Victory Bond Act of  
20 2014”.

21           (d) MODIFICATION OF BIOFUEL AS QUALIFIED EN-  
22 ERGY RESOURCE.—

23           (1) IN GENERAL.—Paragraph (1) of section  
24 45(c) of such Code is amended by striking “and” at  
25 the end of subparagraph (H), by striking the period

1 at the end of subparagraph (I) and inserting “,  
2 and”, and by adding at the end the following new  
3 subparagraph:

4 “(J) second generation biomass.”.

5 (2) SECOND GENERATION BIOMASS DEFINED.—  
6 Subsection (c) of section 45 of such Code is amend-  
7 ed by adding at the end the following new para-  
8 graph:

9 “(11) SECOND GENERATION BIOMASS.—The  
10 term ‘second generation biomass’ means any bio-  
11 mass which is composed of lignocellulosic or  
12 hemicellulosic matter that is available on a renew-  
13 able or recurring basis and that does not replace for-  
14 ested land (other than any fuel described in section  
15 40(b)(6)(E)(iii).”.

16 (3) QUALIFIED FACILITY.—Subsection (d) of  
17 section 45 of such Code is amended by adding at the  
18 end the following new paragraph:

19 “(12) SECOND GENERATION BIOMASS.—In the  
20 case of a facility producing electricity from second  
21 generation biomass, the term ‘qualified facility’  
22 means any facility owned by the taxpayer which is  
23 originally placed in service on or after the date of  
24 the enactment of this paragraph and before January  
25 1, 2023.”.

1 (4) CONFORMING AMENDMENTS.—

2 (A) Subsection (d) of section 45 of such  
3 Code is amended by striking “January 1,  
4 2014” each place it appears in paragraphs  
5 (2)(A)(i), (3), (6), and (7) and inserting “the  
6 date of the enactment of the Clean Energy Vic-  
7 tory Bond Act of 2014”.

8 (B) Clause (ii) of section 45(d)(2)(A) of  
9 such Code is amended by striking “January 1,  
10 2014,” and inserting “the date of the enact-  
11 ment of the Clean Energy Victory Bond Act of  
12 2014”.

13 (e) EFFECTIVE DATE.—The amendments made by  
14 this section shall apply to property placed in service after  
15 the date of the enactment of this Act.

16 **SEC. 204. EXTENSION OF CREDIT FOR NONBUSINESS EN-**  
17 **ERGY PROPERTY.**

18 (a) IN GENERAL.—Paragraph (2) of section 25C(g)  
19 of the Internal Revenue Code of 1986 is amended by strik-  
20 ing “December 31, 2013” and inserting “December 31,  
21 2022”.

22 (b) EFFECTIVE DATE.—The amendment made by  
23 this section shall apply to property placed in service after  
24 December 31, 2013.

1 **SEC. 205. PERFORMANCE BASED HOME ENERGY IMPROVE-**  
2 **MENTS.**

3 (a) IN GENERAL.—Subpart A of part IV of sub-  
4 chapter A of chapter 1 is amended by adding at the end  
5 the following new section:

6 **“SEC. 25E. PERFORMANCE BASED ENERGY IMPROVE-**  
7 **MENTS.**

8 “(a) IN GENERAL.—In the case of an individual,  
9 there shall be allowed as a credit against the tax imposed  
10 by this chapter for the taxable year for a qualified whole  
11 home energy efficiency retrofit an amount determined  
12 under subsection (b).

13 “(b) AMOUNT DETERMINED.—

14 “(1) IN GENERAL.—Subject to paragraph (4),  
15 the amount determined under this subsection is  
16 equal to—

17 “(A) the base amount under paragraph  
18 (2), increased by

19 “(B) the amount determined under para-  
20 graph (3).

21 “(2) BASE AMOUNT.—For purposes of para-  
22 graph (1)(A), the base amount is \$2,000, but only  
23 if the energy use for the residence is reduced by at  
24 least 20 percent below the baseline energy use for  
25 such residence as calculated according to paragraph  
26 (5).

1           “(3) INCREASE AMOUNT.—For purposes of  
2 paragraph (1)(B), the amount determined under this  
3 paragraph is \$500 for each additional 5 percentage  
4 point reduction in energy use.

5           “(4) LIMITATION.—In no event shall the  
6 amount determined under this subsection exceed the  
7 lesser of—

8                   “(A) \$5,000 with respect to any residence,  
9 or

10                   “(B) 30 percent of the qualified home en-  
11 ergy efficiency expenditures paid or incurred by  
12 the taxpayer under subsection (c) with respect  
13 to such residence.

14           “(5) DETERMINATION OF ENERGY USE REDUC-  
15 TION.—For purposes of this subsection—

16                   “(A) IN GENERAL.—The reduction in en-  
17 ergy use for any residence shall be determined  
18 by modeling the annual predicted percentage re-  
19 duction in total energy costs for heating, cool-  
20 ing, hot water, and permanent lighting. It shall  
21 be modeled using computer modeling software  
22 approved under subsection (d)(2) and a baseline  
23 energy use calculated according to subsection  
24 (d)(1)(C).



1           “(B) ENERGY COSTS.—For purposes of  
2           subparagraph (A), the energy cost per unit of  
3           fuel for each fuel type shall be determined by  
4           dividing the total actual energy bill for the resi-  
5           dence for that fuel type for the most recent  
6           available 12-month period by the total energy  
7           units of that fuel type used over the same pe-  
8           riod.

9           “(c) QUALIFIED HOME ENERGY EFFICIENCY EX-  
10          PENDITURES.—For purposes of this section, the term  
11          ‘qualified home energy efficiency expenditures’—

12                 “(1) means any amount paid or incurred by the  
13                 taxpayer during the taxable year for a qualified  
14                 whole home energy efficiency retrofit, including the  
15                 cost of diagnostic procedures, labor, and modeling,

16                 “(2) includes only measures that have an aver-  
17                 age estimated life of 5 years or more as determined  
18                 by the Secretary, after consultation with the Sec-  
19                 retary of Energy,

20                 “(3) does not include any amount which is paid  
21                 or incurred in connection with any expansion of the  
22                 building envelope of the residence, and

23                 “(4) does not include improvements to swim-  
24                 ming pools or hot tubs or any other expenditure spe-

1 cifically excluded by the Secretary, after consultation  
2 with the Secretary of Energy.

3 “(d) QUALIFIED WHOLE HOME ENERGY EFFI-  
4 CIENCY RETROFIT.—For purposes of this section—

5 “(1) IN GENERAL.—The term ‘qualified whole  
6 home energy efficiency retrofit’ means the implemen-  
7 tation of measures placed in service during the tax-  
8 able year intended to reduce the energy use of the  
9 principal residence of the taxpayer which is located  
10 in the United States. A qualified whole home energy  
11 efficiency retrofit shall—

12 “(A) be designed, implemented, and in-  
13 stalled by a contractor which is—

14 “(i) accredited by the Building Per-  
15 formance Institute (hereafter in this sec-  
16 tion referred to as ‘BPI’) or a preexisting  
17 BPI accreditation-based State certification  
18 program with enhancements to achieve  
19 State energy policy,

20 “(ii) a Residential Energy Services  
21 Network (hereafter in this section referred  
22 to as ‘RESNET’) accredited Energy Smart  
23 Home Performance Team, or

24 “(iii) accredited by an equivalent cer-  
25 tification program approved by the Sec-

1           retary, after consultation with the Sec-  
2           retary of Energy, for this purpose,

3           “(B) install a set of measures modeled to  
4           achieve a reduction in energy use of at least 20  
5           percent below the baseline energy use estab-  
6           lished in subparagraph (C), using computer  
7           modeling software approved under paragraph  
8           (2),

9           “(C) establish the baseline energy use by  
10          calibrating the model using sections 3 and 4  
11          and Annex D of BPI Standard BPI-2400-S-  
12          2011: Standardized Qualification of Whole  
13          House Energy Savings Estimates, or an equiva-  
14          lent standard approved by the Secretary, after  
15          consultation with Secretary of Energy, for this  
16          purpose,

17          “(D) document the measures implemented  
18          in the residence through photographs taken be-  
19          fore and after the retrofit, including photo-  
20          graphs of its visible energy systems and enve-  
21          lope as relevant, and

22          “(E) implement a test-out procedure, fol-  
23          lowing guidelines of the applicable certification  
24          program specified under clause (i) or (ii) of  
25          subparagraph (A), or equivalent guidelines ap-

1           proved by the Secretary, after consultation with  
2           the Secretary of Energy, for this purpose, to  
3           ensure—

4                   “(i) the safe operation of all systems  
5                   post retrofit, and

6                   “(ii) that all improvements are in-  
7                   cluded in, and have been installed accord-  
8                   ing to, standards of the applicable certifi-  
9                   cation program specified under clause (i)  
10                  or (ii) of subparagraph (A), or equivalent  
11                  standards approved by the Secretary, after  
12                  consultation with the Secretary of Energy,  
13                  for this purpose.

14           For purposes of subparagraph (A)(iii), an orga-  
15           nization or State may submit an equivalent cer-  
16           tification program for approval by the Sec-  
17           retary, in consultation with the Secretary of  
18           Energy. The Secretary shall approve or deny  
19           such submission not later than 180 days after  
20           receipt, and, if the Secretary fails to respond in  
21           that time period, the submitted equivalent cer-  
22           tification program shall be considered approved.

23           “(2) APPROVED MODELING SOFTWARE.—For  
24           purposes of paragraph (1)(B), the contractor shall  
25           use modeling software certified by RESNET as fol-

1       lowing the software verification test suites in section  
2       4.2.1 of RESNET Publication No. 06–001 or cer-  
3       tified by an alternative organization as following an  
4       equivalent standard, as approved by the Secretary,  
5       after consultation with the Secretary of Energy, for  
6       this purpose.

7               “(3) DOCUMENTATION.—The Secretary, after  
8       consultation with the Secretary of Energy, shall pre-  
9       scribe regulations directing what specific documenta-  
10      tion is required to be retained or submitted by the  
11      taxpayer in order to claim the credit under this sec-  
12      tion, which shall include, in addition to the photo-  
13      graphs under paragraph (1)(D), a form approved by  
14      the Secretary that is completed and signed by the  
15      qualified whole home energy efficiency retrofit con-  
16      tractor under penalties of perjury. Such form shall  
17      include—

18               “(A) a statement that the contractor fol-  
19      lowed the specified procedures for establishing  
20      baseline energy use and estimating reduction in  
21      energy use,

22               “(B) the name of the software used for  
23      calculating the baseline energy use and reduc-  
24      tion in energy use, the percentage reduction in  
25      projected energy savings achieved, and a state-

1           ment that such software was certified for this  
2           program by the Secretary, after consultation  
3           with the Secretary of Energy,

4           “(C) a statement that the contractor will  
5           retain the details of the calculations and under-  
6           lying energy bills for 5 years and will make  
7           such details available for inspection by the Sec-  
8           retary or the Secretary of Energy, if so re-  
9           quested,

10          “(D) a list of measures installed and a  
11          statement that all measures included in the re-  
12          duction in energy use estimate are included in,  
13          and installed according to, standards of the ap-  
14          plicable certification program specified under  
15          clause (i) or (ii) of subparagraph (A), or equiv-  
16          alent standards approved by the Secretary,  
17          after consultation with the Secretary of Energy,

18          “(E) a statement that the contractor meets  
19          the requirements of paragraph (1)(A), and

20          “(F) documentation of the total cost of the  
21          project in order to comply with the limitation  
22          under subsection (b)(4)(B).

23          “(e) ADDITIONAL RULES.—For purposes of this sec-  
24          tion—

25          “(1) NO DOUBLE BENEFIT.—

1           “(A) IN GENERAL.—With respect to any  
2           residence, no credit shall be allowed under this  
3           section for any taxable year in which the tax-  
4           payer claims a credit under section 25C.

5           “(B) RENEWABLE ENERGY SYSTEMS AND  
6           APPLIANCES.—In the case of a renewable en-  
7           ergy system or appliance that qualifies for an-  
8           other credit under this chapter, the resulting re-  
9           duction in energy use shall not be taken into  
10          account in determining the percentage energy  
11          use reductions under subsection (b).

12          “(C) NO DOUBLE BENEFIT FOR CERTAIN  
13          EXPENDITURES.—The term ‘qualified home en-  
14          ergy efficiency expenditures’ shall not include  
15          any expenditure for which a deduction or credit  
16          is claimed by the taxpayer under this chapter  
17          for the taxable year or with respect to which  
18          the taxpayer receives any Federal energy effi-  
19          ciency rebate.

20          “(2) PRINCIPAL RESIDENCE.—The term ‘prin-  
21          cipal residence’ has the same meaning as when used  
22          in section 121.

23          “(3) SPECIAL RULES.—Rules similar to the  
24          rules under paragraphs (4), (5), (6), (7), and (8) of  
25          section 25D(e) and section 25C(e)(2) shall apply, as

1 determined by the Secretary, after consultation with  
2 the Secretary of Energy.

3 “(4) BASIS ADJUSTMENTS.—For purposes of  
4 this subtitle, if a credit is allowed under this section  
5 with respect to any expenditure with respect to any  
6 property, the increase in the basis of such property  
7 which would (but for this paragraph) result from  
8 such expenditure shall be reduced by the amount of  
9 the credit so allowed.

10 “(5) ELECTION NOT TO CLAIM CREDIT.—No  
11 credit shall be determined under subsection (a) for  
12 the taxable year if the taxpayer elects not to have  
13 subsection (a) apply to such taxable year.

14 “(6) MULTIPLE YEAR RETROFITS.—If the tax-  
15 payer has claimed a credit under this section in a  
16 previous taxable year, the baseline energy use for the  
17 calculation of reduced energy use must be estab-  
18 lished after the previous retrofit has been placed in  
19 service.

20 “(f) TERMINATION.—This section shall not apply  
21 with respect to any costs paid or incurred after December  
22 31, 2022.

23 “(g) SECRETARY REVIEW.—The Secretary, after con-  
24 sultation with the Secretary of Energy, shall establish a  
25 review process for the retrofits performed, including an es-



1 timate of the usage of the credit and a statistically valid  
2 analysis of the average actual energy use reductions, uti-  
3 lizing utility bill data collected on a voluntary basis, and  
4 report to Congress not later than June 30, 2016, any find-  
5 ings and recommendations for—

6           “(1) improvements to the effectiveness of the  
7           credit under this section, and

8           “(2) expansion of the credit under this section  
9           to rental units.”.

10       (b) CONFORMING AMENDMENTS.—

11           (1) Section 1016(a) is amended—

12                   (A) by striking “and” at the end of para-  
13                   graph (36),

14                   (B) by striking the period at the end of  
15                   paragraph (37) and inserting “, and”, and

16                   (C) by adding at the end the following new  
17                   paragraph:

18                   “(38) to the extent provided in section  
19                   25E(e)(4), in the case of amounts with respect to  
20                   which a credit has been allowed under section  
21                   25E.”.

22           (2) Section 6501(m) is amended by inserting  
23           “25E(e)(5),” after “section”.

24           (3) The table of sections for subpart A of part  
25           IV of subchapter A chapter 1 is amended by insert-

1           ing after the item relating to section 25D the fol-  
2           lowing new item:

“Sec. 25E. Performance based energy improvements.”.

3           (c) **EFFECTIVE DATE.**—The amendments made by  
4 this section shall apply to amounts paid or incurred for  
5 a qualified whole home energy efficiency retrofit placed in  
6 service after December 31, 2013.

7 **SEC. 206. EXTENSION OF NEW ENERGY EFFICIENT HOME**  
8   **CREDIT.**

9           (a) **IN GENERAL.**—Subsection (g) of section 45L of  
10 the Internal Revenue Code of 1986 is amended by striking  
11 “December 31, 2013” and inserting “December 31,  
12 2022”.

13           (b) **EFFECTIVE DATE.**—The amendment made by  
14 this section shall apply to homes acquired after December  
15 31, 2013.

16 **SEC. 207. EXTENSION AND MODIFICATION OF ENERGY EF-**  
17   **FICIENT COMMERCIAL BUILDINGS DEDUC-**  
18   **TION.**

19           (a) **IN GENERAL.**—Subsection (h) of section 179D of  
20 the Internal Revenue Code of 1986 is amended by striking  
21 “December 31, 2013” and inserting “December 31,  
22 2022”.

23           (b) **INCREASE IN DEDUCTION LIMITATIONS.**—

1           (1) IN GENERAL.—Subparagraph (A) of section  
2           179D(b)(1) of such Code is amended by striking  
3           “\$1.80” and inserting “\$3.00”.

4           (2) PARTIAL PAY.—Subparagraph (A) of sec-  
5           tion 179D(d)(1) is amended by striking “sub-  
6           stituting ‘\$.60’ for ‘\$1.80’.” and inserting “sub-  
7           stituting ‘\$1.00’ for ‘\$3.00’.”.

8           (3) REDUCED AMOUNT FOR LOWER EFFICIENCY  
9           PROPERTY.—Subsection (d) of section 179D of such  
10          Code is amended by adding at the end the following  
11          new paragraph:

12           “(1) 30 TO 50 PERCENT PROPERTY.—In the  
13          case of property which would be energy efficient  
14          commercial building property were subsection  
15          (c)(1)(D) applied by substituting ‘more than 30 per-  
16          cent and less than 50 percent’ for ‘50 percent or  
17          more’, subsection (b) shall be applied to such prop-  
18          erty by substituting ‘\$1.80’ for ‘\$3.00’.”.

19          (c) UPDATING PARTIAL ALLOWANCE REGULA-  
20          TIONS.—Subparagraph (B) of section 179D(d)(1) of such  
21          Code is amended by adding at the end the following: “Not  
22          later than 1 year after the date of the enactment of the  
23          Clean Energy Victory Bond Act of 2014, and every three  
24          years thereafter, the Secretary shall, after consultation  
25          with the Secretary of Energy, update the targets for such

1 systems in such a manner as the Secretary determines will  
2 encourage innovation in commercial building energy effi-  
3 ciency.”.

4 (d) EFFECTIVE DATE.—The amendment made by  
5 this section shall apply to property placed in service after  
6 December 31, 2013.

7 **SEC. 208. PLUG-IN ELECTRIC VEHICLE GRANTS IN LIEU OF**  
8 **TAX CREDITS.**

9 (a) IN GENERAL.—The Secretary of Energy, in con-  
10 sultation with the Secretary of the Treasury, shall estab-  
11 lish a voluntary program through which the Secretary of  
12 Energy shall—

13 (1) authorize the issuance of an electronic  
14 voucher to offset the purchase price of a qualified  
15 plug-in electric vehicle or a new qualified plug-in  
16 electric drive motor vehicle purchased from a dealer  
17 participating in the program;

18 (2) register dealers for participation in the pro-  
19 gram and require that all dealers so registered ac-  
20 cept such vouchers as partial payment or down pay-  
21 ment for the purchase of any such vehicle offered for  
22 sale by such dealer;

23 (3) make electronic payments to dealers for eli-  
24 gible transactions by such dealers; and

1           (4) in consultation with the Inspector General  
2           of the Department of Transportation establish and  
3           provide for the enforcement of measures to prevent  
4           and penalize fraud under the program.

5           (b) **VOUCHER LIMITATIONS.**—A voucher issued  
6           under the program shall have a value that may be applied  
7           to offset the purchase price of a vehicle by—

8           (1) in the case of a qualified plug-in electric ve-  
9           hicle, \$2,500; or

10          (2) in the case of a new qualified plug-in elec-  
11          tric drive motor vehicle, \$2,500 plus an amount de-  
12          termined with respect to the vehicle under section  
13          30D(b)(3) of the Internal Revenue Code of 1986.

14          (c) **TREATED AS ADVANCE PAYMENT OF CREDIT.**—  
15          Use of a voucher under the program to offset the purchase  
16          price of a vehicle shall, for purposes of the Internal Rev-  
17          enue Code of 1986, be treated as advance payment of the  
18          credit allowed under section 30 or 30D of such Code, as  
19          the case may be, and the amount of credit which would  
20          (but for this paragraph) be allowable with respect to such  
21          vehicle under either such section shall be reduced (but not  
22          below zero) by the amount of the voucher so used.

23          (d) **DEFINITIONS AND SPECIAL RULES.**—For pur-  
24          poses of this section—

1           (1) QUALIFIED PLUG-IN ELECTRIC VEHICLE.—

2           The term “qualified plug-in electric vehicle” shall  
3           have the meaning given such term by section 30(d)  
4           of the Internal Revenue Code of 1986.

5           (2) NEW QUALIFIED PLUG-IN ELECTRIC DRIVE  
6           MOTOR VEHICLE.—The term “new qualified plug-in  
7           electric drive motor vehicle” shall have the meaning  
8           given such term by section 30D(d) of such Code.

9           (3) NO COMBINATION OF VOUCHERS.—Only 1  
10          voucher issued under the program may be applied  
11          toward the purchase of a single vehicle.

12          (4) COMBINATION WITH OTHER INCENTIVES  
13          PERMITTED.—The availability or use of a Federal,  
14          State, or local incentive or a State-issued voucher  
15          for the purchase of any vehicle shall not limit the  
16          value or issuance of a voucher under the program to  
17          any person otherwise eligible to receive such a  
18          voucher.

19          (5) NO ADDITIONAL FEES.—A dealer partici-  
20          pating in the program may not charge a person pur-  
21          chasing a vehicle any additional fees associated with  
22          the use of a voucher under the program.

23          (6) APPLICATION OF CERTAIN RULES.—Rules  
24          similar to the rules of paragraphs (1), (2), (3), (4),

1 and (5) of section 30(e) of such Code shall apply for  
2 purposes of this section.

3 (e) TERMINATION AND PHASEOUT.—

4 (1) TERMINATION FOR QUALIFIED PLUG-IN  
5 ELECTRIC VEHICLES.—This section shall not apply  
6 to any qualified plug-in electric vehicle acquired  
7 after December 31, 2017.

8 (2) PHASEOUT FOR NEW QUALIFIED PLUG-IN  
9 ELECTRIC DRIVE MOTOR VEHICLE.—The amount of  
10 any voucher with respect to any new qualified plug  
11 in electric drive motor vehicle shall be reduced as  
12 provided in section 30D(e) of the Internal Revenue  
13 Code of 1986.

14 (f) REGULATIONS.—The Secretary of Energy, in con-  
15 sultation with the Secretary of the Treasury, shall pre-  
16 scribe such regulations as may be necessary or appropriate  
17 to carry out the purposes of this section.