

S. 1091
Storage Technology of Renewable and Green Energy Act of 2009
STORAGE Act of 2009

Frequently Asked Questions

How does it work?

The STORAGE Bill provides investment tax credits for storage projects. Those projects that are connected to the electric grid receive a 20% credit, and those on residential, commercial, and industrial properties receive a 30% credit.

Why is a storage bill needed?

Since most storage technologies are still being developed and improved, they have not yet had the opportunity to bring down costs through large-scale deployments. The STORAGE Act will provide financial assistance for the deployment of storage systems to help make such projects viable in the early stages.

Are there other similar programs and how is this different?

The STORAGE Bill is the first of its kind and the only program that provides investment tax credits for the actual deployment of storage systems. Other programs provide incentives only for research, development, and demonstration projects.

Since batteries store energy, will my rechargeable AA batteries qualify?

Such batteries will not qualify for a credit because they are not used for either reducing peak energy usage or for storing intermittent renewable energy generated onsite.

Will my plug-in hybrid electric vehicle qualify?

Your vehicle should qualify for tax credits under other programs, not the STORAGE Act; however, any smart-grid equipment you install to allow your utility to both charge and discharge the batteries in the vehicle does qualify.

I use oil heat. Will my oil tank qualify?

Oil tanks do not qualify because they do not receive energy either from the grid or from intermittent renewable sources on site.

Is there a minimum size that residential storage systems have to meet?

No, any size will qualify as long as the storage system is used for either reducing peak energy usage or for storing intermittent renewable energy generated onsite.

Is there a minimum size that storage systems on commercial sites have to meet?

Yes, the storage system must be able to hold the equivalent of 20 kilowatt-hours or more of energy and be able to provide at least 5 kilowatts of electricity for 4 hours. The purpose of the STORAGE Act is to help solve America's energy needs, not to provide tax credits for uninterruptable power supplies for critical equipment.

I have a system to make ice at night to cool the building during the day. Does this system qualify?

Yes, it reduces peak energy consumption during the day.

Flywheels can store energy. Do they qualify when used in the grid?

The purposes of the STORAGE Act are to store intermittent renewable energy and to reduce peak requirements on the electric grid. Flywheels that can store at least 2 megawatt-hours of energy and have the capability to provide at least 500 kilowatts of electricity for 4 hours will qualify. Flywheel systems used for frequency regulation on the electric grid will qualify if they met the above criteria; for example, a 2.5MWh flywheel that operates up to 10 MW of power will qualify, even though it is designed to discharge its power in as little as 15 minutes.

How would I receive the tax credit?

The STORAGE Act amends the current tax code to include storage systems. You would take the credit on your tax return as you would for other projects that already qualify for a credit.