

Energy Storage – Maximizing Our Nation’s Energy Choices

Investment Tax Credit (ITC) for Energy Storage

Senators Ron Wyden (D-OR), Jeff Bingaman (D-NM) and Susan Collins (R-ME) have introduced bi-partisan legislation that would create an ITC for energy storage. S. 1845 is a critical step in ensuring this clean, efficient, and reliable technology choice is available to reduce our dependence on imported fuel, strengthen our infrastructure, and provide energy security through diversity. Specifically, this bill would provide benefit to the energy storage industry through several provisions:

- **Make available a tax credit modeled after the original 48C manufacturing tax credit**

In the American Recovery and Reinvestment Act of 2009, Section 48C provided incentives to manufacturing facilities that support energy generation and conservation, including energy storage and excluding generation projects. S. 1845 will provide credits for owners of the storage equipment, while giving additional incentives for a wide variety of storage applications. As an emission-free technology, energy storage can enhance the effectiveness of the entire electric grid, maximizing the efficiency of traditional and renewable resources alike.

The tax credit will give our nation more choices of a resource neutral technology to the benefit of everyone on the electric grid.

- **Enable the full deployment of energy storage technologies capable of providing multiple functions**

The tax credit will provide an incentive for grid-scale storage as a fuel-neutral choice for increased flexibility and reliability of the electric grid. The credit will include onsite energy storage that reduces peak demand, increases power quality and allows more balanced integration of renewable energy sources. The credit for residential energy storage equipment allows homeowners to take advantage of thermal storage technologies that reduce their energy use and demand during the hottest days of summer or coldest days of winter. Homeowners can also receive credit for electric vehicle charging equipment.

The tax credit does not pick winners; it will benefit grid-scale applications as well as on-site and residential energy storage technologies, including electric vehicle charging.

- **Allow for this viable and important energy solution to gain penetration in the market**

Market uncertainty paralyzes investment and keeps viable technologies from entering the market. With this limited ITC, that uncertainty would be removed for investors, entrepreneurs, and manufacturers. Hundreds of companies in nearly every state with technologies that enhance virtually all resources on the electric grid will benefit from this investment.

The tax credit will spur investment in storage technologies, creating jobs and economic benefits while reducing uncertainty in energy markets.