117TH CONGRESS
1ST Session

S.

To amend the Internal Revenue Code of 1986 to enhance the qualifying advanced energy project credit.

IN THE SENATE OF THE UNITED STATES

Mr. MANCHIN introduced the following bill; which was read twice and referred to the Committee on __________________

A BILL

To amend the Internal Revenue Code of 1986 to enhance the qualifying advanced energy project credit.

Be it enacted by the Senate and House of Representa-
tives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the “American Jobs in Energy Manufacturing Act of 2021”.

SEC. 2. ADJUSTMENT OF QUALIFYING ADVANCED ENERGY PROJECT CREDIT.

(a) IN GENERAL.—Section 48C of the Internal Rev-

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venue Code of 1986 is amended—

(1) in subsection (e)(1)—
(A) in subparagraph (A)—

(i) by inserting “, any portion of the qualified investment of which is certified by the Secretary under subsection (d) as eligible for a credit under this section” after “means a project”,

(ii) in clause (i)—

(I) by striking “a manufacturing facility for the production of” and inserting “an industrial or manufacturing facility for the production or recycling of”,

(II) in clause (I), by inserting “water,” after “sun,”,

(III) in clause (II), by striking “an energy storage system for use with electric or hybrid-electric motor vehicles” and inserting “energy storage systems and components”,

(IV) in clause (III), by striking “grids to support the transmission of intermittent sources of renewable energy, including storage of such energy” and inserting “grid modernization equipment or components”,
(V) in subclause (IV), by striking “and sequester carbon dioxide emissions” and inserting “, remove, use, or sequester carbon oxide emissions”,

(VI) by striking subclause (V) and inserting the following:

“(V) equipment designed to re-fine, electrolyze, or blend any fuel, chemical, or product which is—

“(aa) renewable, or

“(bb) low-carbon and low-emission,”,

(VII) by striking subclause (VI),

(VIII) by redesignating subclause (VII) as subclause (IX),

(IX) by inserting after subclause (V) the following new subclauses:

“(VI) property designed to produce energy conservation technologies (including residential, commercial, and industrial applications),

“(VII) light-, medium-, or heavy-duty electric or fuel cell vehicles, as well as—
“(aa) technologies, components, or materials for such vehicles, and

“(bb) associated charging or refueling infrastructure,

“(VIII) hybrid vehicles with a gross vehicle weight rating of not less than 14,000 pounds, as well as technologies, components, or materials for such vehicles, or”, and

(X) in subclause (IX), as so redesignated, by striking “and” at the end and inserting “or”

(iii) by striking clause (ii) and inserting the following:

“(ii) which re-equi"ps an industrial or manufacturing facility with equipment designed to reduce its greenhouse gas emissions well below current best practices through the installation of—

“(I) low- or zero-carbon process heat systems,

“(II) carbon capture, transport, utilization and storage systems,
“(III) energy efficiency and reduction in waste from industrial processes, or

“(IV) any industrial technology which significantly reduces greenhouse gas emissions, as determined by the Secretary.”.

(B) by redesignating subparagraph (B) as subparagraph (C), and

(C) by inserting after subparagraph (A) the following new subparagraph:

“(B) ADDITIONAL QUALIFYING ADVANCED ENERGY PROJECTS.—The term ‘qualifying advanced energy project’ shall also include any project described in subparagraph (A) which is located in a census tract—

“(i) which, prior to the date of enactment of the American Jobs in Energy Manufacturing Act of 2021, had no projects which received a certification and allocation of credits under subsection (d), and

“(ii)(I) in which, after December 31, 1999, a coal mine has closed,
“(II) in which, after December 31, 2009, a coal-fired electric generating unit has been retired, or

“(III) which is immediately adjacent to a census tract described in subclause (I) or (II).”,

(2) in subsection (d)—

(A) in paragraph (1)—

(i) in subparagraph (A), by striking “this section” and inserting “the American Jobs in Energy Manufacturing Act of 2021”, and

(ii) by striking subparagraph (B) and inserting the following:

“(B) LIMITATIONS.—

“(i) INITIAL ALLOCATION.—The total amount of credits that may be allocated under the program prior to the date of enactment of the American Jobs in Energy Manufacturing Act of 2021 shall not exceed $2,300,000,000.

“(ii) ADDITIONAL ALLOCATION.—The total amount of credits that may be allocated under the program on or after to the date of enactment of the American Jobs in
Energy Manufacturing Act of 2021 shall not exceed $8,000,000,000, of which not greater than $4,000,000,000 may be allocated to projects which are not located in a census tract described in subparagraph (B) of subsection (c)(1).”,

(B) in paragraph (2)—

(i) in subparagraph (A), by striking “2-year” and inserting “3-year”,

(ii) in subparagraph (B)—

(I) by striking “1 year” and inserting “18 months”, and

(II) by adding at the end the following new sentence: “Not later than 180 days after the date on which such evidence was provided by the applicant, the Secretary shall determine whether the requirements of the certification have been met.”, and

(iii) by adding at the end the following new subparagraph:

“(D) LOCATION OF PROJECT.—In the case of an applicant which receives a certification, if the Secretary determines that the project has been placed in service at a location which is ma-
erially different than the location specified in
the application for such project, the certifi-
cation shall no longer be valid.”,

(C) in paragraph (3)—

(i) by striking subparagraph (A) and
inserting the following:

“(A) shall take into consideration only
those projects—

“(i) where there is a reasonable expec-
tation of commercial viability, and

“(ii) which will ensure laborers and
mechanics employed by contractors and
subcontractors in the performance of any
qualifying advanced energy project shall be
paid wages at rates not less than the pre-
vailing rates on projects of a similar char-
acter in the locality as determined by the
Secretary of Labor, in accordance with
subchapter IV of chapter 31 of title 40,
United States Code, and”; and

(ii) in subparagraph (B)—

(I) by striking clauses (i) and (ii)
and inserting the following:

“(i) will provide the greatest net im-
pact in avoiding or reducing anthropogenic
emissions of greenhouse gases (or, in the case of a project described in subsection (c)(1)(A)(ii), will provide the greatest reduction of greenhouse gas emissions as compared to current best practices),

“(ii) will provide the greatest domestic job creation (both direct and indirect) during the credit period,”,

(II) by redesignating clauses (iii) through (v) as clauses (iv) through (vi), respectively, and

(III) by inserting after clause (ii) the following new clause:

“(iii) will provide the greatest job creation within the vicinity of the project, particularly with respect to—

“(I) low-income communities (as described in section 45D(e)), and

“(II) dislocated workers who were previously employed in manufacturing, coal power plants, or coal mining,”, and

(D) in paragraph (4)—

(i) by striking subparagraph (A) and inserting the following:
“(A) Review and report.—Not later than 4 years after the date of enactment of the American Jobs in Energy Manufacturing Act of 2021, the Secretary shall—

“(i) review the credits allocated under this section as of such date, and

“(ii) submit a report regarding the allocation of such credits to—

“(I) the Committee on Finance and the Committee on Energy and Natural Resources of the Senate, and

“(II) the Committee on Ways and Means and the Committee on Energy and Commerce of the House of Representatives.”, and

(ii) by adding at the end the following new subparagraph:

“(D) Special rule.—For purposes of reallocating credits pursuant to this paragraph, the limitation under paragraph (1)(B)(ii) with respect to allocation of credits to projects which are not located in a census tract described in subparagraph (B) of subsection (e)(1) shall not apply.”,
(3) in subsection (e), by inserting “45Q,” after “section”, and
(4) by adding at the end the following new subsection:

“(f) TECHNICAL ASSISTANCE.—For purposes of assisting with applications for certification under subsection (d), the Secretary of Energy shall provide technical assistance to any State (or political subdivision thereof), tribe, or economic development organization which, prior to the date of enactment of the American Jobs in Energy Manufacturing Act of 2021—

“(1) had no applicants for certification under such subsection, or
“(2) had less than 2 qualifying advanced energy projects which received an allocation of credits under such subsection.”.

(b) AUTHORIZATION OF APPROPRIATIONS.—To carry out subsection (f) of section 48C of the Internal Revenue Code of 1986 (as added by subsection (a)(4)), there is authorized to be appropriated to the State Energy Program of the Department of Energy, out of moneys in the Treasury not otherwise appropriated, $500,000, to remain available until expended.
(c) Effective Date.—The amendments made by this section shall apply to property placed in service after December 31, 2021.