

***Thermal Renewable Energy and
Efficiency Act of 2010 (TREEA)***

Sponsors

S. 3626

Al Franken (D-MN)

Kit Bond (R-MO)

H.R. 5805

Betty McCollum (D-MN)

Jay Inslee (D-WA)

Paul Tonko (D-NY)

***Thermal Renewable Energy and
Efficiency Act of 2010 (TREEA)***

Goal

- Stimulate investments in low-carbon thermal energy infrastructure, focusing on use of renewable energy to supply heating and cooling

Major provisions

- Renewable thermal production tax credit
- Expands availability of tax-exempt bonding for district energy infrastructure
- Modifies authorization for grants for institutional sustainable infrastructure

TREEA Title I

Thermal energy production tax credit

- Expands current PTC (USC Section 45) to production of renewable *thermal* energy
- Geothermal and “closed-loop” biomass get 2.1 cents/kWh (\$6.15/MMBtu)
- Open-loop biomass, landfill gas, and municipal solid waste get 1.1 cents/kWh (\$3.08/MMBtu)
- *Impact: increases after-tax cash flow, thereby increasing return on investment to attract equity investment*

TREEA Title II

Tax-exempt bonding

- U.S.C. 26 Section 142 currently provides for Exempt Facility Bonds for district energy distribution systems
- TREEA expands eligibility to district energy plant and building connection assets
- Plant investments provide opportunities for increased efficiency, use of renewable energy and reduced carbon emissions
- *Impact: reduces interest rate, thereby cutting debt service costs and increasing financial feasibility*

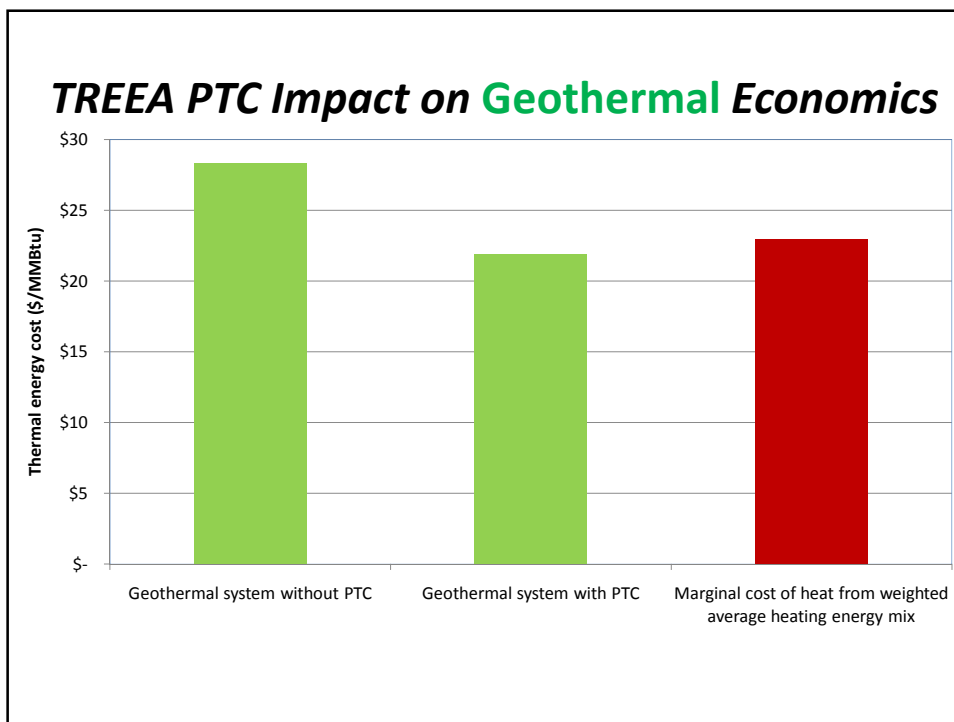
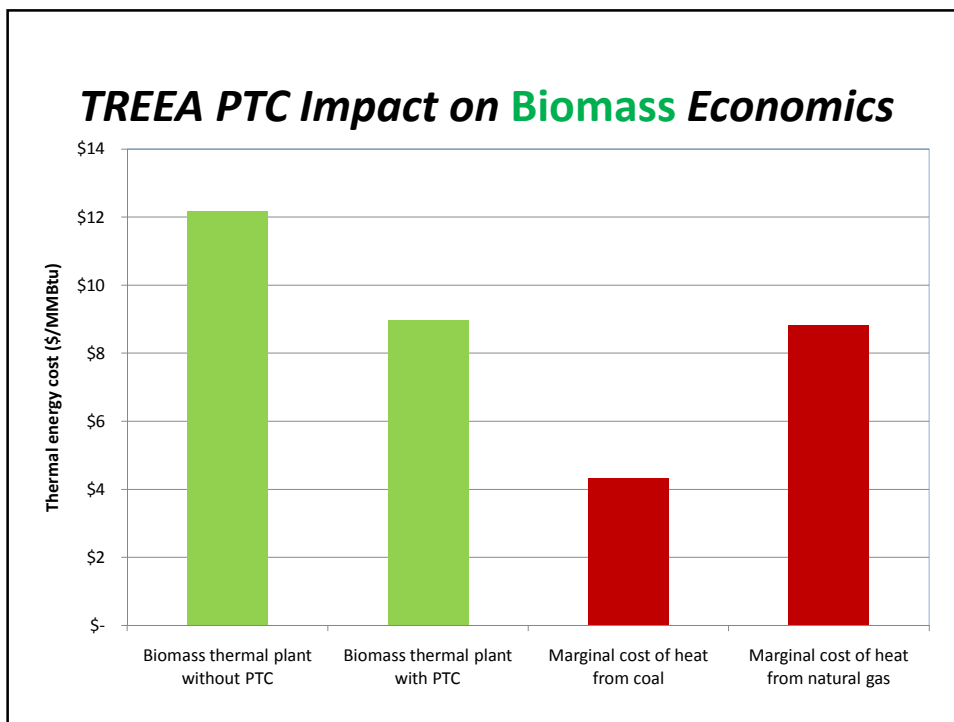
TREEA Title III

Energy Sustainability Grants for Institutions

- Energy Independence and Security Act of 2007 (EISA) authorized program (Section 471)
- TREEA amends the authorization to eliminate constraints that impair program effectiveness
- Amendments will enable grants to larger projects with greater efficiency gains, and will result in an increased number of beneficial projects
- *Impact: grant funding reduces total investment requirements, thereby increasing financial feasibility*

TREEA Beneficiaries

| | Renewable thermal production tax credits | Tax exempt bonding | Amendment to Section 471 grant program |
|-----------------|--|-----------------------------|--|
| Direct | For-profit district systems | For-profit district systems | Colleges and universities |
| | Performance contractors | Non-profit district systems | Local governments |
| | | | Municipal utilities |
| | | | Non-profit district systems |
| | | | Designees of the above |
| Indirect | Colleges and universities | Equipment vendors | Equipment vendors |
| | Local governments | Consultants | Consultants |
| | Municipal utilities | Performance contractors | Performance contractors |
| | Non-profit district systems | | |
| | Equipment vendors | | |
| | Consultants | | |



Related Legislation

H.R. 4144. Rep. Inslee (D-WA) + 15 co-sponsors

- Increases CHP ITC ceiling to 25 MWe

H.R. 4455. Reps. Thompson (D-CA), Kind (D-WI), Van Hollen (D-MD) and Linder (D-GA)

- Increases CHP ITC ceiling to 25 MWe

H.R. 5977. Reps. Paul (R-TX), Inslee (D-WA) and Berkley (D-NV)

- Provides 30% ITC for waste heat to power

H.R. 4751. Rep. Tonko (D-NY) + 16 co-sponsors

- Provides 30% ITC for CHP over 70% efficiency

Related Legislation

S. 3617. Sens. Bingaman (D-NM), Wyden (D-OR), Shaheen (D-NH) and Collins (R-ME)

- Provides 30% ITC for energy storage including thermal

S. 1643. Sens. Snowe (R-ME), Bingaman (D-NM), Begich (D-AK) and Gregg (R-NH)

- Provides ITC for residential conversion from oil to natural gas or biomass

S. 3619. Sen. Tester (D-MT)

- Authorizes and directs a program of RD&D for geothermal direct use and geothermal heat pumps

Thanks for your attention!
Questions?

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