AMENDMENT TO RULES COMMITTEE PRINT 116-63

OFFERED BY MS. GABBARD OF HAWAII

At the end of title II, add the following:

Subtitle G—E. Cooper Brown Ocean Clean Energy Act of 2020

SEC. 2701. SHORT TITLE; FINDINGS.

(a) SHORT TITLE.—This subtitle may be cited as the ''E. Cooper Brown Ocean Clean Energy Act of 2020''.

(b) FINDINGS RELATED TO OCEAN THERMAL ENERGY CONVERSION.—Congress finds the following with respect to ocean thermal energy conversion (OTEC):

(1) OTEC is a clean energy technology that produces energy by using temperature differentials between cooler deep and warm surface seawaters.

(2) OTEC technology has the potential to produce massive levels of clean energy to generate electricity.

(3) Deployment of OTEC technology will reduce greenhouse gases and reliance on fossil fuels.

(4) In tropical and subtropical remote locations, electricity is expensive to generate. Power generated from OTEC technology will be inexpensive when

compared to the unit cost of power from a traditional oil based electrical generation system.

(5) OTEC generated energy would reduce operational costs for remote military bases such as Kwajalein and Diego Garcia;.

(6) The United States became involved in OTEC research in 1974 with the establishment of the Natural Energy Laboratory of Hawaii Authority. The laboratory is one of the world's leading test facilities for OTEC technology. The United States Navy supported the development of a 105 kW demonstration OTEC plant at the laboratory site. This facility became operational in 2015 and supplies electricity to the local electricity grid.

(7) In certain regions, onshore OTEC plants are also feasible and they can be configured to support seawater or lake water air conditioning (SWAC/LWAC) systems for refrigeration and cooling, agriculture, and desalination systems for water purification.

(8) Economic benefits of OTEC include reduced fuel imports, stable utilities pricing, reduced capital expense to power companies and governments, and significant energy costs savings.

(9) Social benefits of OTEC include and an ability to produce freshwater and promotion of aquaculture.

(c) FINDINGS RELATED TO SEAWATER AIR CONDITIONING.—Congress finds the following with respect to seawater air conditioning (SWAC):

(1) SWAC is an alternate-energy system that uses the cold water from the deep ocean (and in some cases a deep lake) to cool buildings.

(2) SWAC was developed as a secondary benefit in the development of ocean thermal energy conversion (OTEC) and can be used in conjunction with an OTEC system or as a standalone alternate energy system.

(3) The basic process involves water that is pumped from a deep cold-water source (ocean or lake) and then passed through a heat exchanger. A closed-loop freshwater water distribution system is pumped through a heat exchanger cooling the water and the cooled water is distributed throughout a building or group of buildings (i.e., a district cooling system).

(4) The SWAC technology has been proven successful with large systems at Cornell University, To-

ronto, Canada and the Natural Energy Authority of Hawaii (NELHA).

(5) Environmental benefits of SWAC include being a clean, renewable source of energy, decreased reliance on fossil fuels for cooling, and reduction in greenhouse gas emissions.

(6) Economic benefits of SWAC include stable long-term energy costs and independence from market trends, reduced operating costs (including lower costs in fuel, freshwater, equipment, and equipment maintenance), and being a cost-effective and attractive energy technology investment.

SEC. 2702. ENERGY CREDIT FOR CERTAIN OCEAN THERMAL ENERGY PROPERTY.

(a) IN GENERAL.—Section 48(a)(3)(A) of the Internal Revenue Code of 1986 is amended by striking ''or'' at the end of clause (vi), by adding ''or'' at the end of clause (vii), and by adding at the end the following new clause:

''(viii) equipment which converts ocean thermal energy to usable energy or which uses ocean water as a thermal energy sink to cool a structure,''.

(b) 15 PERCENT CREDIT.—Section 48(a)(2)(A) of such Code is amended—

(1) by striking ''and'' at the end of clause (i)(IV),

(2) by redesignating clause (ii) as clause (iii),

(3) by striking ''any energy property to which clause (i) does not apply'' in clause (iii) (as so redesignated) and inserting ''any other energy property'', and

(4) by inserting after clause (i) the following new clause:

''(ii) 15 percent in the case of any energy property described in paragraph (3)(A)(viii), and''.

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to periods after December 31, 2019, under rules similar to the rules of section 48(m) of the Internal Revenue Code of 1986 (as in effect on the day before the date of the enactment of the Revenue Reconciliation Act of 1990).

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