

**AMENDMENT TO  
RULES COMMITTEE PRINT 115-39  
OFFERED BY MR. POLIS OF COLORADO**

Add at the end of title III the following:

**1 Subtitle J—Publicly Traded Part-  
2 nership Ownership Structure  
3 for Energy Power Generation  
4 Projects**

**5 SEC. 3901. EXTENSION OF PUBLICLY TRADED PARTNER-  
6 SHIP OWNERSHIP STRUCTURE TO ENERGY  
7 POWER GENERATION PROJECTS, TRANSPOR-  
8 TATION FUELS, AND RELATED ENERGY AC-  
9 TIVITIES.**

10 (a) IN GENERAL.—Section 7704(d)(1)(E) is amend-  
11 ed—

12 (1) by striking “income and gains derived from  
13 the exploration” and inserting “income and gains  
14 derived from the following:

15 “(i) MINERALS, NATURAL RE-  
16 SOURCES, ETC.—The exploration”;

17 (2) by inserting “or” before “industrial  
18 source”;

1           (3) by inserting a period after “carbon diox-  
2       ide”; and

3           (4) by striking “, or the transportation or stor-  
4       age” and all that follows and inserting the following:

5                       “(ii) RENEWABLE ENERGY.—The gen-  
6                       eration of electric power (including the  
7                       leasing of tangible personal property used  
8                       for such generation) exclusively utilizing  
9                       any resource described in section 45(c)(1)  
10                      or energy property described in section 48  
11                      (determined without regard to any termi-  
12                      nation date), or in the case of a facility de-  
13                      scribed in paragraph (3) or (7) of section  
14                      45(d) (determined without regard to any  
15                      placed in service date or date by which  
16                      construction of the facility is required to  
17                      begin), the accepting or processing of such  
18                      resource.

19                      “(iii) ENERGY STORAGE PROPERTY.—  
20                      The sale of electric power, capacity, re-  
21                      source adequacy, demand response capa-  
22                      bilities, or ancillary services that is pro-  
23                      duced or made available from any equip-  
24                      ment or facility (operating as a single unit

1 or as an aggregation of units) the principal  
2 function of which is to—

3 “(I) use mechanical, chemical,  
4 electrochemical, hydroelectric, or ther-  
5 mal processes to store energy that was  
6 generated at one time for conversion  
7 to electricity at a later time, or

8 “(II) store thermal energy for di-  
9 rect use for heating or cooling at a  
10 later time in a manner that avoids the  
11 need to use electricity at that later  
12 time.

13 “(iv) COMBINED HEAT AND POWER.—  
14 The generation, storage, or distribution of  
15 thermal energy exclusively utilizing prop-  
16 erty described in section 48(c)(3) (deter-  
17 mined without regard to subparagraphs  
18 (B) and (D) thereof and without regard to  
19 any placed in service date).

20 “(v) RENEWABLE THERMAL EN-  
21 ERGY.—The generation, storage, or dis-  
22 tribution of thermal energy exclusively  
23 using any resource described in section  
24 45(c)(1) or energy property described in  
25 clause (i) or (iii) of section 48(a)(3)(A).



1 atmosphere as its primary feedstock,  
2 and

3 “(II) is determined by the Sec-  
4 retary, in consultation with the Sec-  
5 retary of Energy and the Adminis-  
6 trator of the Environmental Protec-  
7 tion Agency, to achieve a reduction of  
8 not less than a 60 percent in lifecycle  
9 greenhouse gas emissions (as defined  
10 in section 211(o)(1)(H) of the Clean  
11 Air Act) compared to baseline lifecycle  
12 greenhouse gas emissions (as defined  
13 in section 211(o)(1)(C) of such Act).

14 This clause shall not apply to any fuel  
15 which uses as its primary feedstock carbon  
16 dioxide which is deliberately released from  
17 naturally-occurring subsurface springs.

18 “(x) RENEWABLE CHEMICALS.—The  
19 production, storage, or transportation of  
20 any qualifying renewable chemical (as de-  
21 fined in paragraph (6)).

22 “(xi) ENERGY EFFICIENT BUILD-  
23 INGS.—The audit and installation through  
24 contract or other agreement of any energy

1 efficient building property described in sec-  
2 tion 179D(c)(1).

3 “(xii) GASIFICATION WITH SEQUES-  
4 TRATION.—The production of any product  
5 or the generation of electric power from a  
6 project—

7 “(I) which meets the require-  
8 ments of subparagraphs (A) and (B)  
9 of section 48B(c)(1), and

10 “(II) not less than 75 percent of  
11 the total carbon dioxide emissions of  
12 which is qualified carbon dioxide (as  
13 defined in section 45Q(b)) which is  
14 disposed of or utilized as provided in  
15 paragraph (7).

16 “(xiii) CARBON CAPTURE AND SE-  
17 QUESTRATION.—

18 “(I) POWER GENERATION FACILI-  
19 TIES.—The generation or storage of  
20 electric power (including associated  
21 income from the sale or marketing of  
22 energy, capacity, resource adequacy,  
23 and ancillary services) produced from  
24 any power generation facility which is,  
25 or from any power generation unit

1 within, a qualified facility which is de-  
2 scribed in section 45Q(c) and not less  
3 than 50 percent (30 percent in the  
4 case of a facility or unit placed in  
5 service before January 1, 2017) of the  
6 total carbon dioxide emissions of  
7 which is qualified carbon dioxide  
8 which is disposed of or utilized as pro-  
9 vided in paragraph (7).

10 “(II) OTHER FACILITIES.—The  
11 sale of any good or service from any  
12 facility (other than a power generation  
13 facility) which is a qualified facility  
14 described in section 45Q(c) and the  
15 captured qualified carbon dioxide (as  
16 so defined) of which is disposed of as  
17 provided in paragraph (7).”

18 (b) RENEWABLE CHEMICAL.—

19 (1) IN GENERAL.—Section 7704(d) is amended  
20 by adding at the end the following new paragraph:

21 “(6) QUALIFYING RENEWABLE CHEMICAL.—

22 “(A) IN GENERAL.—The term ‘qualifying  
23 renewable chemical’ means any renewable chem-  
24 ical (as defined in section 9001 of the Agri-  
25 culture Act of 2014)—

1 “(i) which is produced by the taxpayer  
2 in the United States or in a territory or  
3 possession of the United States,

4 “(ii) which is the product of, or reli-  
5 ant upon, biological conversion, thermal  
6 conversion, or a combination of biological  
7 and thermal conversion, of renewable bio-  
8 mass (as defined in section 9001(13) of  
9 the Farm Security and Rural Investment  
10 Act of 2002),

11 “(iii) the biobased content of which is  
12 95 percent or higher,

13 “(iv) which is sold or used by the tax-  
14 payer—

15 “(I) for the production of chem-  
16 ical products, polymers, plastics, or  
17 formulated products, or

18 “(II) as chemicals, polymers,  
19 plastics, or formulated products,

20 “(v) which is not sold or used for the  
21 production of any food, feed, or fuel, and

22 “(vi) which is—

23 “(I) acetic acid, acrylic acid, acyl  
24 glutamate, adipic acid, algae oils,  
25 algae sugars, 1,4-butanediol (BDO),



1 iso-butanol, n-butanol, C10 and high-  
2 er hydrocarbons produced from olefin  
3 metathesis, carboxylic acids produced  
4 from olefin metathesis, cellulosic  
5 sugar, diethyl methylene malonate,  
6 dodecanedioic acid (DDDA), esters  
7 produced from olefin metathesis, ethyl  
8 acetate, ethylene glycol, farnesene,  
9 2,5-furandicarboxylic acid, gamma-bu-  
10 tyrolactone, glucaric acid,  
11 hexamethylenediamine (HMD), 3-hy-  
12 droxy propionic acid, iso-butene, iso-  
13 prene, itaconic acid, lactide, levulinic  
14 acid, polyhydroxyalkonate (PHA),  
15 polylactic acid (PLA), polyethylene  
16 furanoate (PEF), polyethylene  
17 terephthalate (PET), polyitaconic  
18 acid, polyols from vegetable oils,  
19 poly(xylitan levulinate ketal), 1,3-  
20 propanediol, 1,2-propanediol,  
21 rhamnolipids, short and medium chain  
22 carboxylic acids produced from anaer-  
23 obic digestion, succinic acid, tereph-  
24 thalic acid, vegetable fatty acid de-

1 rived from ethyl esters containing veg-  
2 etable oil, or *p*-Xylene, or

3 “(II) any chemical not described  
4 in clause (i) which is a chemical listed  
5 by the Secretary for purposes of this  
6 paragraph.

7 “(B) BIOBASED CONTENT.—For purposes  
8 of subparagraph (A)(iii), the term ‘biobased  
9 content percentage’ means, with respect to any  
10 renewable chemical, the biobased content of  
11 such chemical (expressed as a percentage) de-  
12 termined by testing representative samples  
13 using the American Society for Testing and  
14 Materials (ASTM) D6866.”.

15 (2) LIST OF OTHER QUALIFYING RENEWABLE  
16 CHEMICALS.—Not later than 180 days after the date  
17 of the enactment of this Act, the Secretary of the  
18 Treasury (or the Secretary’s delegate), in consulta-  
19 tion with the Secretary of Agriculture, shall establish  
20 a program to consider applications from taxpayers  
21 for the listing of chemicals under section  
22 7874(d)(6)(A)(vi)(II) (as added by paragraph (1)).

23 (c) DISPOSAL AND UTILIZATION OF CAPTURED CAR-  
24 BON DIOXIDE.—Section 7704(d), as amended by sub-

1 section (b), is amended by adding at the end the following  
2 new paragraph:

3 “(7) DISPOSAL AND UTILIZATION OF CAPTURED  
4 CARBON DIOXIDE.—For purposes of clauses  
5 (xii)(III) and (xiii)(I) of paragraph (1)(E), carbon  
6 dioxide is disposed of or utilized as provided in this  
7 paragraph if such carbon dioxide is—

8 “(A) placed into secure geological storage  
9 (as determined under section 45Q(d)(2)),

10 “(B) used as a tertiary injectant (as de-  
11 fined in section 45Q(d)(3)) in a qualified en-  
12 hanced oil or natural gas recovery project (as  
13 defined in section 45Q(d)(4)) and placed into  
14 secure geological storage (as so determined),

15 “(C) fixated through photosynthesis or  
16 chemosynthesis (such as through the growing of  
17 algae or bacteria),

18 “(D) chemically converted to a material or  
19 chemical compound in which it is securely  
20 stored, or

21 “(E) used for any other purpose which the  
22 Secretary determines has the potential to  
23 strengthen or significantly develop a competitive  
24 market for carbon dioxide captured from man-  
25 made sources.”.

1 (d) EFFECTIVE DATE.—The amendments made by  
2 this section shall take effect on the date of the enactment  
3 of this Act, in taxable years ending after such date.

