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AMSC

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Tax Credit for Investment in Qualified Advanced Electric Transmission and Distribution of Power

New tax credit that rewards investments in high efficiency energy transmission and distribution projects. It includes the transmission and distribution systems necessary to economically and efficiently transport renewable (and traditional) energy across the country and into and within our cities. As America moves toward a clean energy economy, it is common sense to couple our substantial investments in renewable energy production with investments in clean advanced grid infrastructure, such as, but not limited to, advanced superconductor cables or any other technology that can meet certain high energy efficiency criteria.

This credit rewards the successful ability to reach the goals with new standards. The investors in this type of property will be the recipient of these credits worth 30% of the project value.

Criteria

- Transmission infrastructure should be able to transmit high voltage electricity with minimal energy losses over long

distances and/or enable high power transmission at distribution voltage levels to improve the load serving capability, reliability and resiliency of urban power grids.

- For power distribution, there should be interconnection of urban substations, increasing the amount of power they can supply while simultaneously allowing them to survive major failure events while mitigating the siting challenges associated with installing new power system equipment in dense urban environments.
- Furthermore, unlike conventional transmission technologies, these new investments should not emit an electromagnetic field and
- Will be located underground, eliminating the problems of inefficient land use and unsightly towers.
- (Technical language attached)

Explanation of provision

Congress believes that it is good public policy to ensure that more power can be put through the same or smaller right-of-way and therefore utilities can save precious time and money by minimizing the need to acquire expensive urban real estate and right of ways. We also want to enable the installation of high power, but much lower voltage, cables or other means of transmission. The benefits of lower voltage high power cables, or other means of transmission, include less disruptive installation of lines in space constrained areas, cost effective placement of high power lines underground, simplified permitting requirements, reduction in safety related challenges, and the ability to share power among urban substations to increase reliability and resiliency.

Legislative language

“QUALIFIED ADVANCED HIGH EFFICIENCY POWER transmission and
distribution PROPERTY

(A)The term ‘qualified advanced high efficiency power transmission and distribution property’ means any electric power property, along with any related substation, converter station, or other integrated facility necessary for the operation of the property that [satisfies clause (i) below:]

(i) in the case of electric power transmission property for electric utilities or similar entities has—

(I) been determined by an appropriate energy regulatory body, upon application, to be in the public interest and thereby eligible for inclusion in regulated rates, and

(II) if used for transmitting electric power-

a. is capable of transmitting, underground, electric power that both
1) has a magnitude that is at least twice than and 2) has an electrical resistance at least 100 times less than that of industry standard copper or aluminum power property of the same voltage rating, and

“(B) TERMINATION.—The term ‘Advanced High Efficiency Power transmission and distribution property’ shall not include any property where substantial construction has not begun before 2018.

