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**AMENDMENT TO H.R. 2776, AS REPORTED
OFFERED BY MR. VAN HOLLEN OF MARYLAND**

At the end of title II, add the following new section:

1 **SEC. 216. ACCELERATED RECOVERY PERIOD FOR DEP-**
2 **CIATION OF QUALIFIED ELECTRIC GRID MAN-**
3 **AGEMENT SYSTEMS.**

4 (a) **IN GENERAL.**—Section 168(e)(3)(A) (relating to
5 3-year property) is amended by striking “and” at the end
6 of clause (ii), by striking the period at the end of clause
7 (iii) and inserting “, and”, and by inserting after clause
8 (iii) the following new clause:

9 “(iv) any qualified electric grid man-
10 agement system.”.

11 (b) **DEFINITION OF QUALIFIED ELECTRIC GRID**
12 **MANAGEMENT SYSTEM.**—Section 168(i) (relating to defi-
13 nitions and special rules), as amended by this Act, is fur-
14 ther amended by inserting at the end the following new
15 paragraph:

16 “(19) **QUALIFIED ELECTRIC GRID MANAGE-**
17 **MENT SYSTEM.**—

18 “(A) **IN GENERAL.**—The term ‘qualified
19 electric grid management system’ means any
20 qualifying assets used as part of a system for

1 electric distribution grid communications, moni-
2 toring, and management placed in service by a
3 taxpayer who is a supplier of electric energy or
4 a provider of electric energy services.

5 “(B) QUALIFYING ASSETS.—For the pur-
6 poses of subparagraph (A), the term ‘qualifying
7 assets’ means—

8 “(i) electronics and related equipment
9 that is capable of sensing, collecting and
10 monitoring data of or from all portions of
11 a utility’s electric distribution grid, pro-
12 viding real-time, two-way communications
13 to monitor or manage such grid, and is ca-
14 pable of real time analysis of and event
15 prediction based upon collected data that
16 can be used to improve electric distribution
17 system reliability, quality and performance;
18 and

19 “(ii) electric distribution control de-
20 vices, such as devices that control capacitor
21 banks or switches in order to improve elec-
22 tric distribution system reliability, quality,
23 or performance.

24 “(C) TERMINATION.—A qualifying asset
25 shall not include any property which is—

1 “(i) placed in service after the 3-year
2 period beginning on the date of the enact-
3 ment of this Act, unless such property was
4 acquired pursuant to a written binding
5 contract which was in effect before the end
6 of such period and at all times thereafter,
7 or

8 “(ii) placed in service after the 9-year
9 period beginning on the date of the enact-
10 ment of this Act.”.

11 (c) **EFFECTIVE DATE.**—The amendments made by
12 this section shall apply to property placed in service after
13 the date of the enactment of this Act.