

1 Amendment intended to be proposed by Mr. Van Hollen to H.R. ~~3221~~ 3221

2 At an end of Title II, add the following new section:

3 **Sec. 216.—THREE YEAR APPLICABLE RECOVERY PERIOD FOR DEPRECIATION OF**
4 **QUALIFIED ELECTRIC GRID MANAGEMENT SYSTEMS.**

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

8 “(iv) any qualified electric grid management system.”.

9 (b) DEFINITION OF QUALIFIED ELECTRIC GRID MANAGEMENT SYSTEM.—Section
10 168(i) (relating to definitions and special rules) is further amended by inserting at the
11 end the following new paragraph:

12 “(19) QUALIFIED ELECTRIC GRID MANAGEMENT SYSTEM.—

13 “(A) IN GENERAL.—The term ‘qualified electric grid management system’
14 means any qualifying assets used as part of a system for electric distribution
15 grid communications, monitoring, and management placed in service before
16 January 1, 2011 by a taxpayer who is a supplier of electric energy or a
17 provider of electric energy services.

18 “(B) QUALIFYING ASSETS.—For the purposes of subparagraph (A), the term
19 ‘qualifying assets’ means:

20 “(i) electronics and related equipment that is capable of sensing,
21 collecting and monitoring data of or from all portions of a utility’s electric
22 distribution grid, providing real-time, two-way communications to
23 monitor or manage such grid, and is capable of real time analysis of and

1 event prediction based upon collected data that can be used to improve
2 electric distribution system reliability, quality and performance; and
3 “(ii) electric distribution control devices, such as devices that control
4 capacitor banks or switches in order to improve electric distribution
5 system reliability, quality, or performance.

6 (c) EFFECTIVE DATE.—The amendments made by this section shall apply
7 to property placed in service during the nine-year period beginning on the
8 date of the enactment of this Act pursuant to contracts signed within three
9 years of the date of the enactment of this Act.