THE U.S. SENATE COMMITTEE ON

ENERGY AND NATURAL RESOURCES

RANKING MEMBER SENATOR MARTIN HEINRICH

GRID RESILIENCY TAX CREDIT ACT

The Grid Resiliency Tax Credit Act would provide a targeted 30% investment tax credit to support investments in large-scale, regionally significant transmission projects to provide consumers with low-cost, reliable electricity. The tax credit will encourage investment in our nations transmission infrastructure and speed up much needed deployment.

According to analysis by ACORE and Grid Strategies, a 30% investment tax credit for transmission projects would create more than one million American jobs. Beyond creating jobs, expanding the nation's transmission capacity would also deliver significant savings for consumers: Grid Strategies and Americans for a Clean Energy Grid (ACEG) estimate that transmission expansion could save American families and businesses up to $27.7 billion per year on their electricity bills.

The Grid Resiliency Tax Credit would support investments in new transmission projects, modifications to existing transmission projects, interconnection, subcomponents, and grid enhancing technologies, all while creating high-quality jobs. Eligible investments include:

- Large significant transmission lines and line upgrades that cross certain geographic jurisdictions or are at least 100 miles which are:
    - At least 500 MW in capacity
    - At least 345 kV AC or 200 kV DC in voltage
- Generator-tie lines and network upgrades to connect additional electricity supply and storage to the grid.
- Innovative technologies, such as advanced transmission conductors and grid enhancing technologies.

The Resiliency Tax Credit would provide long-term certainty to invest in a 21st century grid. The Resiliency Tax Credit Act would provide a 10-year tax credit. Starting in 2026, all qualifying transmission projects that are placed in service would qualify for the credit and any qualifying project that starts construction before December 31, 2036, could claim the credit. Further, taxpayers would be able to monetize the credit under the Inflation Reduction Act's tax-credit transferability provisions and the Internal Revenue Code's Elective Payment provisions.