
HOUSE BILL 1405

State of Washington

57th Legislature

2001 Regular Session

By Representatives Anderson, Poulsen, Crouse, Linville, Kagi, Hatfield, Van Luven, Cooper, O'Brien, Campbell, Roach, Bush, Lisk, Berkey, Miloscia and Kessler; by request of Governor Locke

Read first time 01/25/2001. Referred to Committee on Technology, Telecommunications & Energy.

1 AN ACT Relating to extending eligibility for the public utility tax
2 deduction for facilities generating energy from cogeneration; and
3 amending RCW 82.16.055.

4 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF WASHINGTON:

5 **Sec. 1.** RCW 82.16.055 and 1980 c 149 s 3 are each amended to read
6 as follows:

7 (1) In computing tax under this chapter there shall be deducted
8 from the gross income:

9 (a) An amount equal to the cost of production at the plant for
10 consumption within the state of Washington of:

11 (i) Electrical energy produced or generated from cogeneration as
12 defined in RCW 82.35.020; and

13 (ii) Electrical energy or gas produced or generated from renewable
14 energy resources such as solar energy, wind energy, hydroelectric
15 energy, geothermal energy, wood, wood wastes, municipal wastes,
16 agricultural products and wastes, and end-use waste heat; and

17 (b) Those amounts expended to improve consumers' efficiency of
18 energy end use or to otherwise reduce the use of electrical energy or
19 gas by the consumer.

1 (2)(a) This section applies only to new facilities for the
2 production or generation of energy from cogeneration or renewable
3 energy resources or measures to improve the efficiency of energy end
4 use on which construction or installation is begun after June 12, 1980,
5 and before January 1, 1990.

6 (b) In addition, this section applies to new or expanded facilities
7 for the production or generation of energy from cogeneration on which
8 construction or installation is begun after July 1, 2001, and before
9 January 1, 2011.

10 (3) Deductions under subsection (1)(a) of this section shall be
11 allowed for a period not to exceed thirty years after the project is
12 placed in operation.

13 (4) Measures or projects encouraged under this section shall at the
14 time they are placed in service be reasonably expected to save,
15 produce, or generate energy at a total incremental system cost per unit
16 of energy delivered to end use which is less than or equal to the
17 incremental system cost per unit of energy delivered to end use from
18 similarly available conventional energy resources which utilize nuclear
19 energy or fossil fuels and which the gas or electric utility could
20 acquire to meet energy demand in the same time period.

21 (5) The department of revenue, after consultation with the
22 utilities and transportation commission in the case of investor-owned
23 utilities and the governing bodies of locally regulated utilities,
24 shall determine the eligibility of individual projects and measures for
25 deductions under this section.

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