

**RCW 82.16.055 Deductions relating to energy conservation or production from renewable resources.** (1) In computing tax under this chapter there must be deducted from the gross income:

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

(i) Electrical energy produced or generated from cogeneration as defined in RCW 82.35.020, as existing on June 30, 2006; and

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

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

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

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

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

(5) The department of revenue, after consultation with the utilities and transportation commission in the case of investor-owned utilities and the governing bodies of locally regulated utilities, must determine the eligibility of individual projects and measures for deductions under this section. [2020 c 139 s 27; 1980 c 149 s 3.]

**Legislative finding—1980 c 149:** See RCW 80.28.024.

*Utility rate structures encouraging energy conservation and production from renewable resources: RCW 80.28.025.*