

Coal-Fired Electric Power Plants

JLARC Staff 2017 Tax Preference Performance Evaluation

Three Tax Preferences

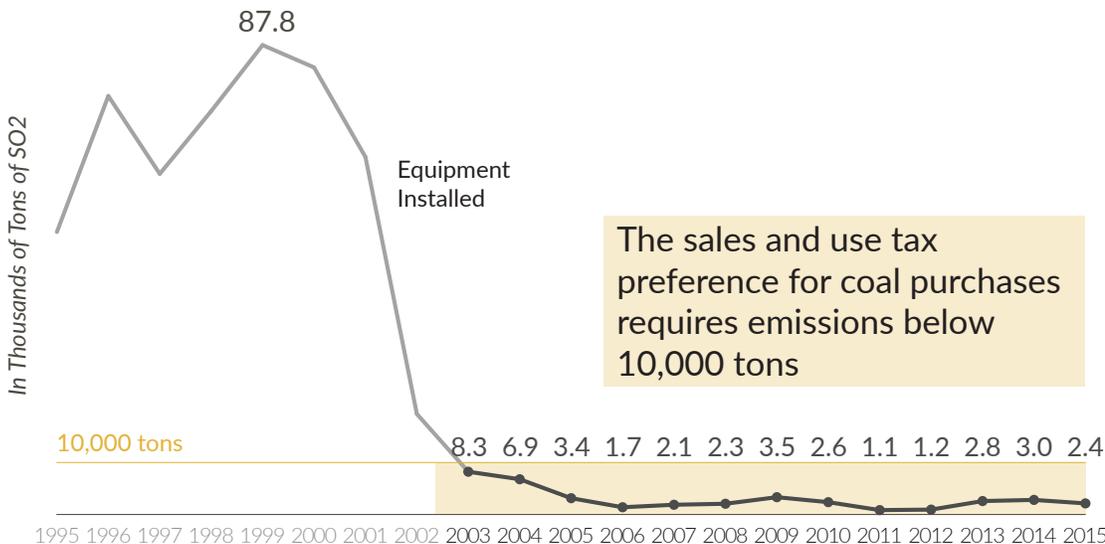
Air pollution control equipment/facilities property tax
 Air pollution control equipment/facilities sales and use tax
 Coal purchase sales and use tax

Objectives (stated)	Results
Help thermal electric power plants to:	
Update air pollution control equipment/facilities.	Met. The beneficiary installed equipment/facilities in 2001-02 and 2011-12.
Abate pollution.	Met. Sulfur dioxide emissions fell from 87.8 to 2.4 thousand tons.
Play a long-term economic role in their communities.	Met. Beneficiary provides 200 jobs and \$4.58 million in annual community financial assistance.

Single beneficiary for the preferences

Only one eligible plant operating in Washington: TransAlta's coal-fired electric power plant in Centralia. Estimated FY16 beneficiary savings are \$4.2 - \$9.5 million.

Beneficiary reduced sulfur dioxide emissions



1995 1996 1997 1998 1999 2000 2001 2002 2003 2004 2005 2006 2007 2008 2009 2010 2011 2012 2013 2014 2015

Source: JLARC staff analysis of EPA air markets program data.

Beneficiary provides required \$4.58M in annual financial assistance payments for community

Assistance intended to support weatherization, economic and community development, and energy technology projects. The payments end if the sales and use tax preferences are eliminated.

Legislative Auditor recommendation: Continue

The Legislature should continue the tax preferences until the coal-fired boilers at the plant are decommissioned because they are meeting the stated public policy objectives.

The complete report is on the JLARC web site.

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