

Credit for Renewable Energy Program Payments

2021 JLARC TAX PREFERENCE REVIEW

Estimated 2021-23 beneficiary savings: \$27.4M

Public Utility Tax

WHAT IS THE PREFERENCE?

Participating utilities pay customers for every kilowatt-hour of electricity they generate through renewable energy systems like solar panels and wind turbines.

The state reimburses utilities with a credit on the taxes they owe.



Preference is scheduled to expire June 30, 2030.

Credit increased solar capacity and met its jobs target

Metrics in statute:

Install 115 MW of solar capacity between 7/2017 and 6/2021.

Increase solar jobs per capita or national ranking in solar employment.

What happened:

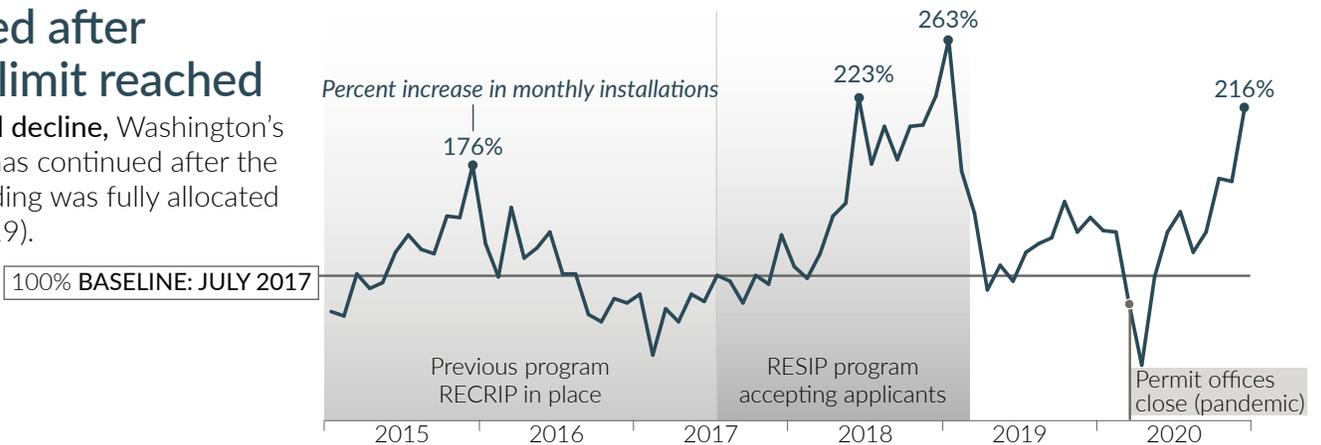
Program participants installed 87% of the targeted capacity (100.5 MW).

1,519 new solar-related jobs; jobs per capita increased by 52%.

State ranking for solar jobs remained 21st in nation when program reached funding limit.

Solar installations continued after funding limit reached

After an initial decline, Washington's solar market has continued after the incentive funding was fully allocated (February 2019).



Legislative goal of growing low-income participants not met

COMMUNITY SOLAR projects are intended to increase access to solar power across income levels. Participants do not need to own solar panels or the property they are located on. These projects made up the smallest portion (1.4%) of installed capacity through RESIP.

RESIDENTIAL SCALE | 57.5%

SHARED COMMERCIAL SOLAR | 26.2%

COMMERCIAL SCALE | 14.9%

LEGISLATIVE AUDITOR'S RECOMMENDATION

Allow to expire.

Legislature should allow the credit to expire - objectives mostly met and installations continued after program reached funding limit. If Legislature wants to broaden low-income participation, it should consider other options.