

Re: Puget Ridge Cohousing Association – 601310868

Email dated Feb, 10, 2015

Thank you for your internet inquiry dated December 30, 2014, regarding whether individual condo unit owners are eligible for the renewable energy system cost recovery incentive payment described in WAC 458-20-273 on systems owned by them installed on common elements of the condominium.

### Facts provided

About ten individual owners of Puget Ridge Cohousing plan to:

- Install an array, paid for by individual unit owners who also have partial ownership interest in the condo property, on the Common House building and distribute the energy generated to the Common House utility meter. The “Common House” is located on parcel 6928350000 and does not have a sub parcel number. It is a building owned by and used by all condo owners, with no one living in it.
- Install solar arrays on at least one other collectively owned building and distribute the energy to meters servicing that building and an adjacent building (all unit meters are located in the garage of one of the buildings on the property). Each building except the Common House has at least one sub parcel number corresponding to a unit number in addition to the 6928350000 parcel number.

### Questions

1. Does having partial ownership interest in the property, including the land and the buildings, of a condo development qualify individual unit owners, who are utility customers, for the Washington State Production Incentive if they install solar on their collectively owned property?

### Ruling

Yes, individual-unit owners are owners of the units individually and are vested in ownership of the real property and all common elements as an undivided interest stated in Schedule B and recorded with the King County Department of Assessments, pursuant to RCW 64.34.040. Therefore, individual-unit owner has ownership in all the property, including the common areas. If individual-unit owner also owns the system, there is unity of ownership.

2. Are there any requirements on how partial owners of condo property can install solar on that partially owned property, to ensure that each owner qualifies for up to \$5,000/year in Production Incentives?

## Ruling

Yes, each individual unit owner (or household) is entitled to claim up to the maximum \$5,000 per year payment because each individual-unit owner (or household) is separate and distinct from the other individual-unit owners. Further, each individual-unit owner owns a separate property interest recorded with the county assessor.

### Certification of systems

We are still looking at how best to handle the certification process taking into account the documentation needs of the utility that serves the site of the systems. When it is time to certify the systems, please contact Adam Schierenbeck, Manager, Taxpayer Account Administration, regarding the process. Mr. Schierenbeck can be reached at [\(360\) 902-7127](tel:(360)902-7127) or by email at [AdamSc@dor.wa.gov](mailto:AdamSc@dor.wa.gov)

This ruling is binding on Puget Ridge Cohousing Association. If you disagree with this ruling, you have specific appeal rights.

If you have any further questions, please write again.

Sincerely,

*Beth Mills*

Tax Information Specialist | Washington State Department of Revenue | [dor.wa.gov/rulings](http://dor.wa.gov/rulings)