



TaxNewsFlash

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Renewable electricity, refined coal production inflation factors, reference prices for 2021

The U.S. Treasury Department and IRS today released for publication in the Federal Register a notice that provides the 2021 inflation adjustment factor and reference prices used in determining the availability of the credit for renewable electricity production and refined coal production under section 45.

Credit rates

Today's [notice](#) [PDF 218 KB] provides:

- The 2021 credit rate for wind, closed-loop biomass and geothermal facilities claiming the renewable electricity production credit is 2.5 cents per kilowatt hour (the same as for 2020).
- The 2021 credit rate for open-loop biomass, landfill gas, trash, qualified hydropower and marine and hydrokinetic facilities is unchanged at 1.3 cents per kilowatt hour (the same as for 2020).
- The 2021 credit rate for refined coal production is \$7.384 per ton on the sale of refined coal (up from \$7.301 per ton for 2020).

Reference prices

- The inflation adjustment factor for 2021 for qualified energy resources and refined coal is 1.6878 (up from 1.6687 for 2020)
- The 2021 reference price for electricity produced from wind is 3.59 cents per kilowatt hour (reduced from 4.16 cents in 2020).
- The reference prices for fuel used as feed stock (relating to refined coal production) are \$31.90 per ton for calendar year 2002 and \$45.64 per ton for calendar year 2021 (down from \$48.58 per ton for calendar year 2020).
- The reference prices for facilities producing electricity from closed-loop biomass, open-loop biomass, geothermal energy, small irrigation power, municipal solid waste, qualified hydropower production, and marine and hydrokinetic renewable energy have not been determined for calendar year 2021. According to today's notice, the credit for electricity produced from wind and the credit

for refined coal is not phased out for 2021 because the reference prices do not exceed the beginning of the phase-out threshold.

For the 2020 factors and reference prices, read [TaxNewsFlash](#)

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