



Investment Tax Credit for Industrial Water Reuse

Helping Industries Secure a Sustainable Water Supply

While nearly 70 percent of the planet is covered by water, only two and a half percent is freshwater, and only one percent is accessible. Water reuse, also known as water recycling, is the process of intentionally capturing wastewater, stormwater, saltwater, or graywater and cleaning it for a designated beneficial freshwater purpose such as drinking, industrial processes, surface or ground water replenishment, and environmental restoration. Industrial water use in the US is second only to agribusiness in terms of water usage, and current industrial water reuse offsets only a fraction of this. Fortunately, the US government is well-positioned to encourage water recycling projects with targeted investment via tax credits.

POLICY PROPOSAL:

Congress should establish a tax credit to help industrial facilities adopt water recycling technologies and systems – investments that recognize the need for sustainable water consumption and support job creation in the U.S. Specifically, we urge Congress to create a tax credit of up to 30 percent of the project value when purchasing, designing and installing systems that increase water recycling or the use of recycled water. These tax credits should be structured on a sliding scale, reflecting the size and impact of improvements.

WHAT IS INDUSTRIAL REUSE?

Industrial reuse refers to water that is used more than once in an industrial setting. Water is treated and used again, employing effective and efficient processes to meet specific quality standards for an intended end use. This water can originate in the same facility that captures, treats, and reuses it, which is known as onsite reuse; or, it can be supplied through a public-private partnership by which municipalities provide industrial facilities with treated recycled water.

THE BUSINESS CASE FOR INDUSTRIAL REUSE:

Industrial facilities adopt water reuse for a variety of business reasons. These include water security and reliability, cost savings that come from fit-for-purpose treatment, environmental compliance needs, and social responsibility.

EXAMPLES OF WATER REUSE FOR INDUSTRY

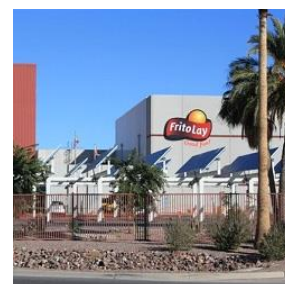
TAMPA ELECTRIC | FLORIDA

Since 2015, Tampa Electric has relied on local municipalities to provide recycled water to cool the Polk Power Station. Suppliers include the Polk County and the cities of Lakeland and Mulberry. Roughly 7 million gallons of recycled water is pumped for use at the power station—rather than discharged into surrounding water. Because of the positive environmental impacts, Southwest Florida Water Management District also came on board as an early partner, funding over a third of the initial \$120M cost.



FRITO-LAY SNACK FOOD PLANT | ARIZONA

In 2010, a Frito-Lay facility became the first U.S.-based food processing plant to use recycled water for food production. The facility relies on a 650,000-gallon-per-day treatment and recovery system, recycling up to 75 percent of the facility's process water. This has cut Frito-Lay's annual water use by 100 million gallons. The innovative system treats water to drinking water standards, ensuring it can be safely used to wash and move food—ultimately helping the company achieve its goal of nearly net-zero waste.



DATA CENTER ALLEY | VIRGINIA

As the world's largest concentration of data centers, Loudoun County's Data Center Alley houses more than 3,400 technology companies, many of which contain massive servers that require cooling. To satisfy this need, in 2010, the data centers began a partnership with Loudoun Water, which constructed a recycled water distribution system. The system, now spanning 16 miles, supplies this fast-growing industry with water for industrial cooling and irrigation.



GREEN BAY PACKAGING | WISCONSIN

For the last 15 years, Green Bay Packaging has been a leader in the use of recycled water for paper manufacturing. When their new facility opens in 2021, it will bring with it state-of-the-art advances, including an increase in the use of recycled water. Due to a partnership with NEW Water, Green Bay's water treatment facility, and their recently overhauled recycled water system, the mill will be the first facility of its scale in Wisconsin to use recycled water from an adjoining wastewater treatment facility.

