

## **Committee: Budget and Taxation**

## **Testimony on: HB1039 “Property Tax – Community Solar Energy Generating Systems – Agrivoltaics”**

### **Position: Support**

**Date: March 29, 2022**

Lightstar Renewables, is a national developer of community solar agrivoltaic systems and is currently sourcing sites in Maryland. Lightstar has worked collaboratively with research institutions, farm bureaus, and farmland preservation organizations to advocate for and implement agrivoltaics policies in Massachusetts, Maine, New York, and New Jersey. The American Farmland Trust has supported agrivoltaic projects and explains that they “maintain, rather than displace, farming activity by making agricultural production an integral part of the project design and operation. Project designs and plans for construction and decommissioning are created with a farmer or other expert in a manner that retains or enhances the land’s agricultural productivity and viability during and after the life of the project.”<sup>1</sup>

Although Lightstar would like to develop sustainable agrivoltaic systems, which would secure and stabilize productive family farms for the next generation – agrivoltaic systems are currently not financially viable in the Maryland market. The passage of HB 1039 would alleviate critical financial barriers to developing agrivoltaic projects in Maryland.

## **Encouraging Agrivoltaics in Maryland**

Agrivoltaics is an opportune policy to pursue given the variety of pressures that localities are facing from both conservation and sustainable energy goals. Towns who want to act locally to combat the climate crisis are faced with diverging priorities of preserving important local farmland and developing clean energy resources for the grid. This unnecessarily positions towns to choose between policy goals, where both farmland and adequate clean energy sites are scarce resources. Local pressure is exerted to prohibit clean energy on farmland, but doing so leaves those farms vulnerable to more permanent, impervious development.

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<sup>1</sup> American Farmland Trust. [Smart Solar Siting on Farmland: Achieving Climate Goals While Strengthening the Future for Farming in New York \(2022\)](#)

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Given there are certain constraints for developers when citing projects such as interconnection and minimizing tree cutting, incentivizing developers to better utilize brownfield, rooftops, and open space will enable Maryland to accelerate its clean energy goals in a responsible and sustainable way. Lightstar supports this effort, particularly agrivoltaics, as it can help stabilize regional food production and family farms in addition to allowing more people to access the direct financial benefits of community solar.

Lightstar develops projects that place the land and farmer first – we do that by designing the array with the current and future farm operation in mind from day one. This can be as simple as spreading the rows farther a part or raising the panels a few feet higher. Though sometimes this does come at an increased cost, HB1039 offers a simple, cost-effective way to incentivize this innovative farmland conservation strategy that does not negatively impact ratepayers. We understand that there may be concern about lost potential revenue to municipalities, but our projects would still be paying some real estate, and other local taxes for the life of the project, which would not otherwise be seen by municipalities and counties if this bill were not to go forward. Additionally, this is a temporary measure to steer the development of the current pilot program.

### **Rural Economic Development and Food System Stability**

The tax exemption for the equipment used for our systems is not insignificant to Lightstar and could help turn standard ground mounted solar arrays into food producing agrivoltaic systems. The agrivoltaic tax exemption would have a direct impact on the ability for farmers to stay on their land and mitigate financial risk of their business. In order for these systems to be successfully farmed– we need a dedicated farmer to ensure that the land remains in production over the life of the solar project. In other markets Lightstar pays a stipend in addition to land lease payments to the farmer – for their time, operational costs, and maintenance of the land and project. These tax exemptions would allow us to pay a stable and meaningful stipend to the farmer to keep this parcel in production – therefore guaranteeing a family farm keeps providing crops or livestock for the next generation.

Incentivizing more of the industry with a tax exemption for agrivoltaics addresses the important land use issues, while supporting wider state policy goals such as rural economic development, transition to regenerative agriculture, young farmer land access, and carbon sequestration. Prioritizing agrivoltaics enables developers to provide farmers with favorable conditions to keep farmland in production, helping to stabilize farming enterprises for the next generation, while developing local clean energy. The relatively

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small size of community solar projects is advantageous as a preliminary model because smaller farms are the most in need of long-term financial stability.

The United States National Renewable Energy Lab (NREL), Universities, [American Farmland Trust](#) and farmers have been conducting research for the last decade on agrivoltaics. With over 3,000 MW globally, this sustainable project type is ready to be implemented in markets such as Maryland. Reports of the negative effects of climate change on farmland are being realized even earlier than originally thought, this necessitates embracing novel frameworks for achieving policy goals. Agrivoltaics is an available solution and we urge the committee to make a favorable report for HB1039.

Thank you for your consideration. If there are any questions, please reach out.

Sincerely,

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