



February 20, 2023

Honorable Guy Guzzone, Chair
Budget and Taxation Committee
3 West
Miller Senate Office Building
Annapolis, Maryland 21401

Re: CHESSA Letter of Support of SB 469

Dear Chair Guzzone and Members of the Budget & Taxation Committee:

The Chesapeake Solar and Storage Association (CHESSA) appreciates the opportunity to recommend a favorable report of HB 68. CHESSA is a member organization that represents over 120 companies engaged in all facets of the solar and battery storage industry throughout Maryland, Virginia, and the District of Columbia.

As the fiscal note illuminates, Maryland has already taken many crucial steps to reduce the tax burden on renewable energy projects in Maryland. CHESSA greatly appreciates the work and leadership of the Chair and of Senator Elfreth to consult with the solar industry to explore remaining ways that tax burden could be addressed and relieved by this Committee. CHESSA supports SB 469 and with the scope of the task force to “maximize the installation of rooftop solar panels, to facilitate and promote installation of grid-connected generation of renewable energy, and to meet the State’s renewable energy goals.”

The siting of renewable energy resources is of growing concern across the nation and has been a source of tension between the solar industry and counties. CHESSA is aware of active astroturfing efforts to spread misinformation about the impacts of solar farms, nationally, but we acknowledge that there are also legitimate policy priorities that inform local land use decisions. CHESSA believes that the task force is a practical, smart approach to create an incentive pathway to accelerate the utilization of solar energy at low-friction sites (e.g., rooftops, brownfields, parking canopies) while the industry simultaneously works to achieve the appropriate balance between solar development and conservation of Maryland’s natural resources and natural beauty. Often, localities look to guidance from the State in terms of the proper way to value and tax these systems. Without this guidance, local assessors are left trying to compare solar energy generation systems with other more typical facilities in their locality, such as commercial and industrial buildings, which leads to undue tax burden on solar energy generation that significantly hinder deployment.

Rooftop solar tends to face lower interconnection costs, particularly for small-scale residential installations, and can be scaled up quickly if local building permitting processes are equipped to handle the volume. Even so, CHESSA cautions that reliance on rooftop solar and siting in the built environment will not be sufficient to meet Maryland's ambitious solar deployment goals. In order to keep along the path of being a leader in combating climate change and having a diverse energy mix, Maryland will need to leverage residential, commercial, community, and large-scale solar.

For these reasons, CHESSA supports SB 469 and would hope to assist the work of the task force in identifying the best tax incentive mechanisms to effectively incentivize the rapid deployment of solar on preferred, low-friction sites. Solar facilities are inherently different than commercial buildings and operations, as they provide a much needed service in the form of local energy generation but do not burden local infrastructure in the terms of traffic or use of local services. As the industry strives to find solutions to the larger siting challenges in Maryland, it is important to scale up and accelerate deployment of solar along these paths of least resistance, and believe the State has the opportunity to provide guidance and leadership.

CHESSA appreciates the opportunity to submit these comments in support of SB 469 and welcomes further dialogue with the Chair and the Members of the Committee on achieving Maryland's critical renewable energy goals.

Respectfully submitted,

/s/
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CHESSA Maryland Policy Committee Chair

/s/
Stephanie Johnson
Executive Director, CHESSA