



Committee: Ways and Means
Testimony on: SB469 – Task Force to Study Solar Tax Incentives
Organization: Maryland Legislative Coalition Climate Justice Wing
Submitting: Laurie McGilvray, Co-Chair
Position: Favorable
Hearing Date: March 30, 2022

Dear Chair and Committee Members:

Thank you for allowing our testimony today in support of SB469. The Maryland Legislative Coalition Climate Justice Wing, a statewide coalition of over 50 grassroots and professional organizations, urges you to vote favorable on SB469.

SB469 establishes a Task Force to Study Solar Tax Incentives and make recommendations to the General Assembly by December 15, 2023 on improving the State’s tax strategy to maximize rooftop solar installation; promote the installation of grid-connected renewable energy; and meet the State’s renewable energy goals. We also support sponsor amendments to the bill that would broaden the Task Force’s charge to consider other incentives beyond tax incentives, such as the cost of Solar Renewable Energy Credits and potential alternative compliance payments from utilities that do not meet the Clean Energy Jobs Act solar energy goals.

Currently, Maryland’s solar energy tax incentives include four types: 1) sales and use tax exemption; 2) property tax exemption; 3) assessment (for property tax purposes) of solar energy heating and cooling systems; and 4) authorization of local property tax credit. These incentives are designed to promote solar energy generation and to help the State meet its Renewable Portfolio Standard (RPS) carve-out for solar.

In 2023, the RPS requirement is 31.9% from Tier 1 sources, including at least 6.0% from solar. Electric utilities and other electricity suppliers must submit renewable energy credits equal to a percentage of their retail electricity sales or pay an alternative compliance payment for the shortfall. This year, there is an unprecedented level of alternative compliance payment funds, because electric utilities and suppliers have missed the RPS goals.

SB469 will create a Task Force to study incentives for solar generation and ensure the General Assembly has recommendations for how to maximize various incentives to promote more solar generation in Maryland. We support SB469 and recommend a **FAVORABLE** report in committee.