



Maryland

Energy Administration

Larry Hogan, Governor
Boyd K. Rutherford, Lt. Governor
Mary Beth Tung, Director

TO: Senate Education, Health, and Environmental Affairs
FROM: Mary Beth Tung – Director, MEA
SUBJECT: SB281 – Renewable Energy Development and Siting (REDS) – Evaluations and Tax and Fee Exemptions
DATE: February 11, 2020
CONTENTS: Written Testimony in Support of

MEA Position: FAVORABLE

Explanation

Senate Bill 281 will require the Department of the Environment to waive certain Voluntary Cleanup Program (“VCP”) application fees for applicants that plan to use eligible property to generate clean or renewable energy, and requires the Department to adopt certain regulations that establishes property identified in the Superfund Enterprise Management System. Currently, the VCP application fee is a \$6,000 non-refundable fee or a \$2,000 fee for a subsequent application if there is an active VCP application in progress. Under the proposed legislation there is also a new waiver of electricity franchise taxes for a menu of qualifying real estate sites that are developed for clean or renewable energy enterprises under the REDS program. Several of these sites and developments would qualify for existing MEA grants.

The proposed legislation also requires the PSC to examine changes to renewable energy applications for certificates of public convenience and necessity, such as location, engineering, and design amongst others.

Justification

MEA supports waiving the current VCP application fees if the applicant intends to use eligible property to generate clean or renewable energy. This incentive is critical as it reduces potential financial barriers on energy developers. Waiving VCP application fees fosters an increase in the amount of program participation and implementation of clean and renewable energy generation on eligible sites. Additionally, remediated land may provide more ideal characteristics for siting clean and renewable energy in a time when there is growing concern regarding the protection of greenfields from energy development. These eligible properties provide developers prime siting locations as they are typically already cleared, potentially more centrally located, and analyzed for

environmental hazards. Participation in the VCP offers energy developers more properties that are ideal for energy production. The redevelopment of Superfund sites for generating renewable energy provides an alternative use for property that otherwise may be unfit for other development and would be unused. The franchise tax exemption likewise encourages investment in clean and renewable energy while providing protections to greenfield and other sites which may not be as suitable for energy development. MEA's solar canopy grants and other MEA grants would provide even further incentive for developers who choose parking lots or rooftops from the menu of real estate sites discussed *infra*.

For these reasons, MEA requests you to give Senate Bill 281 a favorable report.