



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

TO: Members, Senate Budget & Taxation Committee
FROM: Mary Beth Tung – Director, MEA
SUBJECT: SB0841 (HB0954) - Property Tax – Solar Energy Systems
DATE: February 24, 2021

MEA Position: Letter of Information

MEA strongly supports clean and renewable energy with its bevy of programs, including significant support of solar. MEA offers grants for rooftop solar, community solar including low-to-moderate income installations, and parking lot solar canopies with integrated electric vehicle supply equipment. However, this bill as written may have unnecessarily broad application, as “**PROPERTY THAT HAS AN EXISTING NONPARASITIC ELECTRIC LOAD**” would appear to mean any property that currently uses electricity. If the intent of the bill is a more targeted application, it may be appropriate to consider amendments.

“Parasitic load” typically refers to the electricity needed to operate an electric generating station (ex. the electricity needed to operate interior lighting and computers at Calvert Cliffs Nuclear Power Plant). “Nonparasitic load” then would mean any electric load unaffiliated with the operation of the solar generating station (ex. a lamp or stove in the house upon a farm where a solar installation is placed). As a result, this bill may allow broad exemptions from property tax.

It is important to note, community solar is often thought to benefit only low-to-moderate income (LMI) residents. While there *are* LMI community solar developments, and MEA provides additional incentives to community solar that is dedicated to LMI subscribers, this bill does not appear to be limited in scope for the benefit of LMI Marylanders.

MEA urges the committee to consider the proceeding prior to issuing its report.