



16 February 2021

Ways and Means Committee  
Maryland House of Delegates  
6 Bladen Street  
Annapolis, MD 21401

**Re: HB 954 – Property Tax – Solar Energy Systems**

**Position: SUPPORT**

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Chair Kaiser, Vice Chair Washington, and members of the House Ways & Means Committee, thanks you for the opportunity to offer testimony today on HB 954. My name is Robin Dutta, and I am the Senior Manager for Market Development & Policy for SunPower Corporation. SunPower is a U.S.-based solar and energy storage developer. SunPower has over 1,000 employees across the country and an extensive national dealer network consisting of locally-owned small businesses. SunPower directly develops commercial solar projects for Fortune 100 and Fortune 500 companies, the federal government, as well as state and local government entities.

Our Maryland economic footprint is a mix of our small business network and our direct development business. SunPower has 10 different Maryland-based small businesses in our dealer network. We have also developed projects over 100 commercial-scale solar projects in the state, including multiple systems for Macy's and Verizon. We are currently developing projects for Baltimore County on rooftops and landfills. We are also constructing community solar systems that will be hosted by the Washington Metropolitan Area Transit Authority (WMATA) at three different Metro stations in Prince George's County.

SunPower supports HB 954 – Property Tax – Solar Energy Systems, and asks the Committee for a favorable report.

#### Background

The pilot program to develop Maryland-sited community solar energy generating systems was passed in 2015. The program took about two years to develop rules and procedures, and they are currently in the fourth year of the pilot program. The majority of community solar capacity has been developed on open land.

Solar systems on building rooftops, parking garages, and surface lots are more expensive and complicated to construct. Rooftops must be retrofitted to support solar, and the solar requires engineering and design to fit the physical requirements of a building. Parking canopies are entire

steel and aluminum structures that must be designed to withstand wind shears and snow loads, among other concerns. Solar parking canopies can be two to three times as expensive to build as ground-mount solar systems. These added costs make it more difficult to offer clear value propositions to building owners, and energy savings to prospective community solar subscribers.

Solar rooftops and solar parking canopies are an essential mix to Maryland's community solar and overall solar deployment footprint. Just as on-site solar helps to lower the energy bills of the residential and business customers that host, community solar can financially benefit the business and non-profit entities that host those systems. Companies can "rent" their rooftop space to host a community solar system. SunPower's community solar development for WMATA is using the same concept by leasing the space above the parking lots at Southern Avenue, Naylor Road, and Cheverly Metro stations. The subscribers will be customers in the Pepco service territory, including in Prince George's County. Community solar is creating a brand new, and much needed, revenue source for the transit authority.

#### HB 954 Helps Level the Playing Field

HB 954 provides a some commonsense tool to support the development of community solar systems on and near buildings by lowering their local tax burden.

HB 954 would extend the existing personal property tax exemption for net metered-solar systems to community solar systems that are located on building rooftops, parking facilities, and any other existing electric load. For example, an office complex could host community solar systems on a mix of building rooftops and parking canopy structures and those systems would not be subject to the personal property tax. The real property tax calculation would also be modified to not include income related to the community solar system. Solar today is reliant on revenue streams from Renewable Energy Credits, which skews the project economics. A state incentive should not cause an increase in property tax liability. This legislation would better align property tax law with the state's aggressive solar mandates.

By lowering the local tax burden, community solar developers and operators will have a better opportunity to pursue opportunities for new solar on the built environment. It also prevents a significant increase in a private business's tax liability from community solar. The rent they earn from the community solar can go directly into their business. These more favorable economic circumstance will translate to financial benefit not only to the system host but also to greater energy bill savings for those community solar subscribers. Corporate campuses, park and rides, apartment complexes, transportation centers, and other public and private facilities would be better able to host community solar facilities.

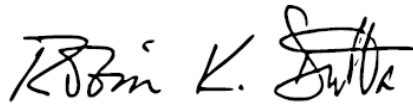
And, stepping back to consider all of Maryland solar development, there should be greater encouragement for any kind of on-site solar development. Maryland has the most aggressive

solar mandate in the country. The Governor's Task Force on Renewable Energy Development and Siting provided 14 different recommendations to encourage solar development away from prime agricultural land. Among the recommendations from the task force was the creation of new incentive programs and a general support for developing solar on the existing built environment. All options must be on the table to make Maryland solar development easier.

HB 954 is consistent with the task force recommendations, and it would be good policy if it becomes law. SunPower asks the Committee for a favorable report.

Thank you for your time and consideration.

Sincerely,

A handwritten signature in black ink that reads "Robin K. Dutta". The signature is written in a cursive style with a large, stylized 'R' and 'D'.

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