



February 12, 2021

Testimony before the Ways and Means Committee

Chair Kaiser, Vice Chair Washington and Members of the Committee,

On behalf of the Utility Scale Solar Energy Coalition (USSEC), the Mid-Atlantic Renewable Energy Coalition (MAREC), and American Clean Power (Formerly the American Wind Energy Association), thank you for the opportunity to submit testimony in support with technical amendments on House Bill 954. USSEC, ACP and MAREC broadly represent solar companies that generate large-scale projects that differ significantly in project size and cost from community solar projects that we believe to be the intent of this legislation.

House Bill 954 intends to provide certain property tax benefits to community solar projects. To achieve this goal, the bill enables a new tax rate for solar energy property that may be different from the county tax rate applicable to other personal property. This tax rate is limited to a new class of solar property that encompasses all solar energy property except for a narrow class for onsite and rooftop solar projects. The bill defines community solar energy generating system (CSEGS) and excludes certain classes of CSEGS from personal property taxes and limits the valuation of underlying real property to exclude the income method of valuation.

USSEC, ACP, and MAREC have no issue with the goal of the bill as it relates to CSEGS but are concerned about what we believe is an unintended consequence of how the bill is currently drafted: by allowing bifurcation between tax rates for solar versus other personal property, HB954 opens the door for the first time for solar property to receive a higher tax rate than other personal property. This would inadvertently enable new punitive tax treatment of solar personal property for the first time, a real concern in some counties that seek to deter solar project development and represents a new obstacle in what is already a challenging environment for solar project development.

By limiting the proposed statutory changes to CSEGS as intended, we can prevent the unintended negative impacts on other solar sectors. To that end, we propose a technical amendment to the legislation. We believe this amendment still meets the ultimate goal of the bill – expand community solar – while not unintentionally making it more difficult or cost effective to develop solar projects that are not CSEGS.

Amendment No. 1

On page 3, strike "~~SOLAR ENERGY~~" and substitute "COMMUNITY SOLAR ENERGY GENERATING SYSTEMS"

On page 4, strike "~~SOLAR ENERGY~~" and substitute "COMMUNITY SOLAR ENERGY GENERATING SYSTEMS"

Thank you for your consideration of our testimony and amendments.

Submitted on behalf of the USSEC, MAREC, and ACP by Isaac Meyer, Compass Government Relations