



Before the General Assembly of the State of Maryland

Senate Budget and Taxation Committee
January 25, 2022

Testimony of Leslie Ann Elder
Mid-Atlantic Regional Director
Coalition for Community Solar Access

SB264: Electric – Community Solar Energy Generating Systems-
Exemption from Energy and Property Taxes
FAVORABLE with Amendments

Thank you for the opportunity to provide testimony on SB264. I am the Mid-Atlantic Director for the Coalition for Community Solar Access (CCSA) where I am charged with implementing and maintaining community solar markets in Maryland, New Jersey, Pennsylvania, and Georgia.

The Coalition for Community Solar Access (CCSA) submits testimony in support of SB264 with the respectful request of revisions to address market requirements for development to achieve multiple policy goals of the Community Solar Pilot Program. CCSA supports the exemption for personal property taxes from local jurisdictions for Community Solar projects that deliver at least 50 percent of the electricity it generates to low-and-moderate-income (LMI) customers. However, CCSA strongly suggests the legislation include similar exemptions for preferred siting projects such as landfills, clean fields, and agrivoltaics.

CCSA is a national coalition of businesses and nonprofits working together to implement best practices for all community solar markets. Our mission is to empower all Maryland households and businesses that seek home grown energy sources through community solar. We work with customers, utilities, local stakeholders, allies and policymakers to develop and implement best practices that ensure community solar programs provide a win-win-win solution. The solution begins with the customer and the land owners. Our members are solar industry leaders and are engaged at every step of development, ensuring these best practices are not theoretical but are applied and practiced. We have members headquartered in Maryland and others who are investing here.

Today, only a fraction of Maryland households, approximately 25%, can access solar energy due to common limiting factors that include home or business ownership, the proper load bearing roof and sun orientation, or financial barriers. Community solar allows anyone who pays an electric bill the opportunity to lower their energy burdens and receive all of the benefits for producing solar energy for their generation source. Community solar has and will continue to bring private investments for grid infrastructure, economic investments to the state and local jurisdictions, jobs, and is a vital tool to combat climate change.



CCSA and our members are active participants in the community solar pilot program and are thankful for the opportunity to use the few remaining years of the pilot program to test out market solutions to achieve the policy objectives of the state and local jurisdictions. In our five years, we have learned there are market limitations to developing projects on preferred sites and to serving low-and-moderate-income-customers, all core policy measures of the underlying statute.

Low-and-moderate income projects receive a 30% carve out in the program to help ensure this policy objective is achieved. However, during the pilot program, these projects have experienced financing difficulties based on the solar market structure and higher costs of development for these projects. The community solar market in Maryland is the smallest project size limit in the region and amongst the smallest in the country, also leading to an increase in development costs. Local opposition to ground-mounted project development has led to significant project delays, increase in cost, and very little development on preferred siting due to insufficient market mechanisms. Ground-mounted project development is the most cost-effective and often the only type of community solar development the Maryland market will allow for.

CCSA recommends moving forward with SB264 and amending the legislation to include the following

- A 50% reduction in real property taxes for brownfields, landfills, clean fields, and rooftops;
- Agrovoltatics, then the land should continue to be zoned as “agricultural” and be taxed for real property taxes under such zoning rather than “industrial” or “commercial” zoning. “Agrivoltatics” for a community solar development is when the land underneath the panels continues to be farmed (e.g., sheep farms or some crop production).
- All tax incentives suggested and supported in this testimony should not extend for projects approved by the PSC after December 31, 2025, but would continue for the life of the project for those approved by the PSC before December 31, 2025.
- There should be a study conducted by the Public Service Commission concerning the effectiveness of the tax exemptions and the ability to promote development per category.

CCSA feels tax exemptions are an effective way to test market mechanisms during a pilot required to promote specific types of community solar development without the need to make broader legislative changes that will impact other renewable energy segments. The amount of revenue forgone by this legislation, with the recommended amendments, will be time limited and help Maryland establish baselines to facilitate a sustainable community solar market designed to achieve the policy priorities of multiple stakeholders.

More community solar serving low-and-moderate-income- customers and sited on less desirable land means more direct and indirect benefits to communities such as jobs, increased economic development, increased resilience, and more equitable access to the benefits of renewables. This allows for a more efficient overall allocation of investments and better utilization of grid assets. Leveraging local solar will help Maryland achieve its unique energy demands and avoid costly distribution system investments.

Thank you for your time and consideration for SB264 and CCSA hopes we can count on your support.



Respectfully,

Leslie Ann Elder, Mid-Atlantic Director
Coalition for Community Solar Access
leslie@communitysolaraccess.org