



Committee: Budget & Tax

Testimony on: SB264 - Community Solar Energy Generation

Systems-Exemption From Energy & Property Taxes

Organization: Takoma Park Mobilization Environment Committee

Submitting: Diana Younts, Co-Chair

Position: Favorable

Hearing Date: January 25, 2022

Dear Mr. Chairman and Committee Members:

Thank you for allowing our testimony today in support of SB264. Takoma Park Mobilization Environment Committee advocates for climate legislation at the state and local levels. We urge you to vote favorably on SB264.

This bill provides an exemption to local energy taxes and certain personal property taxes for community solar projects that provide at least 50% of their energy production to low and moderate income households and that also provide that energy at 20% lower cost than the energy provided by the local utility to those households.

Community solar projects are a critical component to meeting Maryland's climate goals and targets because they provide renewable energy to families and building owners that cannot otherwise install or afford solar energy and because such projects increase the amount of clean, renewable energy on the grid. Anyone who receives an electric bill can benefit from community solar including renters, residents in multi-unit buildings, municipalities, nonprofits and businesses that don't own their roofs.

Montgomery County has an ambitious Climate Action Plan with the goal of decreasing its greenhouse gas emissions by 80% by 2027 and 100% by 2035. Community Solar for low income families and households is a critical component of the County's plan to transition equitably to a clean energy economy and has already completed 18 projects and has 4 more under construction.

Incentivizing community solar for low and moderate income families and communities is essential to energy justice for these families who already pay disproportionately higher utility bills than other households. Because energy is a regressive cost, low-income households in Maryland dedicate 13% of their annual incomes to energy costs and pay 550% more as a percent of income than non low-income households. The majority of these (55%) are Black, Hispanic, or Asian households. Providing low cost solar energy to these families helps to

redress this problem. Equitable and just deployment of renewable energy is critical to expanding our clean energy economy and addressing environmental injustice.

Energy is also a substantial cost for building owners and managers, so the availability of low cost community solar is an important means of preserving affordable housing.

In short, incentivizing community solar for low and moderate income families is good for the environment and good for families who need help with their energy costs as well.

For these reasons, we urge a favorable report for SB264.