



29 February 2022

Maryland Senate Tax and Budget Committee

Re: HB 1039 – CSEG Tax/Agrovoltaics Bill

Position: FAVORABLE

Good afternoon distinguished members of the committee.

My name is Nate Greenberg, Vice President at Summit Ridge Energy. We are here in support of Delegate Leudtke's HB 1039 – CSEG Tax/Agrovoltaics Bill.

Summit Ridge Energy develops, owns, and operates community solar projects around the nation. We are one of the leaders in the Maryland community solar market. Summit Ridge Energy takes pride in being good stewards of Maryland's environment and agricultural land, and Summit Ridge Energy is making a real effort to follow the guidance laid out by 2020's Governor's Task Force on Solar Siting, which called for developing more solar projects of all types on rooftops. We have signed rooftop solar leases on several industrial rooftops in Maryland to host community solar projects (CSEGs), and are actively working to develop those projects to get to construction and operation.

Rooftop solar projects are not without their challenges. High rent rates and lower system production put them at a disadvantage to ground-mounted community solar projects. Construction costs are often higher than solar projects built on the ground. Building owners are often hesitant to host these systems for fear the additional rental income could increase their building property taxes. HB 1039 helps ease those barriers to entry and will stimulate strong growth of the Maryland rooftop community solar market.

As word spreads among building owners that leasing their roofs to community solar projects is a great way to earn additional rental income on otherwise unusable space, especially after the tough Covid years so many had in 2020 and 2021, the demand to host these projects continues to increase exponentially. At the same time, county zoning boards have made it clear that they want less community solar projects on prime agricultural land and greenfields, and more community solar projects on rooftops. Unfortunately, the tax uncertainty surrounding rooftop community solar projects is a major barrier to increased development. The passage of HB 1039 puts Maryland in a position to capture this demand and catapult itself to being one of the leading rooftop community solar markets in the country.

This bill only applies to community solar projects constructed on rooftops and the built environment as well as agrovoltaic community solar projects, which are less than 20% of the total amount of community solar projects in Maryland. This bill does not seek any form of tax



exemption for typical ground-mounted community solar projects, or any other form of solar project.

Thank you for your time today.

Sincerely,

A handwritten signature in black ink, appearing to read "Nathan Greenberg", with a long horizontal stroke extending to the right.

Nathan Greenberg
VP, Business Development
Summit Ridge Energy
ngreenberg@srenergy.com
571.999.3956