



Committee: Budget and Taxation

Testimony on: SB860 “Property Tax – Community Solar Energy Generating Systems – Agrivoltaics”

Position: Support

Hearing Date: March 10, 2022

The Chesapeake Chapter of Physicians for Social Responsibility (CPSR) submits this testimony in support of SB860, which will provide exemptions from various personal and real property taxes for Community Solar projects that have characteristics favorable to local land use concern, including those incorporating active agricultural practices (“agrivoltaics”), or are built on brownfields and rooftops.

Since 2015, CPSR has been an active member of the Maryland Public Service Commission’s “Net Metering Working Group,” which developed the regulations governing the legislatively established Community Solar Energy Generating Systems (CSEGS) Pilot Program, and which is responsible for overseeing implementation of the program.

Maryland needs to accelerate its solar energy development. The 2019 Clean Energy Jobs Act established an essential but ambitious target for solar energy growth in the state: 14.5 percent of total electricity consumption is to come from in-state solar by 2030. Even with no increase in that consumption – a conservative assumption considering expected increases in electrification of vehicles, buildings, and other sectors – the capacity required to achieve this target is more than 4,500 megawatts (MW) of solar. As of September 2021, the Solar Energy Industry Association identifies the total of all solar installed in Maryland – including residential, commercial, utility-scale, and Community Solar – to be 1,396.5 MW.¹ This means that during the next 9 years, we need to build almost 3,200 MW of new solar – an average of more than 350 MW per year. This is more than we have ever built.

Community Solar can provide solar power to those who cannot have rooftop solar. An estimated roughly three-quarters of Maryland households cannot have solar on their own roof, for multiple reasons: they are renting their home, live in apartments, have roofs that are unsuitable for solar, have too much shade, or cannot afford it. The legislature’s establishment of the Community Solar Pilot Program is intended to find approaches that can effectively bring locally produced electricity from clean, renewable solar generation at low cost to households in this majority segment of our residents. In doing so, Community Solar can potentially play an important role in expanding solar.

Land use has been a concern of many local jurisdictions in response to solar development.

Concern about development of solar projects on agricultural land that replace the use of that land for agriculture has been a common concern of many counties and municipalities. In some jurisdictions that concern has led to restrictions that have affected the ability of even relatively small Community Solar projects to be built. These limitations have affected the overall implementation of the state’s legislatively-established Community Solar Pilot Program, which ends at the end of 2025.

¹ Maryland Solar Factsheet – <https://www.seia.org/state-solar-policy/maryland-solar>

Physicians for Social Responsibility is a national organization of doctors and other health professionals dedicated to averting two overarching threats to human health and well-being: nuclear weapons and climate change. PSR is a component of International Physicians for the Prevention of Nuclear War, which received the 1985 Nobel Peace Prize.

Communities and their local governments have clearly expressed preference for maintaining agriculture on farmland and for solar development on other “preferred sites.”

Many local jurisdictions prefer solar projects to be located in the already-built environment – including commercial rooftops and “brownfields” where available – rather than on agricultural land. However, projects built in these “preferred sites” are generally much smaller than those that can be built on open land, and therefore have less economy of scale; and building on parking lots, rooftops, and brownfields is substantially more expensive than building on open land.

An additional option that has been developed in other states is “agrivoltaics” – the combination of active agriculture with ground-based solar projects. In other states, agrivoltaic solar projects have included both the growing of compatible crops within a solar array, and the grazing of animals – especially sheep and in some cases cattle – within and around the array. These agrivoltaic practices allow farmers to both realize the financial security that comes from leasing a portion of their land for solar, and continue active agriculture on the land. Community Solar projects are an excellent potential laboratory for developing agrivoltaic practices that are suitable for Maryland’s farm economy. However, the additional construction and other costs associated with combining agriculture with solar arrays also increases project cost.

The property tax exemptions proposed in SB860 will allow Maryland to evaluate the effect on these preferred sites and practices for Community Solar.

The proposed tax exemptions are limited to the duration of the remaining time of the Community Solar Pilot program. This fact, and the reality that only a limited number of such projects will be built, mean that the amount of revenue that will be foregone by these exemptions would be a tiny share of overall tax revenue. However, these exemptions can make a big difference in the ability to successfully build more Community Solar projects on these preferred sites, and to develop and evaluate – in partnership with Maryland’s agricultural community and experts – the potential and practices of agrivoltaics in our state.

In summary, the actions proposed by SB860 are consistent with the legislature’s intent in establishing the Community Solar Pilot Program and responsive to local communities’ concerns about land use. They will make the remaining few years of the Pilot Program an opportunity to evaluate the effects of these tax incentives in directing solar development to preferred sites and value-added agricultural practices. They will also benefit local jurisdictions and the state in providing clean, low cost, locally-produced solar energy to households who can’t otherwise have it, and meet the state’s ambitious clean energy and greenhouse gas reduction goal.

We therefore strongly urge the Committee to approve and advance SB860.

Respectfully,

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