



Before the General Assembly of the State of Maryland

Budget and Taxation
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**SB860: "Property Tax- Community Solar Energy Generating Systems- Agrivoltaics"
FAVORABLE**

Thank you for the opportunity to provide testimony on Community Solar Energy Generating Systems (CSEGS) Generating Capacity. The Coalition for Community Solar Access (CCSA) submits testimony in strong support of Senator King's SB0868.

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. 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 represent over 80 member companies, some who are headquartered in Maryland and others who are investing here.

CCSA and our members are active participants in the community solar pilot program (CSEGs) and are thankful for the opportunity to use the few remaining years of the pilot program to test out solutions to achieve the policy objectives of the state and local jurisdictions. SB0860 proposes to make a necessary change to the pilot program to bring best practices from the other states and provide a pathway to achieve several policy objectives for the state's renewable portfolio standards and ensure access to clean energy to all.

[The Department of Energy has committed to power 5 million households with community solar by 2025.](#)

Community solar is a fast-growing solar segment and is touted as the way for policy makers to ensure solar generation is accessible for all. According to the latest [Solar Insight Report by Wood Mackenzie](#), there are 3,400 megawatts (MW) of installed community solar in the United States, which is enough to power 600,000 households. The US Department of Energy's Community Solar goal of 8,3000 MW is an increase of more than 700% over the next four years. Currently, [there are 21 states](#) who have a community solar program and several states are moving quickly to advance legislation. Maryland was one of the earliest leaders in community solar with the passage of the pilot program ([HB1087 in 2015](#)) but has fallen behind as more and more states have adopted community solar. Delegate Luedke's HB1039 is a common sense approach and a simple solution to create opportunities for innovative technologies that have emerged since the beginning of the pilot program.



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. United States Department of Energy Secretary Jennifer M. Granholm stated “achieving these ambitious targets will lead to meaningful cost savings, create jobs in communities, and make our clean energy transition more equitable.”

Senator King’s SB0860:

- **Create an innovative test for the Maryland Community Solar Market to incentivise development on preferred sites and explore farmer driven opportunities to combine hosting a solar facility with crop production.** Currently, the state is significantly behind the policy goals of the [Clean Energy Jobs Act of 2019](#) and the expansion of the community solar pilot program ([SB520 of 2019](#)). For community solar, siting projects in a manner that matches the desires of local jurisdictions and making the required adjustments to the Maryland market to reflect the higher cost of development on preferred sites has been challenging. This bill uses a short term solution to incentivize these projects in the final years of the pilot program.
- **Encourage innovation and new technologies to be incorporated into the community solar pilot program.** With the US Department of Energy’s commitment to power 5 million homes with community solar by 2026, there will be an increased need to develop a wide variety type of projects and it should include emerging technologies, such as agrivoltaics. Agrivoltaics is a segment of community solar that establishes a farmer driven community solar project where crops are actively grown under and in between the panels for the life of the project. Massachusetts has an effective “dual use” program and New Jersey is launching their “dual use pilot program” this year. This bill will allow Maryland to establish a 2 year pilot without the requirement to stand up a new solar program for the state. Currently, Maryland is in the fifth year of the pilot program with the final allocation of capacity in 2023 and program closure by December 31, 2024. Permanent program design requires thoughtful and careful decisions from key decision makers and regulators on what are the best practices and lessons learned from the pilot program. The development cycle is long and making simple changes to the program, as HB1039 intends to do, there is little time to properly evaluate the effectiveness of the market mechanism before the program sunshines. The time is now to move HB1039 for proper programmatic evaluation.
- **Improve siting concerns of local jurisdictions.** According to the [Solar Insight Report](#), the highest year for community solar development was in 2017, right after the program opened and there was increased access to cost effective locations to connect these projects to the grid. Now in the fifth year, projects quickly become financially unfeasible based on high interconnection costs and private capital investments for grid modernization as these costs are absorbed on a per megawatt basis. HB1039 will ensure more people can access community solar, with greater cost savings for consumers, and create a cost effective solar market that will be sustainable for decades to come.
- **SB0860 sunsets with the end of the pilot program and requires evaluation of the effectiveness of the structure to achieve multiple policy objectives and spur preferred siting development.** The tax exemption will sunset in December of 2023 and the Maryland Energy Administration is required to study the effectiveness of the program to make recommendations to the legislature for potential inclusion or revisions for the permanent program.



Senator King's SB0860 is simple and a creative solution to incentivize preferred siting development. 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 SB0860 and CCSA hopes we can count on your support.

Respectfully,

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