

CPSR Testimony-SB264-LMI Community Solar local tax

Uploaded by: Alfred Bartlett, MD

Position: FAV



Committee: Budget and Taxation

Testimony on: SB264 “Community Solar Energy Generating Systems – Exemption
From Energy and Property Taxes”

Position: Support

Hearing Date: January 25, 2022

The Chesapeake Chapter of Physicians for Social Responsibility (CPSR) submits this testimony in support of SB264, which will exempt from local jurisdictions’ personal property taxes a Community Solar project that delivers at least 50 percent of the electricity it generates to low- and moderate-income (LMI) customers at a price that is discounted at least 20 percent from the local utility’s standard service rate.

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. CPSR is also a member of the informal “LMI Advocates” sub-group of that larger working group; this sub-group is focused on supporting accomplishment of the legislature’s requirement to include LMI households in the CSEGS Pilot Program.

We therefore recognize that – despite a carve-out of CSEGS program capacity for projects that include at least 30 percent LMI participation (of which at least 10 percent must be low-income) – development of LMI projects has been challenging for several reasons; among them –

- Financing of LMI-serving Community Solar projects is difficult because of the higher credit risk of including those populations; this is especially true for projects intending to serve larger proportions of LMI households.
- In addition, many local jurisdictions prefer solar projects to be located in the already-built environment – including commercial rooftops and parking lots, 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.

Taken together, these factors make it extremely difficult to finance and build projects on these “preferred sites” to serve LMI households.

This difficulty is reflected in the pilot program’s limited progress in using project capacity in the LMI project category (30 percent of total program capacity), compared with the program’s “Open” category (40 percent of total program capacity).

- Latest reporting (January, 2022) by BGE shows that all but 0.1 percent of the 49.7 megawatts of “Open” category capacity available in the first four years of the program had been committed for project development. In contrast, 51 percent of the 37.2 megawatts of total four-year LMI capacity remained unused.

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.

- In the Pepco area (latest reporting, as of August, 2021), just 4.6 percent of the 24.6 megawatts of the total “Open” capacity available in the first four program years remained unused, versus an unused 61.7 percent of the 18.5 megawatts of four-year total LMI project capacity.

We recognize that the tax exemptions being proposed represent an unusual mandate to local jurisdictions. The reality, however, is that the organizations working to build Community Solar projects that will provide deeply discounted electricity to LMI households simply do not have the administrative and political capacity to seek these exemptions jurisdiction by jurisdiction.

Therefore, simple “authorizing legislation” will not be effective in providing the support needed for these small but important LMI Community Solar projects.

The amount of revenue that will be foregone by these exemptions for the limited number of small projects would be a tiny share of a jurisdiction’s tax revenue. However, these exemptions can make a big difference in the ability to successfully build more LMI Community Solar projects, which was a specifically stated intention of the legislature when they passed the Community Solar bill in 2015 and extended the program in 2019. Moreover, these projects will include LMI families living within the jurisdiction itself.

In summary, the actions proposed by SB264 are consistent with the legislature’s intent in establishing the Community Solar Pilot Program. They will support expansion of projects serving households that historically have not been included in solar development. They will also benefit local jurisdictions themselves in providing clean, low cost, locally-produced solar energy to economically stressed households, and promote building Community Solar in the places where jurisdictions want to see it.

We therefore strongly urge the Committee to approve and advance SB264.

Respectfully,

Alfred Bartlett, M.D., F.A.A.P.
Board Member and Energy Policy Lead
Chesapeake Physicians for Social Responsibility
alfredbartlett@msn.com
240-383-9109

SB 264 Clean Air Task Force FAV.pdf

Uploaded by: Angela Seligman

Position: FAV



Clean Air Task Force
114 State Street, 6th Floor
Boston, MA 02109

P: 617.624.0234
F: 617.624.0230

catf.us

January 25, 2022

SB264 Community Solar Energy Generating Systems - Exemption from Energy and Property Taxes, Senate Budget and Tax

Position: Support

Clean Air Task Force (CATF) supports SB 264 and its efforts to create critical incentives to meet the energy needs in all communities, especially those that serve low- and moderate- income Marylanders and those that have been harmed from environmental pollutions.

This bill will make it more affordable to get important solar projects on the vast built environment including parking lots, roof tops, landfills, and brownfields. These areas are at the ready to provide energy benefits to their communities. However, incentives are needed so these energy benefits can be provided.

We urge a favorable report on SB264.

CATF is a global nonprofit organization working to safeguard against the worst impacts of climate change. CATF's mission, vision, and goal are to:

- Push the technology and policy changes needed to achieve a zero-emissions, high-energy planet at an affordable cost,
- Meet the world's rising energy demand in a way that is financially, socially, and environmentally sustainable, and
- Achieve zero-emissions energy, waste, agricultural, and forest management systems by 2050.

Contact: Angela Seligman aseligman@catf.us 314-922-5293

SB0264_Community_Solar_MLC_FAV.pdf

Uploaded by: Cecilia Plante

Position: FAV



TESTIMONY FOR SB0264

Community Solar Energy Generating Systems - Exemption From Energy and Property Taxes

Bill Sponsor: Senator Elfreth

Committee: Budget and Tax

Organization Submitting: Maryland Legislative Coalition

Person Submitting: Cecilia Plante, co-chair

Position: FAVORABLE

I am submitting this testimony in favor of SB0264 on behalf of the Maryland Legislative Coalition. The Maryland Legislative Coalition is an association of activists - individuals and grassroots groups in every district in the state. We are unpaid citizen lobbyists and our Coalition supports well over 30,000 members.

Community solar is a fantastic way of expanding our solar capacity and allowing residents to take advantage of solar without putting solar panels on their roof. It is particularly critical to get low-to-moderate income households onto solar power, since it is more economical than gas.

However, it is also more expensive to create community solar projects that are on rooftops, parking lots, or other non-permeable surfaces. This requires a lot of negotiation for land in order to build a solar project, when rooftops and parking lots would make more sense and allow for faster expansion of community solar.

This bill would help expand community solar, particularly for low-to-moderate income families by -

- Exempting solar projects from county or municipal personal property tax for community solar projects installed on rooftops, parking lots, roadways, or brownfields which benefit low-to-moderate income households.
- Encouraging solar generation in communities that are burdened by environmental pollutants and helping to provide assistance to low-to-moderate households

This bill will overcome the greater costs associated with developing projects, serve low-income customers, and those that are located on land that has already been developed (rooftops, parking lots, landfills, etc.),

We support this bill and recommend a **FAVORABLE** report in committee.

SB264-Community Solar Tax Exemption-Budget & Tax-C

Uploaded by: Diana Younts

Position: FAV



Committee: Budget & Tax

Testimony on: SB264 - Community Solar Energy Generation

Systems-Exemption From Energy & Property Taxes

Organization: Climate Justice Wing of the Maryland Legislative Coalition

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. The Maryland Legislative Coalition (MLC) Climate Justice Wing, a statewide coalition of over 50 grassroots and professional organizations, urges you to vote favorably on SB264.

This bill provides an exemption to certain local 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.

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.

MLC Climate Justice Wing:

Assateague Coastal Trust
Maryland Legislative Coalition
MD Campaign for Environmental Human Rights
Chesapeake Climate Action Network
WISE
Frack Free Frostburg
Mountain Maryland Movement
Clean Water Action
Howard County Indivisible
Howard County Sierra Club
Columbia Association Climate Change and Sustainability Advisory Committee
HoCo Climate Action
CHEER
Climate XChange - Maryland
Mid-Atlantic Field Representative/
National Parks Conservation Association
350 Montgomery County
Glen Echo Heights Mobilization
The Climate Mobilization Montgomery County
Montgomery County Faith Alliance for Climate Solutions
Montgomery Countryside Alliance
Takoma Park Mobilization Environment Committee
Audubon Naturalist Society
Cedar Lane Unitarian Universalist Church
Environmental Justice Ministry
Coalition For Smarter Growth

DoTheMostGood Montgomery County
MCPS Clean Energy Campaign
MoCo DCC
Potomac Conservancy
Casa de Maryland
Nuclear Information & Resource Service
Clean Air Prince Georges
Laurel Resist
Greenbelt Climate Action Network
Maryland League of Conservation Voters
Unitarian Universalist Legislative Ministry of Maryland
Concerned Citizens Against Industrial CAFOs
Wicomico NAACP
Chesapeake Physicians for Social Responsibility
Chispa MD
Climate Law & Policy Project
Maryland Poor People's Campaign
Labor Network for Sustainability
The Nature Conservancy
Clean Air Prince Georges
350 Baltimore
Maryland Environmental Health Network
Climate Stewards of Greater Annapolis
Talbot Rising
Adat Shalom Climate Action
Mid-Atlantic Earth Holders
Climate Parents of Prince Georges
Echotopia

Maryland NAACP State Conference,
Environmental Justice Committee

SB264-TPMEC-Community Solar Tax Exemption-Budget&T

Uploaded by: Diana Younts

Position: FAV



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.

SB264_FAV_Preservation Maryland.pdf

Uploaded by: Eleanor Cowan

Position: FAV



PRESERVATION MARYLAND

January 25, 2022

Dear Chair Guzzone and Members of the Senate Budget and Taxation Committee:

On behalf of the staff and Board of Directors of Preservation Maryland and our thousands of statewide supporters, I would like to offer our support of SB264.

Through our Smart Growth Maryland program, Preservation Maryland advocates for a more environmentally and economically sustainable future that creates opportunities for all Marylanders through better development patterns.

SUPPORT FOR SENATE BILL 264

Preservation Maryland emphatically supports SB264, which would help to overcome the greater costs associated with developing community solar projects to serve low-income customers. This would be achieved by exempting such projects that benefit low-to-moderate income (LMI) households from county or municipal personal property tax. While it is not currently financially viable to develop rooftop and parking canopy community solar projects that provide discounted solar energy in LMI areas, we believe SB264 would help to encourage solar generation in those communities that are burdened by environmental pollutants and provide assistance to LMI households.

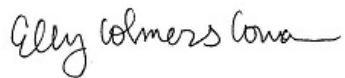
In addition to addressing equity, the exemption encourages siting for those community solar projects on land that has already been developed by including projects that are installed on rooftops, parking lots, roadways, or brownfields. This is important not only for our state's urban and suburban communities with little to no undeveloped land left, but it also helps to emphasize the point that green projects should not destroy green resources (i.e. forests, farmland, etc.).

A defining tenet of both smart growth and historic preservation is investing in the already built environment, in our existing communities. To make certain we are working towards a more sustainable future for *all* Marylanders, much of our work at Preservation Maryland is focused on ensuring that community investment projects can move forward in LMI areas, something that is often achieved through incentives such as those that would be created through SB264. We believe that invaluable work could be

accomplished through this legislation in the communities in Maryland that need it the most.

That is why we respectfully urge this committee to return a favorable report on Senate Bill 264. Thank you for your consideration.

Sincerely,

A handwritten signature in cursive script, reading "Elly Colmers Cowan".

Elly Colmers Cowan
Director of Government Relations

SB264 - FAVORABLE - Maryland LCV et al - Community

Uploaded by: Kristen Harbeson

Position: FAV



January 25, 2022

SUPPORT: SB264 Community Solar Energy Generating Systems – Exemption From Energy and Property Taxes

Mr. Chair and Members of the Committee:

The below-signed organizations strongly support SB264: Community Solar Energy Generating Systems – Exemption from Personal Property Taxes. This bill is a top priority for Maryland League of Conservation Voters and we thank Delegate Smith for her leadership on this important issue.

Maryland needs to advance community solar projects especially in Low- to Moderate-Income Communities. The proposed bill exempts projects in Low- to Moderate-Income (LMI) communities from county or municipal personal property tax when more than half of the power generated by the projects is reserved for LMI households, and when they are installed on rooftops, parking lots, or brownfields.

The community solar pilot program has the potential to reduce the energy burden of thousands of LMI income Maryland households while generating solar power on the rooftops and parking canopies of our cities and towns. Currently, it is not financially viable to develop smaller rooftop and parking canopy community solar projects for LMI benefit. We need to both remove financial disincentives and provide financial incentives if we are to encourage the development of these types of projects that provide discounted clean energy to LMI households, create local jobs, and mitigate carbon emissions.

This bill:

- Exempts projects from county or municipal personal property tax for community solar projects that reserve more than 50% of their power for the benefit of low-to-moderate income households, and which are installed on rooftops, parking lots, or brownfields.
- Encourages solar generation in communities that are burdened by environmental pollutants and helps provide assistance to low- to moderate-income households.

- Will help to overcome the greater costs associated with developing projects serve low-income customers, and those that are located on land that has already been developed (rooftops, parking lots, landfills, etc.),

We are attaching to this testimony additional information about this important program, its needs and benefits, and urge a favorable report.

Sincerely,

Maryland League of Conservation Voters

Annapolis Green

Blue Water Baltimore

Cedar Lane Environmental Justice Ministry

Chesapeake Bay Foundation

Chesapeake Climate Action Network

Clean Water Action

Climate XChange Maryland

Climate Reality Howard County

Climate Reality Montgomery County

Elders Climate Action Maryland

Greenbelt Climate Action Network

Howard County Climate Action

Maryland Conservation Council

Maryland Legislative Coalition/Climate Justice Wing

Maryland PIRG

Safe Skies Maryland

Sierra Club - Maryland

Solar Democracy and Equity Collaborative

Solar United Neighbors

Strong Future Maryland

TERRA Renewable Technologies

Unitarian Universalist Legislative Ministry of Maryland

Waterkeepers Chesapeake

WISE

SB264-Community Solar Tax Exemption-Budget&Tax-GCA

Uploaded by: Lore Rosenthal

Position: FAV



Committee: Budget & Taxation

Testimony on: SB264 - Community Solar Energy Generation Systems-Exemption from Energy & Property Taxes

Organization: Greenbelt Climate Action Network

Submitting: Lore Rosenthal, Program Coordinator

Position: Favorable

Hearing Date: January 25, 2022

Dear Chairman Guzzone and Committee Members:

The Greenbelt Climate Action Network (GCAN) is writing in support of **SB264 - Community Solar Energy Generation Systems-Exemption from Energy & Property Taxes**.

GCAN's mission is to educate residents about climate change, "systemic" solutions, how they can change their behaviors to be more sustainable, and take personal, local, systemic, and political action.

Community Solar is an important program in Maryland, first passed into law in 2015.

The Maryland program capacity is divided into three buckets:

Small (30%): including projects 500 kilowatts and smaller, or placed on brownfield or existing structures

Open (40%): any project up to 2 megawatts in size

Low- and Moderate-income (30%): any project up to the 2-megawatt limit serving 30% or more low-to-moderate income participants, and at least 10% low-income participants

Many "small" and "open" solar projects have been built. The Low-and-Moderate-Income (LMI) bucket has been harder to finance. These projects must be built more affordably, in order to offer good pricing (20% cheaper than "dirty energy" Standard Offer of Service), to make them affordable for LMI families.

Many projects have been attempted on rooftops and parking lots, but the price to build these projects is much higher.

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.

Currently, it is not financially viable to develop rooftop and parking canopy community solar projects. We need to both remove financial disincentives and provide financial incentives if we are to encourage the development of these types of projects that provide discounted clean energy to LMI households, create local jobs, and mitigate carbon emissions.

These exemptions will level the playing field and allow all sectors of society to participate in our clean energy revolution.

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

Sincerely,

Lore Rosenthal, Program Coordinator
Greenbelt Climate Action Network

MD Catholic Conference_FAV_SB0264.pdf

Uploaded by: MJ Kraska

Position: FAV



ARCHDIOCESE OF BALTIMORE † ARCHDIOCESE OF WASHINGTON † DIOCESE OF WILMINGTON

January 25, 2022

SB 264

Community Solar Energy Generating Systems - Exemption From Energy and Property Taxes

Senate Budget & Taxation Committee

Position: Support

The Maryland Catholic Conference (“Conference”) represents the public policy interests of the three Roman Catholic (arch) dioceses serving Maryland: the Archdiocese of Baltimore, the Archdiocese of Washington, and the Diocese of Wilmington.

Senate Bill 264 exempts certain community solar energy generating systems from local energy taxes and personal property taxes; and generally relating to tax exemptions for community solar energy generating systems. Such exemptions will be established to a community solar energy generating system that provides at least 50% of the energy it produces to low- or moderate-income customers, as defined in regulations of the public service commission, at a cost that is at least 20% less than the amount charged by the electric company.

As Pope Francis has written, climate change “*represents one of the principal challenges facing humanity in our day*” (*Laudato Si*, no. 25), threatening the wellbeing of peoples and the environment. Catholic social teaching envisions a sustainable and authentic human development, where technological solutions respect the principle of integral ecology and take into account social, economic and ecological considerations.

Senate Bill 264 aims to address the much needed investment in renewable energy policies to be set to sustain and achieve a healthy global ecosystem. We encourage discussion around the components and goals outlined in this legislation and hope they are a catalyst for positive social and ecological outcomes.

The Conference appreciates your consideration and, for these reasons, respectfully requests a favorable report on Senate Bill 264.

SB264_IndivisibleHoCoMD_FAV_RichardDeutschmann.pdf

Uploaded by: Richard Deutschmann

Position: FAV



SB264 – Community Solar Energy Generating Systems - Exemption From Energy and Property Taxes

Testimony before

Senate Budget and Taxation Committee

January 25, 2022

Position: Favorable

Mr. Chair, Mr. Vice Chair and members of the committee, my name is Richard Deutschmann, and I represent the 750+ members of Indivisible Howard County. We are providing written testimony today in support of SB264, to lower the tax burden on Community Solar systems that serve LMI (Low & Moderate Income) communities. Indivisible Howard County is an active member of the Maryland Legislative Coalition (with 30,000+ members). We appreciate the leadership of Senator Elfreth and others for sponsoring this important legislation.

This bill is a win-win for both equity for our LMI citizens and communities, as well as supporting strong solutions for global climate change. SB264 does this by eliminating the tax burden on rooftop, parking lot and brownfield community solar projects that benefit LMI households, which are typically more expensive to develop than that of greenfield development in rural areas. Traditionally this has meant that LMI communities have had limited access to these projects being built in their communities, and for LMI citizens to participate in a program designed to lower their energy cost burden. This in turn will increase project development and construction of community solar in our LMI communities, bringing jobs and economic benefits to areas traditionally overburdened by environmental pollutants.

For these reasons, we believe that this legislation embodies the very essence of Climate Justice, and is the kind of solution that can make Maryland a leader in addressing inequities in our LMI communities while moving boldly on climate solutions.

Thank you for your consideration of this important legislation.

We respectfully urge a favorable committee report.

Richard Deutschmann
Columbia, MD 21045

Via testimony SB264.pdf

Uploaded by: Sara Via

Position: FAV

January 21, 2022



UNIVERSITY OF
MARYLAND
EXTENSION
Solutions in your community

To: Senate Budget and Taxation Committee

From: Dr. Sara Via, Professor and Climate Extension Specialist,
University of Maryland College Park
svia@umd.edu

Re: *Testimony in support of SB264*

SB264 helps Maryland address three key problems associated with climate change and environmental justice:

1. There is no time to wait on climate action. Climate change is accelerating and its impacts on Maryland's people and economy are becoming more serious each year. By increasing the generation of solar power within Maryland and encouraging solar development on marginal land such as parking lots and brownfields, SB264 contributes positively to Maryland's rational response to the climate crisis.

2. Low and middle income (LMI) families pay a larger share of their incomes for household energy while suffering disproportionately from air and water pollution from electricity generation. HB 76 addresses both of these environmental injustices. The proposed minimum 20% discount on electricity will greatly assist LMI households, where keeping warm in winter and cool in summer is an ongoing economic burden. Although the proposed community solar projects will generate only modest amounts of electricity, they still put us one step closer to reducing unhealthy air and water pollution from Maryland's remaining coal-fired generating plants. This benefits all Marylanders and is particularly helpful to LMI communities closest to the outdated coal-fired plants.

3. Using land for solar arrays that is otherwise unsuitable for development is an essential step forward in the energy transition. Because it is cheaper and easier to install solar arrays on open farmland, most solar developers favor agricultural sites for their installations. Using agricultural land in this way is massively shortsighted, particularly in a state like Maryland where there is ongoing pressure to develop agricultural land. Why jeopardize future food production when open land unsuitable for development is abundant? Offering incentives to site solar arrays on otherwise unusable land like brownfields, closed landfills and parking lots gives these barren wastelands new value while protecting valuable farmland.

In addition, establishing meadows of native plants around solar arrays on brownfields and old landfills adds additional value by increasing biodiversity and improving water management. Solar parking canopies provide welcome relief from the relentless heat radiated from asphalt parking lots while generating clean energy to power our electric vehicles. These are images of the kind of world we can have by choosing to totally electrify buildings and transportation and then to power it all with clean renewable energy like wind and solar.

I encourage you to give SB264 a positive report to support Maryland's efforts to make this cleaner and more environmentally just world a reality. Thank you!

SenElfreth_SB264_FAV.pdf

Uploaded by: Sarah Elfreth

Position: FAV

SENATOR SARAH ELFRETH
Legislative District 30
Anne Arundel County

Budget and Taxation Committee

Subcommittees

Education, Business and Administration

Chair, Pensions

Senate Chair

Joint Committee on Administrative,
Executive, and Legislative Review

Joint Committee on the Chesapeake and
Atlantic Coastal Bays Critical Area



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Sarah.Elfreth@senate.state.md.us

THE SENATE OF MARYLAND

ANNAPOLIS, MARYLAND 21401

January 25, 2022

Testimony in Favor of SB 264
Community Solar Systems - Exemption - Energy and Property Taxes

Chairman Guzzone, Vice-Chair Rosapepe, and fellow members of the Budget and Taxation Committee,

I respectfully request a favorable report of Senate Bill 264. If passed, the bill will advance community solar projects that provide a benefit to low-to-moderate income (LMI) customers, and in doing so encourage solar generation in communities that are overburdened by environmental pollutants and have unequal access to cheaper, renewable energy sources.

Maryland's community solar program has been an essential part of our State's drive to expand our renewable energy portfolio to meet the goals the legislature has set previously; but it is currently not financially viable to develop smaller rooftop and parking canopy community solar projects for LMI benefit. This legislation will do just that by providing critical financial incentives to leverage these projects.

SB264 incentivizes these by projects by requiring an exemption from County/Municipal property tax for community solar projects that reserve more than 50% of their power for the benefit of LMI households and which are installed on rooftops, parking lots, or brownfields.

After conversations with both the advocates and MACO, I will be offering an amendment to ensure that these incentives make the most sense and that we have appropriate monitoring to keep the program as targeted as possible. The amendment will:

1. Strike energy consumption language;
2. Create a 5 year sunset on the exemption; and,
3. Require reporting on the use of the exemption.

This targeted approach to community solar is a win-win – it will create more rooftop, parking lot, and brownfield solar while providing a benefit to those who have been previously left behind in access to solar and the associated benefits. Once again, I respectfully request a favorable report of Senate Bill 264.

Collaborative Support Letter SB 264.pdf

Uploaded by: Susan Miller

Position: FAV



January 17, 2022

Chair Guy Guzzone
Members of the Budget and Taxation Committee

Re: Solar Democracy and Equity Collaborative support of SB 264 -
Community Solar Energy Generating Systems -Exemption From Energy and
Property Taxes

The Solar Democracy and Equity Collaborative (“Collaborative”) strongly supports the passage of SB 264. The Collaborative consists of several organizations, including Climate Access Fund, Earthjustice, the Institute for Energy and Environmental Research, the Montgomery County Green Bank, and Maryland Solar United Neighbors.

SB 264 establishes that personal property is exempt from county or municipal corporation property tax if the property is machinery or equipment that (1) is installed on rooftops, parking lots, roadways, or brownfields sites and (2) is part of a community solar energy generating system that serves more than 51% of the system’s kilowatt-hour output to low- or moderate-income customers. This tax exemption will encourage solar generation in low and moderate income communities that traditionally are burdened by environmental pollutants. Participation as a community solar subscriber also will provide financial assistance to those low and moderate income households.

Maryland’s community solar pilot program is in its fifth year. Currently, most of community solar projects are designed to serve market-rate customers. Projects designed to serve low and moderate income customers, and projects located on land that has already been developed (rooftops, parking lots, landfills, etc.) generally cost more to develop and typically don’t benefit from the economies of scale that large ground mounted projects do.

Local participation and local ownership works best when a project is located in the community, most likely on a rooftop. Given the financial realities of developing low and moderate income rooftop solar projects, these projects will not be possible without the proposed personal property tax exemption included in SB 264.

In enacting the community solar pilot program, the General Assembly expressly stated that it is in the public interest that the State enable the development and deployment of energy generation from community solar energy generating systems in order to allow low-income and moderate-income retail electric customers to own an interest in a community solar energy generating system; and encourage developers to promote participation by low-income and moderate-income retail electric customers.¹ Removal of this financial barrier to low and

¹ Maryland Public Utility Art. § 7-306.2(b)(2)(i) and (iii).

moderate income solar projects will enhance the community solar pilot program's ability to achieve these objectives.

Finally, the Collaborative thanks Senators Elfreth, McCray, Hershey, Kramer, Augustine, and Feldman for their leadership on this important issue.

We strongly urge a favorable report for SB 264.

Thank you in advance for your support. Should you have any questions, please contact me at smiller@earthjustice.org.

Respectfully submitted,

A handwritten signature in blue ink that reads "Susan Stevens Miller". The signature is fluid and cursive, with the first names being more prominent.

Susan Stevens Miller
Senior Attorney, Clean Energy Program
Earthjustice
smiller@earthjustice.org

***On Behalf of the Solar Democracy and Equity
Collaborative***

SB0264_B&T_FAV_SGC_Power.pdf

Uploaded by: Tyler Jones

Position: FAV

January 25, 2022

Maryland Senate
Senate Budget and Taxation Committee
3 West
Miller Senate Office Building
Annapolis, Maryland 21401

RE: Senate Bill 264 - Community Solar Energy Generating Systems - Exemption From Energy and Property Taxes

Position: **SUPPORT**

Dear Chairman Guzzone, Vice Chair Rosapepe and Members of the Senate Budget and Taxation Committee,

Thank you for holding this public hearing today and allowing our testimony. I write to you to urge your favorable recommendation of Senate Bill 264. This bill provides the necessary tax exemptions to make community solar facilities feasible on rooftops, brownfields and parking facility canopies.

SGC Power is a Howard County-based Community Solar development company. Our team has decades of combined solar experience, developing hundreds of megawatts of electricity across the country with a focus on the Mid-Atlantic, especially in Maryland.

SGC Power wholly welcomes the proposed legislation. This bill will of course provide greater opportunities for local community solar development companies like SGC to consider more rooftop, brownfield and parking facility canopies. In doing so, this will provide more opportunities for your constituents to enjoy the benefits that come with subscribing to a community solar facility.

This legislation provides greater opportunities and incentives for the development and construction of more community solar facilities through its tax exemption, which opens the door to developing rooftops that would otherwise not be financially viable. For example, when developing community solar facilities on a rooftop, while the available square footage may be adequate to host a solar facility, many other factors come into play, much of which revolve around a roof's structural capacity to handle the additional loading as well as the lifecycle of the roofing materials and how to handle a future roof replacement. Similarly, when constructing a parking canopy solar facility, costs increase significantly due to the structural steel associated with elevating the array high enough above vehicles, as well as the general system hardening required to ensure safe operations concurrent with vehicular traffic below.

Arguments will be made that by making these community solar facilities tax exempt, counties will be losing out on the tax revenue coming from the facilities to in turn put money back into their communities. These arguments are inaccurate because without this bill, these solar facilities are not financially viable and will not otherwise be developed. One item in the bill, one that SGC fully backs, is the requirement that 50 percent of the energy produced from facilities receiving the tax exemption goes to low- or moderate-income customers. By adding this requirement, the counties, albeit indirectly of the county government, still benefit from these solar facilities by allowing their citizens the opportunity to save on their electric bills and having that money available to put towards a different need, of which could be spent back within their community.

SGC Power supports SB264 and for all the reasons above, we respectfully ask the Committee for a favorable report.

Thank you for your support, we are available for any questions you may have.

Regards,

Tyler D. Jones

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SB264_FWA_MML.pdf

Uploaded by: Justin Fiore

Position: FWA



Maryland Municipal League

The Association of Maryland's Cities and Towns

TESTIMONY

January 25, 2022

Committee: Senate Budget and Taxation Committee

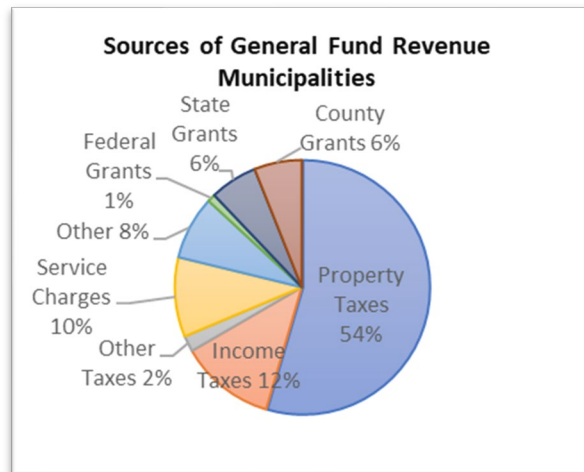
Bill: SB 264 – Community Solar Energy Generating Systems – Exemption from Energy and Property Taxes

Position: Support with Amendment

Reason for Position:

The Maryland Municipal League supports SB 264 with an amendment to authorize local governments set lower personal property tax rates for community solar projects and offer full exemptions as well. As introduced, the bill mandates certain community solar projects be exempted from municipal personal property taxes.

As it stands, municipalities are overdependent on property taxes to provide essential services for their residents. Over half of municipal general fund revenues are derived from property taxes, and for some, property taxes account for over 65% of total revenues. Local jurisdictions have little control over the other major sources of revenue, leaving municipalities with few options when fiscal challenges arise. **Maryland's cities and towns are not in a position to exempt an emerging industry from personal property taxes.**



The League would, however, support the bill with amendments that allow for the creation of a new class of personal property as to adopt lower rates and the authority to fully exempt these projects from personal property taxes, such as those included in SB 841 of 2021. This

would allow local governments the flexibility to incentivize the development of such projects within their budget constraints.

Therefore, the League respectfully requests that this committee provide SB 264 with a favorable report with the following amendments.

FOR MORE INFORMATION CONTACT:

Scott A. Hancock	Executive Director
Angelica Bailey	Director, Government Relations
Bill Jorch	Director, Research & Policy Analysis
Justin Fiore	Manager, Government Relations

Suggested Amendment Language for House Bill 76
(Based on 2021 compromise in the Senate with SB 841)

Add:

Article – Tax – Property

6–302.

(b) (1) Except as provided in subsection (c) of this section, §§ 6–305 and 6–306 of this subtitle and § 6–203 of this title:

(i) there shall be a single county property tax rate for all real property subject to county property tax except for operating real property described in § 8–109(c) of this article; [and]

(ii) the county tax rate applicable to personal property and the operating real property described in § 8–109(c) of this article shall be no more than 2.5 times the rate for real property; **AND**

(III) THE COUNTY TAX RATE APPLICABLE TO SOLAR ENERGY PROPERTY PERSONAL PROPERTY THAT IS A COMMUNITY SOLAR ENERGY GENERATING SYSTEM DESCRIBED UNDER § 8–101(C) OF THIS ARTICLE MAY BE A DIFFERENT RATE FROM THE COUNTY TAX RATE APPLICABLE TO OTHER PERSONAL PROPERTY, SUBJECT TO THE LIMITATION UNDER ITEM (II) OF THIS PARAGRAPH.

Replace 7-237 (C)(2) with:

(2) THE GOVERNING BODY OF A COUNTY OR MUNICIPAL CORPORATION MAY EXEMPT, BY LAW, PERSONAL PROPERTY THAT IS A COMMUNITY SOLAR ENERGY GENERATING SYSTEM FROM THE COUNTY OR MUNICIPAL CORPORATION PROPERTY TAX IF THE PERSONAL PROPERTY IS:

(I) PART OF A COMMUNITY SOLAR ENERGY GENERATING SYSTEM THAT PROVIDES AT LEAST 50% OF THE ENERGY IT PRODUCES TO LOW- OR MODERATE-INCOME CUSTOMERS, AS DEFINED IN REGULATIONS OF THE PUBLIC SERVICE COMMISSION, AT A COST THAT IS AT LEAST 20% LESS THAN THE AMOUNT CHARGED BY THE ELECTRIC COMPANY THAT SERVES THE AREA WHERE THE COMMUNITY SOLAR ENERGY GENERATING SYSTEM IS LOCATED; AND

(II) INSTALLED ON A ROOFTOP, PARKING FACILITY CANOPY, OR BROWNFIELD.

SB0264-BT_MACo_SWA.pdf

Uploaded by: Kevin Kinnally

Position: FWA



Senate Bill 264

Community Solar Energy Generating Systems - Exemption From Energy and Property Taxes

MACo Position: **SUPPORT
WITH AMENDMENTS**

To: Budget and Taxation Committee

Date: January 25, 2022

From: Kevin Kinnally

The Maryland Association of Counties (MACo) **SUPPORTS** SB 264 **WITH AMENDMENTS**. This bill would exempt a community solar generating system from local energy and personal property taxes under specified circumstances.

MACo generally supports legislation that provides local autonomy to determine the best way to offer tax incentives, rather than those that mandate reductions in local revenue sources. Mandated tax exemptions force counties to forego meaningful local revenues to support essential public services, even if the exemptions do not serve their best interests.

Under the bill, a community solar energy generating system installed on a rooftop, parking canopy, or brownfield would be exempt from local energy and personal property taxes. In addition, to be eligible, the system must deliver at least 50 percent of the energy it produces to low- or moderate-income customers at a discounted rate.

In general, MACo stands for local self-determination. Counties, led by their elected leaders who are directly accountable within the community, are best positioned to make decisions on local affairs – ranging from land use to budget priorities.

MACo would appreciate broad flexibility to enact solar tax incentives locally, as many counties are promoting solar projects on rooftops, brownfields, or less desirable lands as alternatives to large-scale energy generation facilities. However, especially as community solar becomes more viable, this bill could significantly undermine local revenues and support for essential services and community needs.

As such, MACo urges a "local option amendment" to allow each jurisdiction that chooses to enact these incentives flexibility to meet specific local needs and priorities. Additionally, this will give each county broad discretion to determine how much revenue it is willing to forego to provide the desirable benefits encouraged by the bill.

Counties stand ready to work with state policymakers to develop flexible and optional tools to create broad or targeted tax incentives but resist state-mandated changes that preclude local input.

Accordingly, MACo urges the Committee to give a **FAVORABLE WITH AMENDMENTS** report on SB 264, creating local discretion and potentially even broader flexibility.

2022 SB264 MD CCSA Favorable Testimony.pdf

Uploaded by: Leslie Elder

Position: FWA



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
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