

# **Testimony\_SB860\_Community Solar Tax Exemptions\_Bud**

Uploaded by: Alfred Bartlett, MD

Position: FAV



**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.<sup>1</sup> 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.

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<sup>1</sup> 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,

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

**SB 860\_CBF SUPPORT.pdf**

Uploaded by: Doug Myers

Position: FAV



# CHESAPEAKE BAY FOUNDATION

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*Environmental Protection and Restoration  
Environmental Education*

## **Senate Bill 860**

Property Tax – Community Solar Energy Generating Systems – Agrivoltaics

Date: March 10, 2022  
To: Budget and Taxation

Position: **Support**  
From: Doug Myers, Maryland Senior Scientist

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Chesapeake Bay Foundation (CBF) **SUPPORTS** SB 860 which prioritizes siting of community solar projects onto already disturbed parcels limiting their detrimental effects on forests, water quality and ongoing carbon sequestration benefits.

Community Solar Generating Systems usually consist of solar panels affixed to rooftops for residential and small-scale commercial buildings where the bulk of the generated electricity will be used. This lessens the energy bills of that home or business and generally supports the grid when excess energy is generated. Doing so prevents the need for new power plant construction and the additional work to subsequently reduce their associated greenhouse gas emissions.

As the demand for solar energy increases, large utility scale operations are being proposed that threaten farmland and forests. Clearing forests to install panels and transmission infrastructure could have significant negative impacts on local streams and could negate the existing environmental benefits of those trees such as cooling and purifying water, supporting biodiversity and sequestering carbon in soils. For this reason, prioritizing the siting of community solar systems will help meet Maryland's greenhouse gas reduction goals while protecting our forests, farmland and streams.

SB 860 recognizes that many agricultural systems are conducive to solar installations such as rotational grazing and certain perennial crops that grow better in partial shade. These systems, called Agrivoltaics, combine multiple revenue streams for a farmer, improve soil health and diversify food production in the state.

**CBF urges the Committee's FAVORABLE report on SB 860.** For more information, please contact Robin Clark, Maryland Staff Attorney at [rclark@cbf.org](mailto:rclark@cbf.org) and 443.995.8753.

Maryland Office • Philip Merrill Environmental Center • 6 Herndon Avenue • Annapolis • Maryland • 21403  
Phone (410) 268-8816 • Fax (410) 280-3513

The Chesapeake Bay Foundation (CBF) is a non-profit environmental education and advocacy organization dedicated to the restoration and protection of the Chesapeake Bay. With over 300,000 members and e-subscribers, including over 109,000 in Maryland alone, CBF works to educate the public and to protect the interest of the Chesapeake and its resources.

# **SB860 Favorable Testimony CCSA.pdf**

Uploaded by: Leslie Elder

Position: FAV



Before the General Assembly of the State of Maryland

Budget and Taxation  
March 10, 2022

Testimony of Leslie Ann Elder  
Mid-Atlantic Regional Director  
Coalition for Community Solar Access

**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,

Leslie Ann Elder, Mid-Atlantic Director  
Coalition for Community Solar Access

# **Lightstar Renewables SB860 Favorable Testimony.pdf**

Uploaded by: Lucy Bullock-Sieger

Position: FAV

## **Committee: Budget and Taxation**

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

#### **Position: Support**

#### **Hearing Date: March 10, 2022**

Lightstar Renewables, is a national developer of community solar agrivoltaic systems and is currently sourcing sites in Maryland. Although Lightstar would like to develop more sustainable agrivoltaic systems, which would secure and stabilize productive family farms for the next generation - agrivoltaic systems are currently not financially viable in the Maryland market. Lightstar has worked collaboratively with research institutions, farm bureaus, and farmland preservation organizations to advocate for and implement agrivoltaics policies in Massachusetts, Maine, New York, and New Jersey.

Agrivoltaic projects “maintain, rather than displace, farming activity by making agricultural production an integral part of the project design and operation. Project designs and plans for construction and decommissioning are created with a farmer or other expert in a manner that retains or enhances the land’s agricultural productivity and viability during and after the life of the project.”<sup>1</sup>

### **Encouraging Agrivoltaics in Maryland**

Agrivoltaics is an opportune policy to pursue given the variety of pressures that localities are facing from both conservation and sustainable energy goals. Towns who want to act locally to combat the climate crisis are faced with diverging priorities of preserving important local farmland and developing clean energy resources for the grid. This unnecessarily positions towns to choose between policy goals, where both farmland and adequate clean energy sites are scarce resources. Local pressure is exerted to prohibit clean energy on farmland, but doing so leaves those farms vulnerable to more permanent, impervious development.

Given there are certain constraints for developers when citing projects such as interconnection and minimizing tree cutting, incentivizing developers to better utilize brownfield, rooftops, and open space will enable Maryland to accelerate its clean energy

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<sup>1</sup> American Farmland Trust. [Smart Solar Siting on Farmland: Achieving Climate Goals While Strengthening the Future for Farming in New York \(2022\)](#)

## LIGHTSTAR

goals in a responsible and sustainable way. Lightstar supports this effort, particularly agrivoltaics, as it can help stabilize regional food production and family farms in addition to allowing more people to access the direct financial benefits of community solar.

Lightstar develops projects that place the land and farmer first – we do that by designing the array with the current and future farm operation in mind from day one. This can be as simple as spreading the rows farther apart or raising the panels a few feet higher. Though sometimes this does come at an increased cost, SB 860 offers a simple, cost-effective way to incentivize this innovative farmland conservation strategy that does not negatively impact ratepayers. We understand that there may be concern about lost potential revenue to municipalities, but our projects would still be paying real estate taxes, and other local taxes for the life of the project, which would not otherwise be seen by municipalities and counties if this bill were not to go forward. Additionally, this is a temporary measure to steer the development of the current pilot program.

### **Rural Economic Development and Food System Stability**

The tax exemption for the equipment used for our systems is not insignificant to Lightstar and could help turn standard ground mounted solar arrays into food producing agrivoltaic systems. The agrivoltaic tax exemption would have a direct impact on the ability for farmers to stay on their land and mitigate financial risk of their business. In order for these systems to be successfully farmed– we need a dedicated farmer to ensure that the land remains in production over the life of the solar project. In other markets Lightstar pays a stipend in addition to land lease payments to the farmer – for their time, operational costs, and maintenance of the land and project. These tax exemptions would allow us to pay a stable and meaningful stipend to the farmer to keep this parcel in production – therefore guaranteeing a family farm keeps providing crops or livestock for the next generation.

Incentivizing more of the industry with an adder for agrivoltaics addresses the important land use issues, while supporting wider state policy goals such as rural economic development, transition to regenerative agriculture, young farmer land access, and carbon sequestration. Incentivizing agrivoltaics enables developers to provide farmers with favorable conditions to keep farmland in production, helping to stabilize farming enterprises for the next generation, while developing local clean energy. The relatively small size of community solar projects is advantageous as a preliminary model because smaller farms are the most in need of long-term financial stability.

# LIGHTSTAR

The United States National Renewable Energy Lab (NREL), Universities, [American Farmland Trust](#) and farmers have been conducting research for the last decade on agrivoltaics. With over 3,000 MW globally, this sustainable project type is ready to be implemented in markets such as Maryland. Reports of the negative effects of climate change on farmland are being realized even earlier than originally thought, this necessitates embracing novel frameworks for achieving policy goals. Agrivoltaics is an available solution and we urge the committee to make a favorable report for SB 860.

Thank you for your consideration. If there are any questions, please reach out.

Sincerely,

Lucy Bullock-Sieger  
Director of Strategy  
Lightstar Renewables  
[Lucy.Bullock-Sieger@lightstar.com](mailto:Lucy.Bullock-Sieger@lightstar.com)

**MD Tax Bill Senate SRE Testimony final 2022.pdf**

Uploaded by: Nathan Greenberg

Position: FAV



9 March 2022

Budget and Taxation Committee  
Senate Office Bldg  
11 Bladen St  
Annapolis, MD 21401

**Re: SB 860 – Property Tax - Community Solar Energy Generating Systems - Agrivoltaics**  
**Position: SUPPORT**

Good afternoon distinguished members of the committee.

My name is Nate Greenberg, Vice President at Summit Ridge Energy. We are here in support of Senator King's SB 860 – Property Tax - Community Solar Energy Generating Systems - Agrivoltaics.

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. SB 860 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 SB 860 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,

Nathan Greenberg  
VP, Business Development  
Summit Ridge Energy  
[ngreenberg@srenergy.com](mailto:ngreenberg@srenergy.com)  
571.999.3956

# **SB860 Favorable Testimony CCSA.pdf**

Uploaded by: Nina Lobo

Position: FAV



Before the General Assembly of the State of Maryland

Budget and Taxation  
March 10, 2022

Testimony of Leslie Ann Elder  
Mid-Atlantic Regional Director  
Coalition for Community Solar Access

**SB860: "Property Tax- Community Solar Energy Generating Systems- Agrivoltaics"**  
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[The Department of Energy has committed to power 5 million households with community solar by 2025.](#)

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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,

Leslie Ann Elder, Mid-Atlantic Director  
Coalition for Community Solar Access

# **SB860 King Sponsor Testimony.pdf**

Uploaded by: Senator Nancy King

Position: FAV

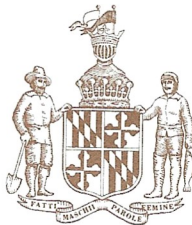
NANCY J. KING  
*Legislative District 39*  
Montgomery County

MAJORITY LEADER

Budget and Taxation Committee

*Chair*

Education, Business and  
Administration Subcommittee



THE SENATE OF MARYLAND  
ANNAPOLIS, MARYLAND 21401

James Senate Office Building  
11 Bladen Street, Room 120  
Annapolis, Maryland 21401  
301-858-3686 · 410-841-3686  
800-492-7122 Ext. 3686  
Fax 301-858-3670 · 410-841-3670  
Nancy.King@senate.state.md.us

**Sponsor Statement**

**Senate Bill 860 - Property Tax – Community Solar Energy Generating Systems - Agrivoltaics**

**March 10, 2022**

Mr. Chairman and Members of the Budget & Taxation Committee,

Today, only a small number of American households and businesses have access to solar because they rent or live in multi-tenant buildings, have roofs that are unable to host a solar system or are shaded by trees, or experience some other mitigating factor preventing them from having solar on their rooftop.

Community solar refers to local solar facilities shared by multiple community subscribers who receive credit on their electricity bills for their share of the power produced. This model for solar is being rapidly adopted nationwide.

In Maryland, we are operating under a community solar pilot program, which will likely lead to projects through 2025, a certain amount of which must be dedicated to low- and moderate-income families. Under current law, community solar projects are limited to 2 megawatts – or between 10-20 acres.

Community solar development is part of the solution to address global climate change and leads to cleaner air and water. Unfortunately, as we have promoted a state policy to advance community solar in Maryland to meet climate goals and other objectives, some local governments have set barriers to community solar development.

A common refrain, including from some in my county, has been to urge community solar developers to build projects on parking decks, landfills, and other more expensive locations than on agriculturally zoned land. Some development can and does work on locations other than agriculture. However, it is oftentimes far more expensive to develop community solar in areas other than agricultural zoned land.

This bill seeks to help establish community solar development projects on rooftops, brownfields, landfills, and clean fills. It also seeks to incentivize Agrivoltaics, which is the simultaneous use of land for solar and agricultural farming.

To achieve this objective, the SB 860 would temporarily reduce certain taxes for community solar development in more expensive locations or if done with Agrivoltaics, where solar and farming occurs. From the state and local perspective, there is no lost revenue if projects are rarely developed on such costly, hard-to-build locations without these incentives. However, such incentives will induce development in more challenging and costly locations, and ensure the affordability for community solar subscribers, including low- and moderate-income subscribers.

Specifically, the bill does the following:

**1. No Local Personal Property Tax.**

- a. There would be no local personal property tax on the solar equipment if the community solar generating facility is developed on a rooftop, brownfield, landfill, or clean fill.
- b. There would also be no local personal property tax if the community solar project is an Agrivoltaics project – meaning that the land is also used for agricultural farming purposes.

It is worth noting that state law already mandates a 50% reduction in the personal property tax for machinery producing electricity. This bill would merely exempt 100% of the personal property tax for a very narrow subset of electricity production – community solar developed in more expensive locations.

**2. 50% Reduction in State and Local Real Property Tax.**

- a. There would be a 50% reduction in state and local real property taxes for community solar generating facilities developed on a brownfield, landfill, or clean fill.

**3. Maintain Zoning as Agriculture When Agrivoltaics.**

- a. Community solar generating facilities constructed on agricultural land via Agrivoltaics would continue to be zoned as “Agricultural” as opposed to “commercial” or “industrial” zoning for real property tax purposes. If land is still being utilized for farming, along with community solar development, then it should continue to be zoned as “agriculture” for tax purposes.

Finally, it is worth noting that this temporary, and narrowly tailored tax reduction, which will be studied by the Maryland Energy Administration (MEA) to determine its effectiveness in incentivizing community solar development in more challenging and costly locations, will only be available for projects approved by the PSC before December 31, 2025. Depending on the MEA study, which will be reported to the General Assembly before the 2025 Session, we can decide whether to let the tax reductions sunset or to enact legislation to modify and/or extend the tax reductions.

As we continue to look for solutions for more sustainable energy sources, this legislation is another tool in our toolbox and so I respectfully request a favorable report on Senate Bill 860.



**SB860\_B&T\_FAV\_SGC\_Power.pdf**

Uploaded by: Tyler Jones

Position: FAV



March 10, 2022

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

**RE: Senate Bill 860 - Property Tax - Community Solar Energy Generating Systems - Agrivoltaics**

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 860. This bill provides the necessary tax exemptions to make community solar facilities feasible on rooftops, brownfields, clean fills and landfills, as well as make agrivoltaic facilities a more accessible option for ground mount projects.

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, particularly in Maryland. In addition, within our portfolio, we have developed an operational agrivoltaic solar facility that utilizes sheep grazing.

SGC Power 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, clean fill and landfill options, but also provide additional options for landowners when considering traditional ground mount facilities. With the successful passage of this legislation, it will give rise to further community solar facilities and in turn, 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, in particular the bill 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 developing an agrivoltaic facility, the planning, construction and long-term costs increase. This is especially true when utilizing a project site for livestock grazing due to various additional requirements that come with different types of livestock being free to roam. The array may need to be elevated higher, additional fencing may be needed around certain elements of the array, insurance costs will be greater in order to cover potential damage to the equipment and out-of-service expenses if the livestock damages any equipment which temporarily puts the array offline, as well as an increase in insurance liability premiums when compared to facilities where only system owner authorized personnel

are permitted to enter. Further, costs, although most likely minimal, could be incurred in training the livestock owner and anyone they employ to safely operate within the facility.

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 are not reasonable arguments because without this bill, these solar facilities are not financially viable and will not otherwise be developed. One element of the bill that is especially useful to note in response to the lost revenue arguments is the requirement that the 50% tax exemption expire on December 31, 2025, concurrent with when the community solar pilot program sunsets. This means that the tax exemption can only continue its implementation if once again agreed upon by the General Assembly, who will have the opportunity to review the Maryland Energy Administration's mandated report of their findings and recommendations of the tax exemption which is due by December 31, 2024.

SGC Power supports SB860 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

SGC Power | Director, Legislative Affairs

(410) 709-4986

[Tyler.Jones@sgc-power.com](mailto:Tyler.Jones@sgc-power.com)

**SB860\_CHESSA\_Favorable.pdf**

Uploaded by: Isaac Meyer

Position: FWA



**Favorable with Amendments**  
**Senate Bill 860**  
**Property Tax - Community Solar Energy Generating Systems - Agrivoltaics**  
**Ways and Means Committee**  
**March 10, 2022**

Honorable Guy Guzzone  
Chair, Budget and Taxation

Chair Guzzone, Vice-Chair Rosapepe, and members of the Committee,

On behalf of the Chesapeake Solar & Storage Association (CHESSA), thank you for the opportunity to issue our **SUPPORT** of **Senate Bill 860**, which would provide property tax exemptions for community solar projects used for agrivoltaics or on building rooftops, brownfields, landfills, or clean fills.

Agrivoltaics is a development strategy that is sensitive to land-use concerns and helps support the co-location of local farming practices with solar generation. Beyond having sheep keep vegetation at bay at a community solar project, solar projects can be designed to allow for both crop and clean energy production. This bill could make Maryland a leader in dual-use solar development by encouraging the industry to adopt these types of designs and offset any additional cost associated with configuring a project to accommodate dual use designs.

Additionally, since the community solar program's inception in 2015, solar developers have been unsure whether rooftop community solar arrays are exempt from personal property taxes. Given this financial uncertainty, many community solar projects have not been pursued on rooftops, as a personal property tax liability makes the project more expensive. SB 860 further clarifies that community solar arrays built on rooftops, brownfields, landfills, and clean fills are also exempt from personal property tax, which will facilitate greater deployment of projects of these types.

CHESSA also recommends broadening the scope of this property tax exemption beyond just community solar projects. Specifically, CHESSA supports amending the bill so that the property tax exemption is for both community solar projects and non-community solar projects less than 2 megawatts in size that are sited on rooftops, brownfields, landfills, and clean fills or used for agrivoltaics. This will increase the economic viability of non-utility scale solar systems, which are often located in urban environments and more cost-intensive than utility-scale systems and sends a strong market signal that Maryland's solar market is open for business, attracting private investment and local job opportunities while helping Maryland decarbonize its economy and achieve its ambitious clean energy goals.

On behalf of CHESSA, thank you for your support of Maryland's solar industry. We urge a favorable report on Senate Bill 860 with an amendment to expand the property tax exemption to incorporate solar project less than 2 megawatts in size sited on rooftops, brownfields, landfills, and clean fills or used for agrivoltaics.

Submitted by:  
Stephanie Johnson  
Executive Director

**SB 860\_FWA\_MML.pdf**

Uploaded by: Justin Fiore

Position: FWA



Maryland Municipal League  
*The Association of Maryland's Cities and Towns*

TESTIMONY

March 10, 2022

**Committee:** Senate Budget and Taxation Committee

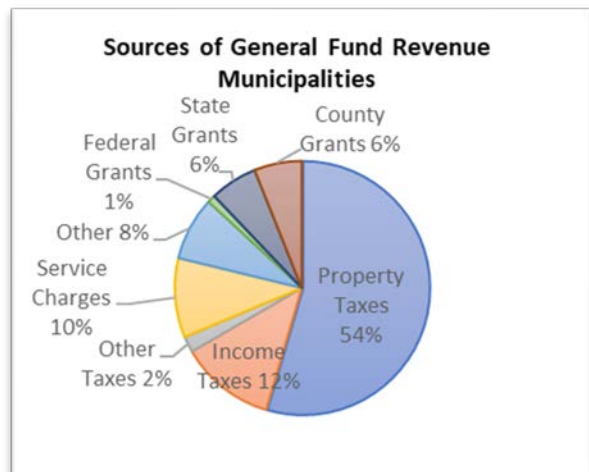
**Bill:** SB 860 – Community Solar Energy Generating Systems – Agrivoltaics

**Position:** Support with Amendment

**Reason for Position:**

The Maryland Municipal League supports SB 860 with an amendment to authorize local governments set lower personal and real 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 and real 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 while the community solar pilot program

continues to gather data. **As the pilot reaches its conclusion, we believe the State should review all the incentive options available alongside a clear cost-benefit analysis.**

Therefore, the League respectfully requests that this committee provide SB 860 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



**SB0860-BT\_MACo\_SWA.pdf**

Uploaded by: Kevin Kinnally

Position: FWA



## **Senate Bill 860**

### *Property Tax - Community Solar Energy Generating Systems - Agrivoltaics*

MACo Position: **SUPPORT**

To: Budget and Taxation Committee

**WITH AMENDMENTS**

Date: March 10, 2022

From: Kevin Kinnally

The Maryland Association of Counties (MACo) **SUPPORTS SB 860 WITH AMENDMENTS**. This bill would generally grant broad tax exemptions for specified community solar energy generating systems.

**MACo is concerned with the carryover county fiscal effects of this legislation and would prefer approaches that provide local autonomy to determine the best way to provide tax incentives, rather than those that mandate reductions in local revenue sources.**

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

SB 860 would exempt specified community solar energy generating system property from the county or municipal personal property tax, including agrivoltaic systems and equipment installed on a rooftop, brownfield, landfill, or clean fill. In addition, the bill would require local governments to grant a prescriptive property tax credit for property on which a qualified community solar generating system is installed.

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. As such, MACo urges amendments to authorize rather than mandate the property tax exemptions and credits for specified solar property.

Accordingly, MACo urges the Committee to give a **FAVORABLE WITH AMENDMENTS** report on SB 860.