

**Testimony of the Advocates for Herring Bay (AHB)¹
Regarding SB 528: Climate Solutions Now Act
Submitted by Stephen Marley, February 14, 2022**

Favorable, with comments and recommendations on a provision regarding financial incentives for community solar projects built on rooftops and other alternative surfaces

The Advocates for Herring Bay (AHB) commend the sponsors of SB 528 for crafting a holistic approach for reducing Maryland's emissions of carbon dioxide and other greenhouse gases. The bill tackles challenges across all sectors of Maryland's economy, and encourages the public and private sector to use energy and natural resources more efficiently and effectively.

AHB would like to express our support for and offer recommendations on a provision that would amend Article-Tax-Property 7-237 (C) to exempt community solar projects from local personal property taxes if they are built on rooftops, parking lots, roadways, or brownfield sites, and sell more than 51 percent their electricity to low- and moderate-income subscribers at a specified discount. In our view, two key benefits of that tax exemption are that it would:

- **Provide incentives for using previously developed surfaces in urban and suburban areas.** Every acre of impaired surface re-used for solar generation reduces the risk of losing forests or other ecologically valuable assets as Maryland decarbonizes its electricity grid. Given their small size, community solar projects are ideally suited to the large rooftops being added across the state to meet the surging demand for warehouses and other industrial spaces.² Maximizing the use of previously developed surfaces is especially important for the community solar program, which is concentrated in the Baltimore-Washington region, where the demand for both electricity and land are high.
- **Help level the financial playing field for ecologically beneficial community solar projects.** Some state policies may inadvertently be deterring investment in rooftop and other non-greenfield projects, such as the practice of compensating community solar projects at the same net metering rate regardless of their cost to produce electricity. That agnostic approach to pricing puts rooftop and other beneficial projects at a competitive disadvantage, even if they are economically viable at the net metering rate. Enacting the tax exemption would reduce some of those profit disparities and promote a more diverse supply of in-state solar generation.

AHB also believes that the tax provision would be more effective if the bill were amended in two ways. First, we recommend terminating eligibility for the tax exemption five years after enactment to allow lawmakers to reassess market conditions, evaluate the effectiveness of the exemption, and consider the effects of any changes in regulatory framework for the community solar program after the pilot program expires in 2024. Second, we suggest revising the eligibility criteria to exclude existing projects. Limited public funds should only be used for projects that need the financial incentives to be competitive.

Thank you for considering our views. Please contact us if we can be of assistance on these issues.

¹ The Advocates for Herring Bay, Inc. is a community-based environmental group in Anne Arundel County.

² See: <https://rebusinessonline.com/baltimores-industrial-market-is-stronger-than-ever-and-theres-more-to-come/>