



March 29, 2022

Maryland House of Delegates
House Ways and Means Committee
Room 131
House Office Building
Annapolis, Maryland 21401

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

Position: **SUPPORT**

Dear Chairwoman Atterbeary, Vice Chair Washington and Members of the House Ways and Means 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. Additionally, the tax exemption expires on December 31, 2024, one

year ahead of the sunset of the community solar pilot program. This means that the tax exemption can only be continued if agreed upon by the General Assembly, who will have the opportunity to review the State Department of Assessments and Taxation's mandated annual reports of the tax exemption's effectiveness.

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,

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