HB1111 - Third Pillar Solar - FAV.pdf Uploaded by: Andrew Strauss



February 19, 2025

Maryland General Assembly Economic Matters Committee 230 Taylor House Office Building Annapolis, Maryland 21401

Re: Testimony in Support of House Bill 1111: An Act Concerning Public Utilities – Solar Energy Generating Systems – Floating Systems and Systems Located on Brownfields

Dear Delegate Wilson and Vice Chair Crosby,

Third Pillar Solar is pleased to provide the following written testimony in support of HB 1111 introduced by Delegate Fraser-Hidalgo. Third Pillar Solar is a floating solar project developer, owner, and operator deploying community solar and other distributed generation projects in Maryland as well as several other states. We appreciate Delegate Fraser-Hidalgo's time and effort to support Floating Photovoltaic (FPV) projects in Maryland. Third Pillar Solar urges a favorable report on HB 1111.

Floating solar projects consist of conventional solar photovoltaic panels mounted on robust high-density polyethylene (HDPE) plastic and metallic floating docks that are mechanically stabilized on water. More than five hundred projects have been installed worldwide with a cumulative capacity of over 4 GW.

Third Pillar Solar, like other developers in the field, focus on floating solar projects built and operated on man-made industrial, commercial, and municipal waterbodies. These projects are a true "dual use" application of solar, eliminating the need to encumber land from agricultural or other productive uses. We estimate that there <u>are over a gigawatt of potential floating solar sites in Maryland</u> that would not impact the primary use or any recreation on those bodies of water.

As you are aware, last session the Brighter Tomorrow Act passed both chambers of the Maryland legislature and was signed into law by Governor Moore. The program provides incentives for solar development on locations that are often out of sight and out of mind. The program specifically identifies rooftops, parking canopies, or brownfields as preferred sites. Unfortunately, floating solar projects were not considered at the time of the Act's passage even though FPV projects further the objectives of the Act. HB 1111 cures this by listing "a floating system" alongside rooftops, parking canopies, or brownfields.

Third Pillar is actively developing early-stage floating solar projects with total potential capacity greater than 50 MW in Maryland on wastewater treatment ponds and former quarries. Given the higher capital expenses and additional complexity in developing floating solar, the projects would



have a higher likelihood of success if they were eligible for the 1.5x SREC adder provided by the Brighter Tomorrow Act.

We believe that it is important to recognize that certain man-made waterbodies are preferred siting locations that have inherent cost disadvantages similar to rooftops, parking canopies, and brownfield sites. As such, it is important to level the playing field for floating solar. House Bill 1111 does just that by making FPV projects eligible for the 1.5x SREC adder.

The addition of floating solar projects in the Brighter Tomorrow program would unlock countless waterbodies that have no other use other than industrial use for their large surface area. Developers are now recognizing these waterbodies hold inherent value to generate renewable energy and help Maryland reach its climate goals.

For these reasons, Third Pillar Solar respectfully requests the committee grant House Bill 1111 a favorable report. Third Pillar Solar looks forward to working with the committee and encourages members to reach out with any questions on FPV project specifics.

Sincerely,

Andrew Strauss
Senior Manager of Policy and Regulatory Affairs
Third Pillar Solar
Astrauss@thirdpillarsolar.com

HB 1111 Brownfields_Floating Systems Testimony (DF Uploaded by: David Fraser-Hidalgo

David Fraser-Hidalgo

Legislative District 15
Montgomery County

Economic Matters Committee

Chair
Property and Casualty Insurance
Subcommittee



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THE MARYLAND HOUSE OF DELEGATES ANNAPOLIS, MARYLAND 21401

Delegate C.T. Wilson Chairman, House Economic Matters Committee House Office Building - Room 231 Annapolis, MD 21401

Mr. Chairman,

I am writing to express support of HB 1111, the Public Utilities - Solar Energy Generating Systems - Floating Systems and Systems Located on Brownfields Act.

The HB 1111, the Public Utilities - Solar Energy Generating Systems - Floating Systems and Systems Located on Brownfields Act:

- Expands eligibility for the Small Solar Energy Generating System Incentive Program under the Brighter Tomorrow Act to include certain floating solar energy systems and solar projects on brownfields
- Sets certification requirements for eligible solar energy generating systems. To qualify, a system must:
 - Be located in Maryland and eligible for inclusion in the Renewable Energy Portfolio Standard
 - Have a generating capacity of 5 megawatts or less
 - o Be placed in service between July 1, 2024, and January 1, 2028
 - Meet one of the following conditions: have generating capacity of 20 kilowatts or less, have a generating capacity of 2 megawatts or less if used for aggregate net metering, have generating capacity between 20 kilowatts and 5 megawatts if located on a rooftop, parking canopy, brownfield, or floating system
- Ensures eligibility for Solar Renewable Energy credits (SRECs). The Commission will certify qualifying solar systems as Tier 1 renewable sources eligible to generate SRECs. To receive certification an applicant must submit:
 - o A request form for SREC certification
 - A copy of the interconnection agreement with the applicant's electric company, confirming eligibility
 - If located on or over a roof, parking lot, or navigable body of water, a copy of the final local building permit approval
 - o If located on a brownfield, documentation proving the system is on a brownfield site

• Removes property taxes for non residential solar energy systems installed on rooftops, parking facility canopies, brownfields, or floating systems

In 2024, the Maryland Senate passed SB 0783: Renewable Energy – Net Energy Metering Aggregation, Solar Renewable Energy Credits, and Taxes on Solar Energy Generating Systems (Brighter Tomorrow Act), to expand the types of solar facilities eligible for subsidies, improve subsidy levels, and enhance access to clean energy incentives, particularly for workers and low to moderate income individuals. HB 1111 builds on this initiative by incorporating floating solar systems and brownfield solar projects into the program.

A brownfield is an abandoned or contaminated site where redevelopment is burdensome due to environmental concerns. Repurposing these sites for solar energy presents an opportunity to generate clean power while avoiding environmental issues associated with greenfield development.² Furthermore, brownfields are often near existing power lines and infrastructure, reducing construction costs during grid connection.³ Similarly, floating solar systems are solar arrays positioned on top of calm bodies of water such as lakes and dams, secured with buoyant structures that allow them to float on the surface of water.⁴ The electricity generated through these systems are harnessed from the arrays through underwater cables to a transmission tower. These systems allow for enhanced efficiency in comparison to standard land-base solar in terms of space, overheating, and reduced installation costs.⁵

Maryland has taken a significant step toward reducing statewide greenhouse gas emission by passing the Climate Solutions Now Act of 2022, which set a goal of reducing statewide emission by 60% from 2006 levels by 2031, and achieving net-zero by 2045. To meet these ambitious targets, the state must prioritize clean, accessible, and sustainable energy sources. Thus, expanding the transition to renewables, such as solar, through the incentives provided by HB 1111 is essential.

Overall, HB 1111 expands eligibility for the Small Solar Energy Generating System Incentive Program to include floating solar systems and solar projects on brownfields. It also exempts these systems from certain property taxes, further incentivizing clean energy development. HB 1111 aligns with Maryland's clean energy initiatives, including the Maryland Clean Energy Jobs Act of 2019, which requires 50% of the state's energy to come from renewable sources by 2030, with 14.5% from in-state solar (Section 5–1501(a) (2019)).⁶

¹ Md. Code Ann § Section 7–306(g) (2024)

² Brownfields redevelopment, Encore Renewable Energy,

https://encorerenewableenergy.com/services/brownfields-redevelopment/

³ Id., at 2

⁴ The Advantages and Disadvantages of Floating Solar, Mibet Energy (2024), https://www.mbt-energy.com/news/industry/2106181.html

⁵ Id., at 4

⁶ Md. Code Ann § Section 5–1501(a) (2019)

This bill exempts non residential solar energy generating systems that are approved by the Public Service Commission under the Public Utilities Article on or after July 1, 2024, from property tax. This Act will take effect July 1, 2025.

Thank you for your consideration, I urge a favorable report on HB 1111.

Respectfully,

Delegate David Fraser-Hidalgo

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HB 1111 - Solar Energy Generating Systems.pdf Uploaded by: Elizabeth Law

BILL NUMBER: HB 111

Public Utilities – Solar Energy Generating Systems – Floating

Systems and Systems Located on Brownfields

COMMITTEE: Economic Matters

HEARING DATE: February 21, 2025

SPONSOR: Delegate Fraser–Hidalgo

POSITION: Favorable

Chair C. T. Wilson, Vice Chair Brian M. Crosby and Members of the Committee,

As a resident of Maryland and a professional electric power engineer I ask for a favorable report on Bill HB 1111 – Public Utilities – Solar Energy Generating Systems – Floating Systems and Systems Located on Brownfields.

Although the bill is modest, it will facilitate distributed generation at a level that does not need PJM approval for interconnection. That in itself will greatly increase the speed of interconnection.

I concur that economic initiatives to encourage solar arrays in brownfields takes care of two problems: the eyesore and possibly contaminated sites in need of mediation and the need to add base load to our power system.

The electric grid as a whole needs to move to distributed generation such as solar/battery systems and microgrids. The level of power generated by these facilities will not replace the old system of huge generating facilities with mile of invasive transmission lines, but locally distributed generation can reduce the need for peak power generators and enlarging the grid with more transmission lines.

I ask for a favorable report.

Thank you,

Elizabeth Law. P.E. (retired)

1758 Wheyfield Dr.

Frederick, Maryland 21701

HB 1111 Solar Energy Generating Systems – Floating Uploaded by: Humna Sharif



The Nature Conservancy Maryland/DC Chapter 425 Barlow Pl., Ste 100 Bethesda, MD 20814 tel (301) 897-8570 fax (301) 897-0858 nature.org

Friday, February 21, 2025

TO: C. T. Wilson, Chair of the House Economic Matters Committee, and Committee members **FROM:** Humna Sharif, The Nature Conservancy, Climate Adaptation Manager; and Michelle Dietz, The Nature Conservancy, Director of Government Relations

POSITION: Support HB 1111 Public Utilities – Solar Energy Generating Systems – Floating Systems and 3 Systems Located on Brownfields

The Nature Conservancy (TNC) supports HB 1111 Public Utilities – Solar Energy Generating Systems – Floating Systems and 3 Systems Located on Brownfields offered by Delegate Fraser Hidalgo. TNC is a global conservation organization working to conserve the lands and waters on which all life depends. In Maryland, our work focuses on delivering science-based, on-the-ground solutions that secure clean water and healthy living environments for our communities, reducing greenhouse gas emissions, and increasing resilience in the face of a changing climate. TNC supports legislation that provides a path forward to address resource adequacy in Maryland to meet current and future electric load requirements and to alleviate the burden on ratepayers. We urgently need more energy, but we also need that energy to be clean and readily available.

HB 1111 seeks to incentivize development of solar generation in the state by including floating solar in the Small Solar Energy Generating System Incentive Program. The Small Solar Energy Generating System Incentive currently applies to a system with a generating capacity of between 20 kilowatts and 5 megawatts and includes systems located in parking lots, over rooftops, and on brownfields. HB 1111 expands the existing program to include floating solar located on a non-navigable body of water in the state.

This bill also amends Maryland tax law to exempt brownfields and floating solar systems from valuation and property tax. Currently nonresidential solar energy generating systems that are constructed on the rooftops of buildings or on parking facilities are exempted from property taxes. HB 1111 would expand this exemption to brownfield and floating solar, thus incentivizing more small-scale clean energy generation capacity in the state.

This bill is in line with the Moore-Miller Administration's goal of achieving a 100% clean energy standard for Maryland. Clean energy can be produced cheaper and safer than non-renewable energy generation methods. By enacting HB1111, small scale floating solar and brownfield systems can contribute to Maryland's ambitious clean energy goals.

We need to urgently reduce Maryland's dependance on fossil fuels; they not only pollute our environment, but also have adverse health impacts for Maryland's residents. The Nature Conservancy thanks delegate Fraser-Hidalgo for introducing this legislation, and his leadership towards Maryland's swift and secure transition to a fully clean energy future.

Therefore, we urge a favorable report on HB 1111.

HB1111_Solar_FAV_Advanced Energy United Uploaded by: Katie Mettle



February 21, 2025 Economic Matters Committee

HB 1111

Public Utilities – Solar Energy Generating Systems – Floating Systems and Systems

Located on Brownfields

Sponsor: Delegate David Fraser-Hidalgo

Katie Mettle Policy Principal, Advanced Energy United

FAVORABLE

Dear Chair Wilson, Vice Chair Crosby, and esteemed members of the Economic Matters Committee:

Advanced Energy United is an industry association that represents companies operating in the clean energy space. Our mission is to accelerate the transition to a 100% clean energy economy. Our members represent the full suite of technologies that are powering this transition.

On behalf of our member companies and in alignment with our mission, we support HB 1111. This bill will allow solar projects that float on non-navigable bodies of water to qualify for the Small Solar Energy Generating System Incentive Program, and allow these same solar projects, and those constructed on brownfields, to be exempted from valuation or property tax.

This bill will benefit the solar industry, and help to promote the transition to a clean energy future. For these reasons, we respectfully request the Committee issue a favorable report. Thank you for your time.

Best Regards,

Katie Mettle, Policy Principal
Advanced Energy United
kmettle@advancedenergyunited.org
202.380.1950 x3197

MDE HB1111 SWA.pdf Uploaded by: Jeremy D Baker Position: FWA



The Maryland Department of the Environment Secretary Serena McIlwain

House Bill 1111

Public Utilities - Solar Energy Generating Systems - Floating Systems and Systems Located on Brownfields

Position: Support with Amendments

Committee: Economic Matters **Date:** February 21, 2025

From: Alex Butler, Deputy Director of Government Relations

The Maryland Department of the Environment (MDE) **SUPPORTS** HB 1111 **WITH AMENDMENTS**.

Bill Summary

House Bill 1111 aims to encourage the development of solar energy systems in two specific areas. First, it seeks to include certain floating solar energy generating systems in the Small Solar Energy Generating System Incentive Program. Second, it proposes exempting solar energy systems constructed on brownfields from certain approval processes, simplifying their development. By facilitating the installation of solar energy systems on floating platforms and repurposing previously contaminated brownfield sites, HB 1111 seeks to expand renewable energy infrastructure and make use of underutilized lands for clean energy production.

Position Rationale

This bill aligns with Maryland's statewide goal to reach 100% of the electricity consumed in the state to be generated by clean and renewable energy sources by 2035. MDE adopted regulations in 2022 to provide a fee waiver for Voluntary Cleanup Program applications for renewable energy projects of 2 megawatts or higher on brownfield sites. There has been a significant increase in the number of such properties enrolled in the program, with 8 applications in the past year for larger-scale solar projects.

However, floating solar projects over tidal wetlands are not water-dependent and therefore would not be authorized. In nontidal areas, floating solar systems would be allowable on a case-by-case basis. Because the bill does not provide a definition or criteria for determining which resources may qualify as "nonnavigable bodies of water," floating solar systems may be proposed in wetlands or waters regulated by the U.S. Army Corps of Engineers under Section 404 of the Clean Water Act. As with state permits, these projects may need to meet certain minimum federal requirements not identified in the legislation to obtain federal permits. MDE proposes to have guardrails in place to ensure that the bill excludes tidal wetlands or other sensitive areas, instead limiting floating solar systems to more appropriate bodies of water such as reservoirs, retention ponds, and wastewater treatment facilities.

Accordingly, MDE asks for a **FAVORABLE WITH AMENDMENTS** report for HB 1111.

Contact: Alex Butler, Deputy Director of Government Relations

Email: alex.butler@maryland.gov

HB1111 - FWA - Solar Energy Generating Systems - F Uploaded by: Landon Fahrig



TO: Chair Wilson, Vice Chair Crosby, and Members of the Economic Matters Committee

FROM: MEA

SUBJECT: HB1111: Public Utilities - Solar Energy Generating Systems - Floating Systems and

Systems Located on Brownfields

DATE: February 20, 2025

MEA Position: FAVORABLE WITH AMENDMENTS

House Bill 111 expands incentives for floating solar energy generating systems and solar projects located on brownfields.

This legislation is a critical step toward advancing Maryland's renewable energy goals, maximizing underutilized spaces for clean energy generation, and ensuring that our state remains a leader in the fight against climate change. This bill presents an opportunity to accelerate progress by tapping into underutilized energy sources: floating solar systems and brownfield solar projects.

Floating solar systems, installed on bodies of water such as reservoirs, retention ponds, and wastewater treatment facilities, present a unique opportunity to generate renewable energy without consuming valuable land while reducing water evaporation and improving water quality by limiting algae growth. Brownfields, previously contaminated or underutilized industrial sites, can be repurposed for solar energy, transforming environmental liabilities into assets.

HB 1111 makes it more financially feasible for developers to invest in innovative solar solutions, which will support energy resilience in Maryland. Given Maryland's pressing need to expand clean energy deployment, this bill is a common-sense approach to leveraging available spaces while ensuring a just and equitable transition to a clean energy future.

The Maryland Energy Administration would seek to have an amendment to set guardrails in place to ensure that non-navigable waters would exclude tidal wetlands or other sensitive areas, instead limiting floating solar systems to bodies of water such as reservoirs, retention ponds, and wastewater treatment facilities.

For these reasons, MEA urges the committee to issue a favorable report as amended.

Our sincere thanks for your consideration of this testimony. For questions or additional information, please contact Megan Outten, Policy manager, at megan.outten@maryland.gov or 443.842.1780.

HB 1111 - CBF - FWA.pdfUploaded by: Matt Stegman Position: FWA



CHESAPEAKE BAY FOUNDATION

Environmental Protection and Restoration
Environmental Education

House Bill 1111

Public Utilities - Solar Energy Generating Systems - Floating Systems and Systems Located on Brownfields

Date: February 21, 2025 Position: **FAVORABLE W/ AMENDMENT**

To: House Economic Matters Committee From: Gussie Maguire,

MD Staff Scientist

Chesapeake Bay Foundation (CBF) **SUPPORTS WITH AMENDMENT** HB 1111, which exempts nonresidential solar systems on brownfields from valuation and property tax. The bill also adds floating systems to the list of systems eligible for the Small Solar Energy Generating System Incentive Program and exempts them from valuation and property tax.

In principle, floating solar arrays can provide an alternative to installations on formerly forested or productive agricultural land. However, shade provided by the floating structures can be detrimental to underwater vegetation¹, the loss of which in turn lowers dissolved oxygen in the surrounding water. Amending the bill to ensure that only floating systems installed over artificial, non-navigable waterways such as stormwater ponds and constructed reservoirs receive incentives and tax benefits would encourage environmentally responsible siting.

In that vein, adding brownfield sites to those solar sites exempt from valuation and property tax encourages positive use of remediated areas. More solar generation on impervious and impacted areas means fewer forest and agricultural acres will be converted to meet energy generation targets.

CBF supports the spirit of HB 1111 and suggests minor clarifications to improve the bill. For those reasons we urge the Committee's FAVORABLE WITH AMENDMENT report on HB 1111.

For more information, please contact Matt Stegman, Maryland Staff Attorney, at mstegman@cbf.org.

¹ https://strathprints.strath.ac.uk/89330/1/Potential-environmental-impacts-of-floating-solar-photovoltaic-systems.pdf

Maryland Office • Philip Merrill Environmental Center • 6 Herndon Avenue • Annapolis • Maryland • 21403

HB1111-ECM_MACo_OPP.pdf Uploaded by: Kevin Kinnally

Position: UNF



House Bill 1111

Public Utilities - Solar Energy Generating Systems - Floating Systems and Systems Located on Brownfields

MACo Position: **OPPOSE**To: Economic Matters Committee

Date: February 21, 2025 From: Kevin Kinnally

The Maryland Association of Counties (MACo) **OPPOSES HB 1111**, which exempts floating solar systems and brownfield solar projects from local property taxation. Counties support expanding renewable energy, particularly on underused sites, but this bill eliminates a critical local revenue source without providing a way for counties to secure fiscal contributions from these projects — despite their profitability and long-term commercial benefits.

MACo is working with the bill sponsor on amendments to ensure counties can decide whether to provide tax benefits for these projects. A blanket tax exemption removes local decision-making and shifts costs onto county budgets and residents. Allowing a local option property tax credit ensures counties can encourage renewable energy projects while balancing fiscal needs.

Counties support the expansion of solar energy but must also balance fiscal responsibilities for infrastructure, emergency services, and community development. With growing budgetary pressures, eliminating this revenue source without a viable alternative would further strain local limited resources and limit essential services.

Floating solar remains a new and evolving technology. The bill permanently removes these systems from the tax base before counties can evaluate their long-term impact. Local governments must be able to assess these projects as they develop, rather than lose control over local revenues through a one-size-fits-all tax exemption.

Maryland has long promoted renewable energy while ensuring counties retain authority over local revenues. This bill departs from that balanced approach, overriding local discretion without considering the broader fiscal implications.

Accordingly, MACo urges an **UNFAVORABLE** report on HB 1111 as currently drafted. MACo is committed to working with the bill sponsor and stakeholders to ensure counties retain the necessary tools to manage their fiscal health while supporting Maryland's renewable energy goals. A more flexible approach that allows for proper local input rather than a blanket exemption will better serve residents and communities.