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SUPPORT: HB1435- Renewable Energy - Net Energy Metering Aggregation, Solar Renewable Energy Credits, and Taxes on Solar Energy Generating Systems (Brighter Tomorrow Act)

Chair Wilson and Members of the Committee:

Maryland LCV supports HB1435 - Brighter Tomorrow Act, and we thank Delegate Fraser-Hidalgo for his continued leadership on this issue.

In 2019, the Maryland General Assembly, and this Committee passed the Clean Energy Jobs Act which set ambitious goals for renewable energy development in Maryland, including a requirement that 14.5 percent of our Renewable Energy Portfolio Standard be achieved from solar generation by 2030. These goals were further strengthened by the Moore-Miller Administration's commitment to reaching 100% clean energy by 2035.

In 2022, Maryland fell short of the interim solar generation targets on the way to the 2030 goal. In the 2023 Session, Maryland LCV supported a bill introduced by Senator Elfreth to create a task force to offer comprehensive recommendations for incentives to develop solar on preferred siting of rooftops, parking lots, brownfields, and as part of an agrivoltaic installation. SB783 advances the recommendations from the Task Force to Study Solar Incentives including:

- 1) Extension of a personal property tax exemption for <2MW community solar projects on already developed land or using agrivoltaics, and serving at least 50% LMI households.
- 2) Creation of a personal property tax exemption for non-residential rooftop and parking canopies, and offering jurisdictions authority to offer additional real property tax abatements for parking canopies
- 3) Creating a consistent across-the-board Payment In Lieu of Taxes structure for ground mounted solar installations
- 4) Raises the Aggregate Net Meter cap from 2 to 5MW
- 5) Creates a short-term SREC multiplier for certain projects as a bridge to long term structural reforms of the SREC system.
- 6) Requiring prevailing wage and other labor standards for all projects covered by this legislation.

While it does not address the challenges faced by larger-scale projects, HB1435 takes substantive steps to help support the robust deployment of solar energy by helping to overcome the unique financial barriers faced by small projects, less than 5MW to meet our state's climate goals. Future legislation may be necessary to identify and overcome the specific needs of utility scale projects, however taking a holistic approach to

the needs of small projects as distinct from utility-scale ensures that limited state resources are invested to the greatest impact.

Additionally, Maryland LCV recognizes that provisions on labor standards for solar projects covered under this legislation falls short of the broader recommendations by the Task Force. Maryland LCV supports the implementation of the recommendations that would guarantee prevailing wage and other labor standards for all energy projects 1MW or above. We urge the committee to incorporate any amendments that would fulfill this commitment.

Maryland LCV urges a favorable report on this priority legislation.