

**Testimony of Dennis Abbott Chair, Board of Selectmen, Waterboro, Maine
before the Taxation Committee in Support of
LD 1153, An Act to Allow Municipalities to Tax Personal Solar Energy Equipment
Under 5 Megawatts
April 5, 2023**

Distinguished members of the Joint Committee on Taxation, thank you for the opportunity to testify on this legislation. My name is Dennis Abbott, and I serve as the Chair of the Board of Selectmen in Waterboro.

I am glad to testify in support of LD 1153, An Act to Allow Municipalities to Tax Personal Solar Energy Equipment Under 5 Megawatt.

In 2019 Maine law changed to encourage the development of distributed generation (DG) Resources.

The primary mechanisms driving current distributed generation development are the two net energy billing programs: kilowatt-hour credit (35-A M.R.S. §3209-A) and C&I tariff rate (35-A M.R.S. §3209-B).

I'd like to address those significant projects that are C&I tariff Rate and receive exemptions for the payment of Personal Property Taxes.

The Town of Waterboro has recently approved three major projects with footprints of just over 20 acres. All three projects are magically at just under 5 MW in total output. Two of these projects clear cut the properties to allow for the erection of hundreds of Solar Panels.

All three of these projects are Tax Exempt from paying Personal Property taxes. First year valuation of projects this size runs approximately at \$6MM each for a total of \$18MM. Since State Law requires reimbursement of 50%, this still leaves \$9MM in valuation that needs to be absorbed by other taxpayers.

For a town like ours, adopting LD 1153 prevents the Waterboro taxpayers from subsidizing these distributed generation projects.

On the one hand, the intent of these projects is to reduce electricity rates but on the other hand they increase taxes for all taxpayers.

Our Municipality struggles like all Maine Towns to manage and balance the tax burden for our residence. By allowing projects like this to remain tax exempt, further increases our tax rate which must be made up by all taxpayers.

I realize that the Distributed Generation Stakeholder Group authorized in the 130th Legislature has developed their final report which addressed some of the issues contained is LD 1153 however, should their recommendations become delayed, I would ask that you support LD 1153.

Thank you for the opportunity to provide this testimony.