



Francis Pullaro
Executive Director
www.renewne.org

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Joint Standing Committee on Taxation
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Testimony of RENEW Northeast
Opposing
LD 819, An Act Concerning the Status of Battery Storage Systems with Regard to the Business Equipment Tax Exemption

Chairs Grohoski and Cloutier, and Members of the Joint Standing Committee on Taxation, I am Francis Pullaro, president of RENEW Northeast, Inc. (RENEW)¹ here in **opposition** to LD No. 819.

The bill would end eligibility for the Business Equipment Tax Exemption (BETE) for qualified energy storage systems. The bill singles out energy storage for exclusion for this widely available tax exemption. One of the benefits of local development of clean energy systems like renewables and energy storage is the tax revenue they provide to host communities. RENEW understands that a municipality that has appropriately exempted equipment under the BETE program is generally entitled to recover from the state 50 percent of the property tax revenue lost due to the exemption, though may be entitled to a higher percentage of reimbursement under certain circumstances.² RENEW supports lowering the tax property burdens of clean energy technologies to promote their competitiveness while also ensuring that local communities are made entirely whole from the state by any exemptions.

Existing projects and those in the late stages of development relied on this law to make investments based on the market alone; they receive no state contract for the energy they supply. Punishing this one technology will also have a chilling effect on future investments in energy storage. Maine will no longer be a dependable state to conduct business if tax expenses can no longer have any certainty.

Developing energy storage is pivotal for implementing Maine's climate plan. It can provide substantial economic, environmental, and reliability benefits for Mainers. By providing on-demand electricity to the grid at peak times – something usually provided by fossil fuel generators – energy storage displaces high-emitting “peaker” plants. Peakers are relatively inefficient and used infrequently during times of high electricity demand, and emissions from peakers directly harm local air quality. In addition, peakers are most often sited in disadvantaged communities and used on days when air quality is already poor. But batteries, when charged with much cleaner energy sources, can provide the same grid services as a peaker plant without the associated emissions, thereby improving public health outcomes. By accelerating the switch from fossil fuels to energy storage at peak times, Maine can reduce emissions, improve the environment, and attract new investment and jobs to the state at the same time.

Thank you for the opportunity to offer this testimony.

¹ The comments expressed herein represent the views of RENEW and not necessarily those of any particular member of RENEW. RENEW Northeast (www.renewne.org) unites environmental advocates with developers and operators of the region's largest clean energy projects to coordinate their ideas and resources with the goal of increasing environmentally sustainable power generation in New England from the region's abundant renewable energy resources.

² Maine Revenue Services, Property Tax Bulletin No. 28,
<https://www.maine.gov/revenue/sites/maine.gov/revenue/files/inline-files/bull28.pdf>