

Via Electronic Mail

April 9, 2025

Senator Nicole Grohoski and Representative Kristen Cloutier
Co-Chairs, Committee on Taxation
100 State House Station
Augusta, ME 04333

RE: ACT Support for LD 1355- to Require the Office of Tax Policy to Study Taxation of Renewable Energy Infrastructure

Dear Senator Grohoski, Representative Cloutier, and Members of the Committee,

The Alliance for Climate Transition ("ACT") appreciates the opportunity to submit written testimony in support of LD 1355. There is an urgent need to clarify taxation structures for a variety of clean energy resources to spur more development, and this bill will ensure that that clarity is provided in a timely manner.

The Alliance for Climate Transition ("ACT") leads the just, equitable, and rapid transition to a clean energy future and a diverse climate economy. ACT is the only organization in the Northeast that covers all of the clean energy market segments, representing the business perspectives of investors and clean energy companies across every stage of development. Our 300+ members include companies based in Maine, doing business, or hoping to make future investments in the state.

ACT strongly supports the study outlined in this bill, and especially the implementation of well-designed uniform capacity taxes ("UCTs"), which standardize the tax rates paid by developers across the state, providing much needed predictability for the industry and allowing development decisions to be made based on other factors.

It is difficult to plan a multi-million-dollar project for bidding into a state clean energy procurement with property assessments—a key component in any bid—being subject to wildly different local interpretations. Municipalities take different approaches to these projects (e.g. personal property, real property), requiring developers to navigate a different patchwork of taxation structures with every new development.

This added complexity may dissuade developers from siting their solar and storage projects where they are needed most, as it creates an incentive to have multiple developments in the same municipality or to strategize projects based on which municipality has a more favorable tax

structure, sometimes called “tax shopping.” ACT supports the creation of well-calculated UCTs in order to avoid the clustering of development in municipalities with more favorable tax structures.

Creating taxation systems that balance the need for municipal revenue with other priorities—decarbonizing the electric grid, promoting equitable siting, minimizing impacts on ratepayers—will deliver optimal benefits. By providing thorough analysis of the current system of taxation of renewable energy infrastructure and implementing fair and reasonable UCTs, Maine can ensure that host communities have predictable revenue streams, while also supporting more reliable energy service and saving energy costs for consumers.

We thank you for your consideration and look forward to the opportunities that the implementation of this bill will create for Maine to expedite its clean energy transition, improve customer and ratepayer benefits, and strengthen the state’s climate commitments.

Sincerely,

A handwritten signature in black ink that reads "Oliwia Krupinska". The script is cursive and fluid.

Oliwia D. Krupinska
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