



HOUSE OF REPRESENTATIVES

2 STATE HOUSE STATION

AUGUSTA, MAINE 04333-0002

(207) 287-1400

TTY: MAINE RELAY 711

Parnell Terry

9 Lombard Street

Gorham, ME 04038

Cell Phone: (207) 318-1740

Parnell.Terry@legislature.maine.gov

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Testimony of Rep. Parnell Terry in support of

LD 819, An Act Concerning the Status of Battery Storage Systems with Regard to the Business Equipment Tax Exemption

Before the Joint Standing Committee on Taxation

Senator Grohoski, Representative Cloutier and esteemed members of the Taxation Committee, my name is Parnell Terry and I represent House District 108, which includes part of Gorham. I am here today to testify in support of **LD 819, An Act Concerning the Status of Battery Storage Systems with Regard to the Business Equipment Tax Exemption.**

As the bill sponsor explained, for a large battery storage facility like Cross Town Energy Storage, which is currently being built in Gorham, to be eligible under the Business Equipment Tax Exemption Program (BETE) it would have significant financial implications for residential taxpayers. I strongly support green energy initiatives and recognize battery storage facilities as an important aspect of making our state's climate goals a reality, enabling us to store energy for use after it is generated and when needed during peak hours on the electricity grid.

However, providing a property tax incentive to a project as large as Cross Town Energy Storage at 50% cost to the state, leaves the other 50% of the facility's property tax bill to the municipality and tax payers to make up the difference.

It is important for the Legislature to clarify that this large energy storage facility project, like others which have not previously benefited, does not qualify under the limitations of the program and to provide a clarifying definition of "Battery storage system."

It may be worth the committee's consideration to develop other incentives for similar projects, if they do not already exist, that do not place a disproportionately large financial burden on the residential taxpayers where facilities are proposed. This would allow us to encourage important projects like Cross Town Energy Storage while not overburdening taxpayers who are already

struggling with the high cost of living and increasing property tax bills in many towns throughout Maine.

I am happy to answer any questions and thank you for your time.