

Testimony of Linda Caprara
on behalf of the Maine State Chamber of Commerce in opposition to
L.D. 819, "An Act Concerning the Status of Battery Storage Systems with Regard to the Business
Equipment Tax Exemption."

Good afternoon, Sen. Grohowski, Rep. Cloutier and Members of the Joint Standing Committee on Taxation. My name is Linda Caprara. I am the Vice President of Advocacy for the Maine State Chamber of Commerce. We are testifying in opposition to L.D. 819, "An Act Concerning the Status of Battery Storage Systems with Regard to the Business Equipment Tax Exemption."

The bill provides that the Business Equipment Tax Exemption (BETE) does not apply to battery storage systems with a total capacity of 2 megawatts or more. The 2 megawatts threshold is arbitrary. We would argue that any equipment that is used by a business to store electricity should qualify for BETE. These are the types of investments we need to encourage in this state. Shifting to renewable energy sources will require scalable energy storage systems that can grow in capacity without increasing in cost. We need to encourage innovation in these types of products particularly in emerging, rapidly advancing energy fields, like battery storage. Anything Maine can do to encourage energy diversity supports Maine's renewable energy goals to reduce the reliance on fossil fuels is important for our future.

Furthermore, businesses that have already invested millions of dollars in battery energy storage systems in reliance on BETE should not have the rug pulled out from under them after they have made those investments. This will greatly increase the costs on those businesses and had they known this would happen they may not have made the investments in Maine. To change the rules after the investments have been made is simply not fair to those businesses and will do great damage to Maine's business climate.

The state should be encouraging investments that will support renewable energy, not punishing them with unexpected taxes.

Again, we urge the committee to vote no on L.D. 819. Thank you and I would be happy to answer any questions.