



April 9, 2025

The Hon. Nicole Grohoski, Co-chair
The Hon. Kristen Cloutier, Co-chair
Joint Standing Committee on Taxation
State House
Augusta, Maine 04330

Re: Testimony in Support of L.D. 1355, “Resolve, to Require the Office of Tax Policy to Study Taxation of Renewable Energy Infrastructure”

Dear Sen. Grohoski, Rep. Cloutier, and members of the Taxation Committee:

On behalf of Longroad Energy (Longroad), I am writing in support of L.D. 1355, “Resolve, to Require the Office of Tax Policy to Study Taxation of Renewable Energy Infrastructure,” sponsored by Rep. Hasenfus.

Longroad develops and operates solar and wind energy projects in markets across the United States. In our Scarborough office, we employ a dozen people including Maine Maritime Academy graduates and U.S. military veterans who operate hundreds of renewable energy power plants across the country from a control room staffed around-the-clock. The Longroad team has been developing renewable energy projects in Maine for nearly two decades years, and during that time, we have invested approximately a billion and a half dollars in the process of developing approximately 860 megawatts of clean energy here in the state.

The Longroad team has developed and operated projects in close to 20 Maine cities and towns and in the Unorganized Territory (UT), and thus has experience with a wide range of property tax arrangements. There is a significant amount of variability in Maine among both property tax rates and the processes required to establish the level of taxation.¹ As with other types of development, property tax levels for renewable energy projects should be set at a level that can be supported by projects’ economics, reflects the level of services they require, and contributes to a jurisdiction’s tax base. Tax levels that are too high will prevent projects from being developed, which thwarts economic growth and tax base expansion. If property taxes are too low, communities aren’t appropriately compensated and public support for projects is jeopardized.

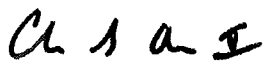
¹ It is important to note that tax revenue is not the only local financial benefit provided by these projects. In addition to jobs and a local economic boost, renewable energy projects often provide host communities with funds for a wide range of local needs. For wind projects, state law has long required projects to provide no less than \$4,000 per wind turbine per year in tangible benefits, although most projects far exceed that level.

Longroad supports L.D. 1355 because it would lead to a review of the current system of taxation of renewable energy infrastructure and likely result in recommendations on how the system could be improved. One of the concepts that would be considered is a uniform capacity tax, which could reduce uncertainty and result in projects being able to produce power at lower cost. Recommendations would come back to the Taxation Committee by the end of this year and could lead to legislation in 2026. If the Legislature authorizes this process, Longroad stands ready to provide feedback to the Office of Tax Policy as part of the stakeholder consultation required by the resolve. In our view, this process could lead to recommendations on how to best tax renewable energy projects fairly and with consistency and predictability for both taxing authorities and taxpayers.

In summary, there is room for improvement in the current system, and this resolve would put in motion a process that is likely to lead to better tax policy. Accordingly, Longroad encourages the committee to support this legislation.

Thank you for the opportunity to share our views.

Sincerely,

Handwritten signature of Chad Allen in black ink.

Chad Allen
Director of Development
Longroad Energy Holdings, LLC