Testimony to the Joint Standing Committee on Agriculture, Conservation and Forestry
neither for nor against
LD 1700, *An Act to Protect Agricultural Lands by Creating a Permitting Process for Solar Development on Those Lands*

April 26, 2023

Dear Senator Ingwersen, Representative Pluecker, and Distinguished Members of the Committee:

My name is Amy Winston, and I am Senior Director of State Policy at Coastal Enterprises, Inc. (CEI). I live in Edgecomb. I am submitting this testimony on behalf of CEI, to express our organization's perspective on LD 1700.

CEI is a private, non-profit Community Development Corporation (CDC) and Community Development Financial Institution (CDFI) based in Brunswick. CEI was founded in 1977 to develop job-creating natural-resource-based business ventures in Maine's rural and coastal regions. We continue to work to build a just, vibrant, and climate resilient future for people in communities in Maine and other rural regions. We do this by integrating finance, business expertise and policy solutions in ways that make the economy more equitable.

CEI has a 46-year history of investment in Maine agriculture. We provide business services including free sector-specific business advising and technical assistance, and by making loans and investments in new and existing farm and food-related businesses. Our focus on and commitment to Maine's agricultural and natural resource industries has only grown since our inception. Since 2018, CEI has provided $17.5 million in financing to food and agriculture related enterprises, helping them to create or maintain 1,986 local food economy jobs, and providing technical assistance to 412 farmers and food entrepreneurs.

CEI is also investing in the transition to clean energy. CEI's low-cost solar financing has helped over 40 businesses go green with $25 million in loans leveraging $45 million in investments across Maine and New England to install solar arrays. Our portfolio generates enough energy to power 3,500 homes annually. These loans prioritize low-income entrepreneurs and business owners from populations that have historically lacked access to credit and capital. In 2018, CEI established a subsidiary, Bright Community Capital, to increase access to solar energy and specifically to bring cost-effective solar power to low-income communities and neighborhoods. For its part, Bright Community Capital has provided $2.3 million in financing to developers for solar projects and owns 1.6 MWs in projects bringing affordable solar power to non-profits, municipalities, and affordable housing.

Our missioned approach to photovoltaics understands that without access to credit and capital, low-income consumers are unable to qualify for a loan or federal tax incentives. Credit risk (real or perceived), smaller project sizes, developer balance sheet capacity, and technical assistance needs are

additional hurdles[1]. For this reason, CEI was named to the Distributed Generation Stakeholder Group convened by the Governor's Energy Office pursuant to LD 936 (P.L. 2021, Ch. 390) to advise and assist in making recommendations for a cost-effective successor program for distributed renewable energy program that is equitable in benefitting ratepayers and energy burdened households and in guiding the responsible siting of solar installations in a way that is compatible with agricultural land use.
To this end, LD 1700 establishes a permitting process that attempts to balance competing needs when considering installation of solar panels on farms. CEI supports the intent of the bill to protect agricultural lands and the need to implement a permitting process for large-scale solar panel installations that cover many acres of land. However, it will be challenging and costly in certain instances for a farm to demonstrate that the economic benefit of a solar installation is both necessary for the viability of agricultural business operations and ancillary to the use of the property for agriculture - this may be especially true for farms with limited space suitable for ground-mounts and those who are only trying to meet the on-site energy needs of their farm.

We know that many, if not most, farm businesses require additional revenue to be profitable. Farm businesses need assurance that they will be compensated for their stewardship of the land. As stated in the bill, solar energy creates societal value as well as economic benefit to farms. A permitting process requiring a landowner to demonstrate that this benefit is subsidiary to the agricultural value of the land holds farmers to a higher standard because of the critical role that they serve in protecting food security. If this is an opportunity to support farmers in applying best practices, then we have to help them compete in the marketplace.

This bill attempts to balance the state's interest in keeping agricultural land available for food production without incentivizing that activity when there are competing alternatives, including non-solar related options. While an additional layer of specialized permitting may rightly deter solar developers from converting large swaths of arable farm, this can come at the cost of farmers who would have been able to lower operating costs, diversify revenue streams, increase the financial resilience of the farm, and contribute societally through clean energy generation. If the intent of the Department is to protect arable and productive farmland, the Department may consider a minimum kW size for projects that are required to go through this regulatory process. Many farms that are just meeting their on-site farm energy needs may be required to ground mount these modest arrays. Delaying the benefits of clean energy production under these direct ownership scenarios due to a permitting process is unfairly restricting the farming sector relative to their peers.

While the Department of Agriculture, Conservation and Forestry has ultimate authority to approve applications, to prevent time and resources from being wasted on the permitting application process, municipal authorities must also have technical capacity to understand the complicated nature of successful dual-use projects – i.e., projects that produce a societal benefit in distributed energy production as well as through the public benefits of food production. Additionally, municipalities and the Department should be prepared to assure that farm businesses who are unable to prove that the

[1] See Carsey Institute of Public Policy White Paper on Scaling Solar Equitably 2021

economic benefits of solar outweigh the agricultural potential are referred to business advisors and other farm-related business programming to ensure the long-term financial sustainability of these farms is protected.

To ensure their productive coexistence, further work may be needed to evaluate the impacts of solar energy development on working farmland and this statute for its ability to direct solar development to the least agriculturally productive lands as other states have chosen to do. Adopting a sunset period would allow for such evaluation, development of a methodology for assigning land value, and analysis of the feasibility of food system service payments to farmers to compensate them for using energy for agricultural production without forfeiting solar panel lease revenues.

Thank you for considering CEI's perspective on this important issue.

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