

**TESTIMONY OF
MICHAEL J. ALLEN, ASSOCIATE COMMISSIONER FOR TAX POLICY
DEPARTMENT OF ADMINISTRATIVE AND FINANCIAL SERVICES**

Before the Committee on Energy, Utilities and Technology
Hearing Date: 4/4/23

LD 1232 – An Act to Increase Adoption of Solar Power in Maine

Senator Lawrence, Representative Zeigler, and members of the Energy, Utilities and Technology Committee – good afternoon, my name is Michael Allen, Associate Commissioner for Tax Policy in the Department of Administrative and Financial Services. I am submitting written testimony at the request of the Administration Neither For Nor Against LD 1232, *An Act to Increase Adoption of Solar Power in Maine*.

My testimony today is limited to the effects of the bill on property tax administration. Currently, qualifying property purchased to generate heat or electricity through solar and wind energy is exempt from property tax. Section 2 of LD 1232, which requires the Public Utilities Commission to amend its rules regarding small generator interconnection procedures, may have the potential to affect who is eligible for net energy billing. Due to the relationship between net energy billing and the solar and wind property tax exemption, it is possible that the amended rules could affect eligibility for the exemption under 36 M.R.S. §§ 655 and 656, but the ultimate effect remains unclear at this time.

The Administration looks forward to working with the Committee on the bill; representatives from MRS will be here for the Work Session to provide additional information and respond in detail to the Committee’s questions.