

The Energy and Technology Committee

Public Hearing, March 5, 2013

Office of Consumer Counsel

Elin Swanson Katz, Consumer Counsel

Testimony of Elin Swanson Katz

Proposed S.B. No. 203, *An Act Concerning Property Tax Exemptions for Renewable Energy Sources*

S.B. No. 949, *An Act Establishing Commercial and Industrial Property Tax Exemptions for Clean Energy Projects*

Each of these bills seeks to establish an exemption from property taxes for clean energy projects on commercial and industrial properties, supplementing the existing exemption for residential and farm properties. S.B. 203 would provide for a broad – based and total exemption, while S.B. 949 fleshes out some of the details and parameters of a potential exemption.

OCC is supportive of the concept of exempting clean energy sources from property taxes either unconditionally or with limited conditions. It is our understanding, that some commercial and industrial customers who followed the state's goals by installing solar panels on their property have had the unfortunate surprise of finding that their property tax increase drastically reduces or even reverses the energy savings. As a policy matter, it will be difficult to continue to promote the installation of clean energy sources at commercial and industrial sites if the savings from doing so can be suddenly reversed. While savings estimates are not necessarily guaranteed, and can change due to market conditions not controlled by the government, the state and municipal

governments should work together to ensure that savings expectations are not quickly nullified by events that are within government control.

As the statutory representative for electricity customers, I hope that this situation can be dealt with in a way that leads to fulfillment of the reasonable savings expectations of early adopters of clean energy technology.