

**MARCH 5, 2013 TESTIMONY FROM SOLAR CONNECTICUT, INC. EXECUTIVE DIRECTOR MICHAEL TRAHAN IN SUPPORT OF PROPOSED S.B. No. 203 AN ACT CONCERNING PROPERTY TAX EXEMPTIONS FOR RENEWABLE ENERGY SOURCES.**

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**ABOUT SOLAR CONNECTICUT** - SolarConnecticut (*SolarConn*) was formed as an education group in 2007 when there were less than a dozen solar installation companies operating in Connecticut. Today, there are over 100 solar electric and solar thermal (hot water heating) installer companies in Connecticut authorized to offer state ratepayer-funded solar incentives to residential/commercial property owners. *SolarConn* promotes the use of solar through its work with installers, manufacturers, product developers, suppliers and those working in job training and education.

**WHY WE SUPPORT SB 203** - It is the policy of the state to promote and encourage the use of solar energy systems and to limit obstacles to their use. Therefore, the implementation of consistent, statewide standards to achieve timely and cost-effective installation of solar energy, such as the manner in which state supported commercial solar installations are managed at the local level, is a matter of statewide concern.

Coordinated, statewide policies that lower the cost of solar, including a statewide tax policy will (1) increase the deployment of solar, (2) improve the state's ability to reach its clean energy goals, (3) create jobs in this state and, (4) shorten the period that ratepayer-funded solar incentives are necessary.

Currently, residential installations of solar thermal and solar electric systems are exempt from local property tax. SB 203 would simply extend the same tax waiver currently enjoyed by residential property owners to commercial property owners.

**PROPOSED LANGUAGE CHANGE** - *SolarConn* has one area of concern on SB 203. Both solar thermal and solar electric (called "photovoltaic" or PV) systems produce energy derived from solar power -- the definition of a Class I renewable energy source. Both residential and commercial property owners are investors in the state's solar incentives program. We support the equitable tax treatment of commercial customer-sited solar electric and solar thermal systems.

As proposed, SB 203 restricts property tax waivers to, " ... *any Class I renewable energy source installed for the generation of electricity for commercial and industrial use* ..." Tax policy that encourages the use of clean energy sources should not be tied only to technologies that generate electricity. Instead, policies should encourage the use of clean technologies that reduce the overall energy bill.

Therefore, we suggest either changing the definition of technologies in SB 203 to (a) reflect the definition adopted last year by CGA's Planning & Development committee (former HB 5538) which reads, " ... *Class I or nonresidential solar thermal renewable energy source that is installed for the generation or displacement of electricity for business, industrial or municipal use* ", or (b) the definition of technologies in Connecticut General Statutes 16-245n.

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