



**TOWN OF STONINGTON
SELECTMAN'S OFFICE
DANIELLE CHESEBROUGH
FIRST SELECTMAN**

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Testimony in support of SB 993

March 8, 2021

Dear Sen. Formica, Rep. Ferraro and all distinguished members of the Energy & Technology Committee:

Thank you for raising SB 993 AAC Removing the Property Tax Exemption for Solar Projects & Reclassifying the Tax Calculation of Solar Projects on Single Parcels of Land.

SB 993 closes a loophole that has caused significant revenue loss to several municipalities across the state. Currently, 12-81(57) section D mandates that commercial/industrial solar facilities are eligible for exemption only if the nameplate capacity of such source does not exceed the load for the location where such generation or displacement is located or the aggregated load of the beneficial account for any Class I renewable energy source participating in virtual net, which does not exceed three megawatts.

What has evolved across Connecticut is a situation where solar companies develop large solar projects on one parcel of land that have a total aggregate load of over the three-megawatt threshold, but they split the arrays into separately metered systems with different power purchase agreements with the same entity. They treat the development as several different "facilities" all with nameplate capacities less than three megawatts and have been able to gain tax exempt status under this workaround.

This is in direct contradiction to the intent of the statutes. These developments are successfully gaining tax exempt status for facilities that should be, and were meant to be, taxable. These are power generating facilities and all other power generating facilities in Connecticut (that are not municipally owned) pay both real and personal property taxes. At the very least, this is an inequitable distribution of the property tax.

The energy generated from these facilities do not benefit the host towns where they are located as all energy distributed goes to the beneficiaries of the power purchase agreements. Not only does the Town not receive any benefit of the energy generated, but all of their property comes off the Town's taxable Grand List.

For Stonington, the Town stands to lose between two to four million dollars in assessment on an annual basis. That equates to roughly \$50,000-\$100,000 in tax dollars annually. There is another upcoming solar development planned for our Town and depending on the size of the development, it could result in an additional loss of comparable if not greater size.

The Town of Stonington supports the language raised in SB 993. It removes the ambiguity that currently exists in 12-81(57) by clearly defining that all solar projects located on the same parcel of land shall be considered one solar project for tax purposes and it specifies that all solar projects under seven megawatts are taxable. This bill protects municipalities that host and service these facilities and I hope you vote SB993 out of committee.

Sincerely,

Danielle Chesebrough

Stonington First Selectwoman