

Green Street Power Partners**Testimony to the Finance Committee****In Support of SB 1100 An Act Concerning the Failure to File for Certain Grand List Exemptions****April 20th, 2021**

Senator Fonfara, Representative Scanlon, Senator Martin, Representative Cheeseman, and members of the Finance Committee,

My name is Scott Kerner and I am here today to speak in support of sections 2, 4, and 5 of Senate Bill 1100, An Act Concerning the Failure to File Certain Grand List Exemptions. I am the CEO of Green Street Power Partners (GSPP), a Stamford based solar energy system financing, development, and operations company. While GSPP has nationwide operations, we have been based in Stamford since 2017 following the decision to move our headquarters from New York City. As the 3rd fastest growing company in Connecticut, GSPP is quickly expanding. In fact, we have hired 13 new employees for the Stamford office since the start of the pandemic. We have 30 employees in Stamford total with ongoing hiring goals.

Our presence in Connecticut is important to our company profile. GSPP's move to Stamford from NYC was a crucial decision, made to provide the best path forward for the company. We specifically selected moving to Stamford, CT because the location offered GSPP much better central proximity to our Northeast portfolio. The office space in Stamford also provided a much better value than our previous office in NYC. As we move quickly to acquire and develop solar energy projects across the state, we are working to partner with other Connecticut companies in the construction and development process, such as Earthlight based in Ellington, and to develop solar projects which have proven to save money on energy costs for Connecticut entities and municipalities. Throughout our company's history we have committed to other methods of partnering with our communities, such as donating to schools and helping to set up educational programs. While we are still somewhat new in the state, we have already donated a solar kiosk to Albertus Magnus in New Haven, to provide the students and staff with access to their solar system's generation data, and we are eager to continue similar partnerships moving forward.

With some newly acquired projects in Connecticut and the added challenges of office shutdowns and other delays brought on by the COVID-19 pandemic, GSPP had a few projects for which those complications resulted in late or inaccurate filings for the solar energy project tax exemption for which our projects qualify under section 12-81 of the Connecticut General Statutes.

There are three projects at issue, two of which are related. One project is located at Xavier High School in Middletown and powers the high school, saving them so far 17% on their energy bills, and the other two are two separate but related projects at the border of Middletown and Middlefield which power the towns of Wilton and Weston. These projects have saved Wilton and Weston 42% on energy costs to date. Should the decisions on these 2020 tax filing errors not be reversed, the total cost to GSPP is \$310,517 dollars.

Our office had to close on a few separate occasions over the year due to COVID. This resulted in an interruption of our normal course of business as it did for many other businesses, the state, and municipalities. Our specific requests are the result not only of COVID related delays, but in addition, for the projects on the Middletown and Middlefield border, the statute requires that the towns be provided with information to show “the nameplate capacity of such source or facility does not exceed the load for the location where such generation or displacement is located”. This required us to get information from the towns of Wilton and Weston, as the beneficiaries of the project. We did attempt to file the necessary information on time to achieve the exemption, however we did not yet have the load profile information from Wilton and Weston. The delay in receiving this information ultimately resulted in missing the deadline to file the complete information necessary to receive the exemption.

Prior to COVID, GSPP did timely file its exemption for the Xavier High School project in Middletown; however, due to COVID issues GSPP was late in filing the annual property declaration in 2020. Section 5 of this bill addresses this case. GSPP has attempted appeal for all three projects, and Middletown chose not to hear our appeals as is their statutory right when a project is greater than 1 million in assessed value. The Middlefield appeal is pending.

With respect to Section 5, we would like to respectfully request one technical change, as outlined in our written testimony, as we believe the language does not need to acknowledge approval of the exemption as the relief sought is specific to late filing of the property declaration. The property had previously been deemed exempt as mentioned.

My written testimony includes the full chronology and outline of what transpired to provide the clearest picture of the events which caused our delays and resulting penalties. However, I would be happy to answer any specific questions you may have.

As a company which seeks to enhance our commitment to Connecticut and to renewable energy overall, we hope you will sympathize with the difficulties of the last year and support our request for one time relief. Certainly, this situation has taught us a great deal and we will be better prepared for future tax

years. We are pleased to be in a state which supports and encourages the siting of renewable energy projects, and we look forward to continued investment in our home state. Thank you.

Suggested change for Section 5:

*Notwithstanding the provisions of sections 12-41, 12-42 and 12-57a of the general statutes, any person otherwise eligible for a 2020 grand list exemption pursuant to subdivision (57) of section 12-81 of the general statutes in the town of Middletown, except that such person failed to file the required personal property declaration within the time period prescribed, shall be regarded as having filed such declaration in a timely manner if such person files such declaration not later than thirty days after the effective date of this section. [~~Upon verification of the exempt eligibility of the personal property included in such declaration, the assessor shall approve the exemption for such property.~~] If taxes, interest or penalties have been paid on the property [~~for which such exemption is approved~~] **disclosed on such declaration**, the town of Middletown shall reimburse such person in an amount equal to the amount by which such taxes, interest and penalties exceed any taxes payable if the declaration had been filed in a timely manner.*

Project specifications for which GSPP seeks relief

- **Aggregate financial risk to GSPP currently for all three is \$310,517.08**

- **Xavier, Randolph Road Middletown:** Project powers Xavier High School
 - For 2020 grand list, project had achieved tax exempt status under the solar tax exemption, however for 2020 grand list the required annual property declaration was late due to COVID.
 - Nov 1, 2020 was the deadline to submit the personal property declaration to the assessor's office. GSPP's office was closed many times due to COVID-19 cases within the office. The assessor added a 25% value on top of the assessed taxed exempted value.
 - Total financial risk to GSPP for this project currently is estimated \$7,269
 - Attended to appeal, but appeal was not heard.

- **Middletown I (Middlefield assessors), Higby/Meriden Road:** Project powers town buildings in Wilton and Weston, total energy savings of 42% on their utility bills for 2020.
 - For 2020 grand list, solar exemption and property declaration filed late past the November 1, 2020 deadline because GSPP did not have the load profile information needed due to not having that information in time from Wilton and Weston, therefore, solar exemption and property declaration were filed late.
 - Property declaration also had inaccurate information as the calculated
 - value was mistakenly based on estimated future revenue rather than costs of construction and personal property.

- calculated the property value at the total project value (including the portion over the Middletown border) rather than just the small parcel on Middlefield land. Reason was COVID office closures
 - Actual property value that should have been filed is \$289,351 instead of \$3,510,550 that was filed.
- Total amount required to pay to Middlefield \$94,623.75
- Attempting to appeal. GSPP applied for granting the exemption and removing the 25% penalty as well as correcting the valuation issue. They expect they may get relief on the valuation, but expect **Middlefield** will deny the exemption and leave penalty.
- **Middletown I (Middletown assessors)**, Higby/Meriden Road: Project powers town buildings in Wilton and Weston
 - For 2020 grand list, originally attempted to have the information on time to the assessors but did not have the load profile information needed due to not having that information in time from Wilton and Weston, therefore, solar exemption and property declaration were filed late. **This impacted both Middletown I and II projects.**
 - Property declaration also had inaccurate information as the calculated value was mistakenly based on estimated future revenue rather than costs of construction and personal property.
 - COVID office closures also delayed matters.
 - Attempted to appeal, but appeal was not heard.
 - Total financial risk currently \$104,295
- **Middletown II (Middletown assessors)**, Higby/Meriden Road: Project powers town buildings in Wilton
 - For 2020 grand list, originally attempted to have the information on time to the assessors but did not have the load profile information needed due to not having that information in time from Wilton and Weston, therefore, solar exemption and property declaration were filed late.
 - Property declaration also had inaccurate information as the calculated value was mistakenly based on estimated future revenue rather than costs of construction and personal property.
 - COVID office closures also delayed matters.
 - Attempted to appeal, but appeal was not heard
 - Total financial risk currently \$104,328