April 22, 2025

VIA EMAIL (HouseMunicipalGovernmentandHousing@rilegislature.gov)

Representative Stephen M. Casey
Chair, House Municipal Government and Housing Committee
Rhode Island State House
Providence, RI 02903
rep-casey@rilegislature.gov

Re: Support for H 5967; An Act Relating to Taxation -- Levy and Assessment of Local Taxes

Dear Representative Casey:

I write to you in your capacity as the Chair of the House Municipal Government and Housing Committee and with regards to H 5967, a bill pending before your Committee which would amend R.I. Gen. Laws §§ 44-5-3 and 44-5-12 to set the municipal real and tangible personal property tax on renewable energy sites to $8.50 per kilowatt of nameplate capacity and permit renewable energy development as a by-right use on previously contaminated properties subject to local planning restrictions governing manufacturing/industrial uses. I write in my capacity as Senior Legal Counsel for Revity Energy LLC and its affiliates ("Revity") to provide Revity's **strong support** for H 5967.[1] Revity is a Rhode Island-based utility-scale solar developer which has successfully developed twenty-six (26) photovoltaic solar energy system ("PSES") facilities in Rhode Island with total nameplate capacity of 128.6 megawatts, direct current (MWDC) producing approximately 164,566,180 kilowatt hours of electricity per year (enough to service approximately 16,720 Rhode Island households annually). In any given year, Revity employs between 75 and 100 IBEW 99 union electricians to construct its facilities. Last year, Revity paid over $800,000 in taxes and permitting fees to the eleven (11) municipalities in which Revity operates.

[1] Revity would respectfully request that H 5967 be amended to delete the word "hour" from line 28 on page 2 and line 26 on page 4. This is a typographical error that Revity should have caught when initially reviewing the draft legislation. For purpose of illustration, Revity has developed about 128,000 kilowatts of direct current solar which produces approximately 164 million kilowatt hours of solar electricity per year. As written, H 5967, setting the municipal property tax rate at $8.50 per kilowatt **hour**, would require Revity to pay over $1.3 billion in municipal property taxes per year. The intent of the legislation was to match current law which measures the tangible tax rate by nameplate kilowatt capacity (as opposed to actual kilowatt hour output).

Nick Nybo
Senior Legal Counsel
(508) 269-6433
nick@revityenergy.com
349 Centerville Rd | Warwick, RI 02886
revityenergy.com

In 2022, the General Assembly enacted H 8820-A which amended R.I. Gen. Laws § 44-5-12 to provide that "the real property on which [renewable energy resources] are located shall not be reclassified, revalued or reassessed due to the presence of renewable energy resources, excepting only reclassification of farmland as addressed in § 44-27-10.1" and stating that "all assessments of real property with renewable energy resources thereon shall revert to the last assessed value immediately prior to the renewable developer's purchasing, leasing, securing an option to purchase or lease, or otherwise acquiring any interest in the real property." Certain municipalities expressed immediate concern about the impact of H 8820-A on their revenue sources and Revity began working with those municipalities to negotiate tax stabilization agreements increasing tax obligations (usually, setting the tax rate at $7.00 per kilowatt for real property and tangible property tax). Revity also began discussions about possible further amendments to R.I. Gen. Laws § 44-5-12 which would mitigate the municipalities' concerns. H 5967 is the product of those discussions. H 5967 would set the tangible tax rate at $5.00 per kilowatt ($5,000 per megawatt) and set the real property tax at $3.50 per kilowatt ($3,500 per megawatt). As of December of 2024, Rhode Island had 551.96 megawatts (alternating current) of renewable energy nameplate capacity. While some larger installations are likely subject to individual tax stabilization agreements (which H 5967 would not override), if all renewable generation was taxed pursuant to H 5967, the annual municipal tax revenue raised through H 5967 would be over $4.6 million.

The second aspect of H 5967 is to establish renewable energy resources proposed to be located on a previously contaminated property as "a by-right, permitted use under the zoning code for the municipality in which the renewable energy resource is proposed to be located" and "the proposed renewable energy resource shall proceed through the municipality's planning and zoning procedures generally applicable to a by-right use and the proposed renewable energy resource shall comply with the ordinance requirements set forth in the municipality's industrial and/or manufacturing zone * * *." Recently, the General Assembly has enacted various legislation pushing renewable energy generation to previously contaminated properties. Two years ago, the General Assembly passed H 5853/S 0684 prohibiting renewable energy resources from being sited in the State's "core forests."[2] Last year, the General Assembly enacted H 7616/S 2293 establishing the Renewable Ready Program "to promote the responsible siting and development of renewable energy generating resources in locations where it would be an ancillary beneficial use to the redevelopment of previously contaminated property" and "to provide financial assistance to eligible entities to reduce the site preparation and interconnection costs for renewable energy development projects on current or formerly contaminated sites to support and encourage the development of these locations."[3] However, many municipalities currently maintain restrictions on utility scale solar development, which restrictions make no exception for previously contaminated properties. Accordingly, solar developers are being pushed to develop on previously contaminated sites and (if eligible) being offered funding to remediate those sites, but cannot

[2] R.I. Gen. Laws § 39-26.4-2(3) defines a "core forest" as "unfragmented forest blocks of single or multiple parcels totaling two hundred fifty (250) acres or greater unbroken by development and at least twenty-five (25) yards from mapped roads, with eligibility questions to be resolved by the director of the department of environmental management."

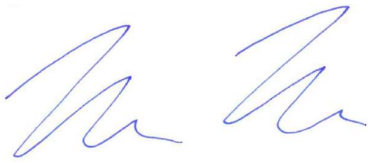
[3] R.I. Gen. Laws §§ 42-140.5-1; 42-140.5-4(b).

permit those sites because of municipal restrictions. Importantly, H 5967 preserves municipal planning control over the design of the systems as follows: "[T]he proposed renewable energy resource shall proceed through the municipality's planning and zoning procedures generally applicable to a by-right use and the proposed renewable energy resource shall comply with the ordinance requirements set forth in the municipality's industrial and/or manufacturing zone; provided, however, that the maximum structural lot coverage shall be seventy-five percent (75%)."

H 5967 addresses municipalities' concerns about the revenue benefits of hosting renewable energy sites and also allows renewable energy developers to remediate and develop previously contaminated properties. Renewable energy development represents the best use case for previously contaminated properties because of the investment profile for renewable energy as well as the fact that renewable energy development presents relatively limited human exposure to the on-site toxins at these contaminated sites. Revity **strongly supports** H 5967.

If the Committee has any questions regarding H 5967 or the statements made in this testimony, please contact my office.

Regards.



Nicholas L. Nybo
Senior Legal Counsel
REVITY ENERGY LLC AND AFFILIATES

Copy:

Representative Kathleen A. Fogarty, First Vice Chair
(via email at rep-fogarty@rilegislature.gov)
Representative June Speakman, Second Vice Chair
(via email at rep-speakman@rilegislature.gov)
All Members of the House Municipal Government and Housing Committee
Dawn Huntley, Clerk, House Municipal Government and Housing Committee
Stephen Alves, Capitol Strategies Group
(via email at stephenalves12@yahoo.com)