

Idaho lawmakers review solar energy incentive proposal

By KIMBERLEE KRUESI, Associated Press

BOISE, Idaho (AP) — Officials with Idaho's solar energy industry say they want to pay taxes on the energy they produce, not property taxes — a system that already applies to other renewable energy developers.

The Solar Energy Task Force, a legislative interim panel, met Monday to hear input from solar energy developers and tax officials to discuss possible legislation for the 2016 Idaho Legislature.

The proposed legislation would require solar energy developers to pay a 3 percent tax on the production of electricity rather than pay property taxes to their local taxing districts. The industry says the change would result in more money for municipalities over time.

A similar proposal introduced to lawmakers this year failed to make it out of committee.

If passed, the bill would create a consistent business environment that makes it easier for companies to predict tax payments and for counties to see stability in long-term revenue projections, said Ben Fairbanks, director of development for SunEdison. The company will begin constructing five solar projects across southern Idaho next year.

Currently, Idaho law permits grants the property tax exemption to wind and geothermal energy developers.

Lawmakers did not take action on any recommendations and made no immediate plans to meet again before the 2016 session. However, a handful of lawmakers raised concerns that the legislation might provide incentive to create massive amount of energy Idaho doesn't need.

"We can't over-produce our energy needs like we can't over-produce our potatoes," said state Sen. Jeff Siddoway, a Republican from Terreton and task

force member. "If we can be an energy exporter, I think that's great. I think that'd be like selling cattle or potatoes out of the state, but we have to have everything in place."

Despite his reservations, Siddoway said he expected to support the change in law if the issue came up during the legislative session that starts in January.

The future of solar energy projects has been a concern since this summer, when the Idaho Public Utilities Commission limited the length of contracts to two years for renewable energy between independent developers and electric utilities.

Federal law requires utilities to buy energy from the developers of wind and solar at the same cost it would be to generate the power or buy it elsewhere. The fear is that utilities will not approve new contracts under such short timelines.

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