

May 12, 2021

**To:**

**Sen. Elder Vogel, chair, Senate Agriculture & Rural Affairs Committee;  
Sen. Judy Schwank, Democratic Chair, Senate Agriculture & Rural Affairs  
Committee;**

**Sen Gene Yaw, chair, Senate Environmental Resources & Energy Committee  
and Sen. Carolyn Comitta, Democratic Chair, Senate Environmental  
Resources & Energy Committee**

**Dear Chairman Vogel, Chairwoman Schwank, Chairman Yaw, Chairwoman  
Comitta and Committee Members:**

Thank you for giving Pennsylvania Farm Bureau the opportunity to comment in support of Senate Bill 284 and the effort to require bonding when land is leased for renewable energy generation. We recognize there is significant opportunity for growth in renewable energy in Pennsylvania, particularly the use of solar on farm ground. Along with that opportunity, however, is the need to offer reasonable protection for landowners so that they do not become the default owners of this equipment should a development fail at any time during the life of the lease.

In speaking with solar energy companies, and landowners that have been approached by developers, typical lease terms can last for at least 30 years. Pennsylvania Farm Bureau supports Senate Bill 284 because it sets the stage for bonding requirements that protect landowners. The last thing we want to see is landowners be forced to pay for the disposal of solar panels and restoration of their land.

Broadly speaking, Pennsylvania Farm Bureau is supportive of solar energy. Our energy platform embraces an all-of-the-above approach that makes our country less dependent on foreign energy sources. It also acknowledges that landowners are in the best position to determine how to use their land for energy development, be it for natural gas leasing, wind energy, or solar.

Solar is already used on farms, typically by farmers who want to use renewable energy to supplement energy usage on their farms. There are more than 4,100

farms that use some form of renewable energy as part of their businesses, with solar leading the way. Nearly all of the solar installed on Pennsylvania farms is for on-farm energy generation. However, given the level of activity that we have seen in landowners being approached with leases, and the Governor's recent proposal to power state buildings with renewable energy, we anticipate that a larger portion of farm ground will be converted to solar.

Unlike other development of farmland, these systems are not permanent. They are designed to be removable, so decades in the future a farmer could grow crops or graze animals on that land. To do so, that equipment needs to be removed. A bond, or other form of financial security, will make sure that happens. Land reclamation to reconvert a solar array into agriculture land is not something that a landowner can do without assistance, either financial or technical. We believe that every commercial solar energy development should carry with it a requirement of financial security that protects a landowner from paying the cost of decommissioning.

Pennsylvania Farm Bureau supports legislation that will require that renewable energy developers post bonds, or other forms of financial security, that pays the cost of decommissioning. Solar energy companies, in meetings with our organization, have stressed that decommissioning is part of common industry practices. We view that as a positive step. However, we still see the need in legislation that will make posting financial security mandatory. Doing so can help weed out potential bad actors in the industry and protect landowners from companies that may lack the access to capital to complete a project.

Bonding is already used in Pennsylvania to protect farmers, and consumers. For instance, Pennsylvania has a requirement that all milk dealers operating in Pennsylvania obtain a surety or collateral bond that provide protection in cases of bankruptcy. Two years ago, the bond was used to pay dairy farmers after a Franklin County dairy went bankrupt.

We draw this parallel because a bond gives a reasonable level of protection against business uncertainty. Given that leases for solar energy development are for at least the next 30 years, it should be a given that bonding is a requirement with every agreement. It impossible for any business to be able to predict what their status will

look like three decades from now. What we are seeking is to prevent landowners being left with inoperable systems that are no longer producing electricity, and no effective way to remove them.

We encourage the General Assembly to swiftly address the issue of bonding for solar, as called for in SB 284. Given the expected growth in commercial solar in Pennsylvania in the near future, we believe it is important to have bonding requirements in place before construction occurs. Thank you for your consideration and support for legislation that provides strong support for landowners.

Regards,



Darrin Youker  
Director, State Government Affairs