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With Feed-In Financing, Modest Solar Projects for Long Island

By [DIANE CARDWELL](#)

The Long Island Power Authority approved a new program on Thursday to encourage developers to build medium-scale solar projects using a financing mechanism, the feed-in tariff, that has resulted in both booms and busts overseas.

Under the program, called the Clean Solar Initiative, the utility will purchase all of the electricity produced by the projects, which must be at least 50 kilowatts in size and are expected to go no larger than about 3 megawatts, at a rate of 22 cents per kilowatt hour over the life of a 20-year contract.

Utility officials say the rate is high enough to guarantee a steady return to investors but low enough that it can compete with other solar electricity and even with the conventional power that the power authority buys to meet summer daytime peak demand.

"The developer is really just selling straight to us," said Michael D. Hervey, the utility's chief operating officer. In the summer, he added, solar power plants could displace the small fossil fuel generators now used when demand is high.

"The solar power plant is less expensive," he said. "So from the standpoint of peaking capacity, this is a much better bargain for our customers."

The Long Island program, which is aimed at spurring installations on commercial or public buildings or on open properties like landfills, is one of a handful of similar projects cropping up across the country with the Clean label, an acronym for Clean Local Energy Accessible Now.

What sets them apart from other feed-in tariff programs, said Stephanie Wang of the Clean Coalition, a nonprofit group that is helping design and promote these programs, is the emphasis on smaller, local projects with a large enough incentive that is not overly expensive.

"We've found generally that these Clean programs have been really effective with commercial-sized renewable energy projects and utilities and state legislators find that this is really an important and missed market segment," said Stephanie Wang, director of programs and campaigns for the group, which has put together a [guide for best practices](#).

The business model is most often associated with solar projects but can work well for other forms of alternative energy, including wind and biomass for farmers, she said.

Another benefit, proponents say, is that the projects are large enough to take advantage of economies of scale in construction. Because the power is generated close to where it is being

used, they do not add complications and costs for utilities by requiring new transmission lines; they can be installed more quickly and deliver electricity more efficiently, with fewer electrons lost along the way.

For a utility like the Long Island Power Authority, where the program is capped at 50 megawatts over all, such projects can help fill the gap between large-scale solar farms like the 32-megawatt project on the grounds of Brookhaven National Laboratory and the panels that individual homeowners install on their roofs, Mr. Hervey said.