



2016. For the first 2 years, the program offered to pay 32¢ per kWh over 20 years for electricity. Investors quickly reserved the available funding for all 8 years of the program, but they've been slow to get these projects up and running. According to the most recent figures from the city-owned electric company, Gainesville Regional Utilities (GRU), installed capacity is now 2.1 MW. Through 18 months, the program has not gone according to plan.

### Falling system prices

Rachel Meek, the manager of the Gainesville feed-in tariff, said the program has been the victim of bad timing. »Unfortunately, we started at the worst economic time,« she said. Tight capital markets have made it hard for large project developers to access financing and some have missed deadlines imposed by GRU. The utility responded by renegotiating with the developers, offering more time in exchange for cutting back the size of some large projects. This will allow GRU to re-open bidding for smaller projects that move quickly through the pipeline. The utility will accept applications for 400 kW in October and another 2 MW or so early next year. This time, Meek said GRU will use a lottery system to select projects for the feed-in tariff, and it will collect a deposit from developers to reserve a place in the program.

The feed-in tariff has had one immediate effect that's nice for consumers: on average, it has reduced PV system prices by almost \$2 per W. In Gainesville's net-metering program, where customers can offset their energy consumption and earn a modest credit for PV production, system prices average \$7.76 per W. The most expensive system is a 2.5 kW residential installation that cost \$13.55 per W. In the feed-in tariff program, the average price is \$5.94. The most expen-

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**Mega impact: Elaine and Barry Jacobson's company Solar Impact has completed over 1 MW of projects in the Gainesville area, including this 75 kW Solyndra installation at the Florida Museum of Natural History.**

sive system is a 3.2 kW array that cost \$10.29.

Hillel, a Jewish students' organization at the University of Florida in Gainesville, might not have a PV system on its roof if the feed-in tariff program didn't exist. Keith Dworchik, the Hillel executive director, says that when he looked into purchasing a PV system 4 to 5 years ago, the prices he was quoted were »obscene.« According to Dworchik, »There was no way we could afford to do it.« Two things changed once the feed-in tariff arrived. System prices came down dramatically, from the million-dollar range when Dworchik started looking to \$5.03 per W, or \$251,278 – the price paid for Hillel's 50 kW array. Secondly, Hillel had the opportunity to seek out a private investor who could pay the upfront system cost and collect a decent return on the investment. This was a lot easier than asking for a donation. »I'm

not asking you out of the good of your heart, please write me a check for a couple hundred thousand dollars. Instead, I'm able to say, this is an opportunity for you to make some money, to make an important statement to the students on campus [and] to the alumni,« Dworchik says. He made some phone calls and quickly got two willing investors. Hillel needed only one. Dworchik had to turn the other away.

As difficult as it's been for most people to get their hands on PV subsidies, with an oversubscribed state rebate program and the 4 MW cap on Gainesville's feed-in tariff, some savvy investors claimed incentives to cover almost the entire cost of their system. Irvin Gleim, who runs a Gainesville publishing company called Gleim Publications, says he has three operating companies that bought three 25 kW systems for his office roof, instead of using a single corporate entity to buy a

single 75 kW system. The state rebate offered up to \$100,000 for systems as large as 25 kW, so this arrangement allowed Gleim to collect a \$300,000 in rebates. With the 30-percent federal investment tax credit added in, subsidies paid for over 90 percent of the system cost. In less than 2 years, Gleim thinks he's already recovered his investment.

### No competition

Eight companies have installed PV systems in Gainesville's feed-in tariff program, and you can see an obvious pattern emerge when you look at the prices of these systems. Solar Impact, the company that installed PV systems for Hillel and Gleim Publications, is running circles around the competition. The same is true for the net-metering program. All told, 20 customers in Gainesville have purchased PV systems for less than \$6

per W. All but three of them contracted with Solar Impact.

The company got its start in 2007 when Elaine and Barry Jacobson looked around for a 5 kW PV system. The best deal they could find was \$50,000 so Elaine, with a background in economics, and Barry, a licensed engineer, put together their own system for \$32,000. Solar Impact has not made friends with competing PV installers by bidding aggressively on small and large projects. The company won a 750 kW contract at an apartment complex with system prices as low as \$4.07 per W. Barry Jacobson says Solar Impact usually charges \$5 to \$5.25 per W for commercial projects, but on large-scale projects it can go lower and still make money. »That gives you an

idea of the kind of mark-ups some people are charging,« he says. »We'd rather put in twice the systems for half the profit on each system. We really are committed to doing a lot of solar.«

Solar Impact keeps costs down by buying modules directly from the manufacturer, rather than paying inflated prices from a distributor, and then passing savings on to the end-customer. The company has sold about 1.5 MW of capacity with another 1 MW booked, according to Barry Jacobson. It's also bidding on a 1 MW solar farm at a dairy in north Florida. By keeping costs low, Barry Jacobson says Solar Impact can do business – and customers can expect a return on investment – without the Florida incentives that always seem to come and go.

Without a dependable subsidy program, the PV market in Florida might be an all-or-nothing proposition. Several companies interviewed for this article say they are eyeing out-of-state markets to take their business while Florida figures out its long-term plans for renewable energy. Solar Source, the company based near St. Petersburg, is opening an office in Canada. Abender, a South Florida installation company, has done most of its business this year in Pennsylvania. But Solar Impact seems happy to keep Florida for itself, with or without incentives. »Having the rebate money, we could sell day and night. And having the feed-in tariff has definitely given us a kick,« Barry Jacobson said. »But we'd be fine without it.«

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