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Solar energy shines for NY higher education

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Guest Columnists

There has been a growing trend for college campuses to “go green.” This push is driven by several factors. The ability to market an environmentally friendly campus helps to satisfy students and parents who are looking for campuses that are greener, and also provides a point of differentiation from other peer institutions.

For example, as of July, the University at Buffalo currently stands at No. 11 on the U.S. Environmental Protection Agency’s Top 30 College and University list for the EPA Green Power Partnership.

UB currently uses approximately 75,491,932 annual kilowatt hours of green power, which is equivalent to 35 percent of its total electricity usage. This is achieved through biomass, hydro, solar and wind. Many colleges and universities are working to improve their ranks on this list.

In addition to the marketing benefits, the potentially significant cost savings achieved by educational institutions “going green” has led many colleges and universities to explore options for clean solar power use.

A driving force behind this trend is the availability of economic incentives for solar energy, particularly in New York State. New York and federal incentives for renewable energy production have greatly increased solar energy production across the state.

Gov. Andrew Cuomo’s “Reforming the Energy Vision” strategy and NY-Sun initiatives provide significant incentives and opportunities for solar energy production. NY-Sun is a \$1 billion investment designed to greatly expand the deployment of solar energy within New York State.

As a result of these programs, solar energy production in the state has grown by more than 300 percent from 2011 to 2014 – twice the national growth rate. The combination of the demand for green campuses, significant economic incentives and a workable regulatory framework has created a noticeable shift to renewable power at a number of public and private college campuses across the state. This has led to unique partnerships between solar developers and higher-education institutions. There are several reasons why colleges and universities make excellent customers/partners for solar development projects. Under the state’s current remote net metering regulations (the type of metering program governing many off-site solar energy production relationships), developers of a utility-scale solar project must contract with one individual purchaser per project rather than divide the energy produced by a commercial-scale project among a number of smaller purchasers. Developers of commercial-scale projects need to identify a purchaser with a significant level of energy demand. Colleges and universities inevitably meet this criteria.

Even a relatively small institution can be a significant energy consumer. According to National Grid, colleges and universities in the U.S. annually spend an average of \$1.10



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per square foot on electricity and \$0.18 per square foot on natural gas.

Higher-education institutions can have a somewhat different view of the world with respect to investments such as solar energy production. These institutions are not operating in a corporate environment with quarter-over-quarter growth comparisons.

Rather, education institutions, with the advantage of longevity, have the ability to enter into agreements with longer returns on investment and longer terms. Their endowments and a long-term view of the world pair up nicely with mid- to large-size solar energy production facilities.

The regulatory framework in New York that makes this type of clean energy production more attractive to developers and colleges is remote net metering. Remote net metering allows an energy consumer to receive credits for renewable energy produced at an offsite location.

As a result, a university can economically use a significant amount of solar power by owning or leasing an off-site solar energy production facility and “netting” that production from energy purchased for the campus from the grid – all without burdening a campus with the need to dedicate valuable on-site real estate to such a facility.

An example of this type of partnership is St. Bonaventure University, which earlier this year entered into a power purchase agreement with BQ Energy to purchase the energy produced by two separate solar projects on a brownfield site in Olean.

St. Bonaventure estimates that the project will provide clean, solar energy and a \$100,000 reduction in energy costs annually for the university over the 20-year life of the project.

Similarly, Vassar College entered into an agreement for another 2 megawatt project with BQ Energy to provide 11 percent of its energy needs for the 20-year term of the agreement. This project is in addition to a hydropower agreement Vassar entered into to provide an additional 10 percent of its annual energy usage.

In addition to campuses going green, many of these projects provide another environmental benefit by utilizing land that otherwise has restrictions and institutional controls due to historic contamination. This creates a win-win for both developers and universities, as these types of projects involve the remediation and development of large tracts of land that are often unsuitable for other uses.

It is likely that higher education’s pairing with solar energy production will only grow in the future as existing partnerships are replicated. Given the steady rise in the growth of solar, and the long-term power purchase agreements entered into by colleges and universities, this is a partnership that can be expected to last for years to come.

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