



U.S. Feed In Tariffs: Lessons Learned

05.19.2010

Topic

Feed-in tariffs (FITs) have been used for many years to promote the growth of renewable energy in Europe. Such tariffs impose on utilities an obligation to give grid access to specified renewable generators and to enter into long-term contracts to purchase their output at prices sufficient to incent their rapid development.

Although FITs have been adopted throughout the world (perhaps most famously in Germany), they have yet to be widely adopted in the United States. That may be starting to change. In March 2009, the Gainesville Regional Utility adopted a 32 cents per kwh solar feed in tariff, subject to a 4 MW program cap. Later that year, Oregon enacted a Solar Pilot Feed In Tariff Project, the details of which are now being worked out through an Oregon Public Utility Commission rulemaking process. Vermont's state-wide tariff offers incentive pricing to wind, solar, hydro, biomass or methane generators smaller than 2.2 MM, up to an aggregate of 50 MWs. Other jurisdictions have considered, and in some cases rejected, proposed FITs.

Experience in Europe and the US show sensitivity to several issues is prudent in structuring a more effective FIT:

Related People

- Robert F. Riley – 202.293.8121 – rriley@williamsmullen.com

Related Services

- Infrastructure