



Clean Break

A new strategy could offer the best, and quickest, solution to global warming. What's more, you might be able to get the ball rolling in your own backyard.

BY BRADFORD PLUMER

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DESPITE SURVEY AFTER SURVEY SHOWING that many Americans would prefer to get their power from clean, renewable sources like wind or solar, few actually do. Carbon-spewing coal plants are still cheaper to build and operate, which explains why they currently generate about half of the country's electricity. (Today only about 600,000 Americans voluntarily pay a premium for "green power" programs.) But with the looming climate crisis, policy makers are looking for ways to fix this imbalance, from regulating CO₂ emissions to requiring utilities to get a certain percentage of their power from renewable sources. So far no one has come up with a silver bullet. Carbon caps are difficult to pass, while states like California have struggled to meet their renewable goals.

Fortunately, there's a better way—an approach that has quickly and dramatically boosted solar and wind production in such countries as Germany and Denmark: the feed-in tariff. These laws require electric utilities to hand out generous long-term contracts to anyone who wants to sell renewable power to the grid. The rates for clean energy are set high enough that producers can recoup their costs in less than 10 years and turn a tidy profit (say, 7 to 10 percent). The extra cost is spread out among all customers in the state, who usually see only a modest increase in their energy bills. (For a basic explanation of how feed-in tariffs work, see the following pages.)

The main virtue of feed-in tariffs is that they give private

investors plenty of incentive to pour money into the renewable-energy market, since all solar, wind, biomass, and hydrothermal producers are guaranteed a fair price for their electricity over a 15- to 20-year period. And it's not just for corporations: Farmers, homeowners, and local communities can find it profitable to install solar panels and erect small wind turbines wherever possible. All that, in turn, creates the mass markets and economies of scale necessary to drive down the cost of clean energy.

GERMANY HAS ALREADY BLAZED THIS TRAIL. Back in the 1980s the country was fiddling with various clean-energy policies—tax credits, rebates for installing solar panels on rooftops—without much success. In 1991 the German legislature started approving feed-in tariffs, although aside from wind power, the initial rates were too low to attract investors in droves. But after lawmakers increased solar tariffs in 2000, the market grew far more rapidly than anyone expected, and since 2004 total installed power has more than quadrupled. Germany is now home to 55 percent of the world's solar capacity, and the renewable-energy business is one of the few sectors booming during the current economic slump. The cost of electricity for German families has increased just \$4 a month. (In some countries, like Spain, however, feed-in laws have been *too* successful at spurring renewable power, and as electricity prices have ballooned, legislatures have had to pare back the tariffs.)

Germany's success has drawn attention in the United States, where six states, including Minnesota, Illinois, Rhode Island, and California, have introduced feed-in tariff bills. Similar laws are being considered in eight other states. The upside could be massive: Minnesota alone gets more sunlight than all of Germany—it just needs the proper policies to harness it. "The states are where Germany was, trying a lot of different policies," says Paul Gipe, a wind-energy expert. But the United States has little time to flail about: Climate scientists have urged the country to sharply curtail its emissions within the next decade, replacing fossil fuels with alternative sources of power. So far feed-in tariffs are one of the few policies that have proved they can work that swiftly.

Bradford Plumer is an assistant editor at *The New Republic*. He wrote "A New Leaf" in the September–October 2008 issue.

WHAT YOU CAN DO If you live in one of the six states currently considering feed-in tariff laws, contact your state representatives to voice your support. If you don't live in one of these states, tell your representatives that they should support renewable energy by considering these laws.