

**ECONOMIC DEVELOPMENT  
HIGHER EDUCATION  
and  
ENERGY COMMITTEE  
of the  
SUFFOLK COUNTY LEGISLATURE**

**Minutes**

A regular meeting of the Economic Development, Higher Education & Energy Committee of the Suffolk County Legislature was held in the Rose Y. Caracappa Legislative Auditorium of the William H. Rogers Legislature Building, Veterans Memorial Highway, Smithtown, New York, on Wednesday, **September 22, 2004**.

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**MEMBERS PRESENT:**

Legislator Lynne Nowick • Chairperson

Legislator Angie Carpenter • Vice•Chair

Legislator Brian Foley

Legislator Jon Cooper

Legislator Jay Schneiderman

Legislator Viloría•Fisher

Legislator Peter O'Leary

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**ALSO IN ATTENDANCE:**

Mea Knapp • Counsel to the Legislature

Joe Schroeder • Budget Review Office

Joe Muncey • Budget Review Office

Ilona Julius • Deputy Clerk of the Legislature

Jacqueline Caputi • County Attorney's Office

Charles Stein • Suffolk Community College

Ben Zwirn • County Executive's Office

Carolyn Fahey • Economic Development

Kevin Mac Leod • Solar Electric Systems

Bill Feldman • Solar Electric Systems

All other interested parties

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MINUTES TAKEN BY:

Donna Catalano • Court Stenographer

**(\* THE MEETING WAS CALLED TO ORDER AT 9:55 A.M. \*)**

**CHAIRPERSON NOWICK:**

Good morning, everybody. I'd like to start the meeting with the Pledge to the Flag led by Legislator Viloría•Fisher.

### **SALUTATION**

**CHAIRPERSON NOWICK:**

Good morning. This morning we're going to start with the agenda first and we're going to have a presentation afterwards. And we also have a few appointments today, and we are going to bring up those people when we get •• right before we get to the resolutions. So we'll start with •• while we're waiting, Angie Carpenter is going to sing a little bit. Okay. IR 1673.

**MS. JULIUS:**

Madam Chair.

**CHAIRPERSON NOWICK:**

Yes.

**MS. JULIUS:**

1673 was tabled subject to call at the last committee meeting.

**CHAIRPERSON NOWICK:**

Oh, all right. Thank you, Ilona.

**MS. JULIUS:**

You are welcome.

**1844. Appropriating funds in connection with the renovation and construction of facilities at Francis S. Gabreski Airport. (COUNTY EXEC).**

**CHAIRPERSON NOWICK:**

Do I have a motion?

**LEG. SCHNEIDERMAN:**

Motion.

**CHAIRPERSON NOWICK:**

Motion by Legislator Schneiderman.

**LEG. VILORIA • FISHER:**

Second.

**CHAIRPERSON NOWICK:**

Seconded by Legislator Viloría•Fisher. All in favor? Resolution 1844 is **APPROVED. (VOTE:7 •0•0•0)**

**1846. Amending the 2004 Capital Budget and Program and appropriating funds in connection with renovation of the Brookhaven Gym • Ammerman Campus. (COUNTY EXEC)**

**LEG. CARPENTER:**

Motion.

**CHAIRPERSON NOWICK:**

Motion by Legislator Carpenter, seconded by Legislator O'Leary. All in favor? Opposed? Motion **approved. (VOTE:7•0•0•0)**

**1848. Authorizing the payment of funds to Suffolk County Community College for out of County tuition payment policy. (COUNTY EXEC)**

**LEG. FOLEY:**

Motion.

**LEG. VILORIA FISHER:**

Second.

**CHAIRPERSON NOWICK:**

Motion by Legislator Foley, seconded by myself. **All those in favor? Opposed?** Resolution 1848 is **APPROVED. (VOTE:7•0•0•0)** .

**1851. Amending the 2004 Capital Budget and Program and appropriating funds in connection with the local area network upgrade at Suffolk County Community College. (COUNTY EXEC)**

**LEG. CARPENTER:**

Motion.

**CHAIRPERSON NOWICK:**

Motion by Legislator Carpenter.

**LEG. O'LEARY:**

Second.

**CHAIRPERSON NOWICK:**

Seconded by Legislator O'Leary. All in favor? Opposed? Resolution 1851 has been **APPROVED. (VOTE:7•0•0•0)**

**1875. Appointing M. Cecile Forte, PhD, to the Suffolk County Community College Board of Trustees. (CARACAPPA)**

**CHAIRPERSON NOWICK:**

Okay. We have now two appointments, and I would like to bring up •• I know there are a few people here that want to be considered for appointment to the Suffolk County Community College, and I believe Cecile Forte is here. She is not here?

**LEG. SCHNEIDERMAN:**

Motion to table.

**CHAIRPERSON NOWICK:**

Motion to table, seconded by Legislator O'Leary. All in favor? Opposed? 1875 has been **tabled. (VOTE:7•0•0•0)**

**1876. Appointing John Kominicki to the Suffolk County Community College Board of Trustees. (NOWICK)**

**CHAIRPERSON NOWICK:**

Mr. Kominicki, would you like to come up, introduce yourself, tell us a little bit about yourself. Good morning.

**MR. KOMINICKI:**

Good morning.

**CHAIRPERSON NOWICK:**

Why don't you give us a little bit about your background.

**MR. KOMINICKI:**

I believe you have some printed materials that I've sent in. I wanted to briefly say, first, one of the problems of working in the printed word is it doesn't make a very good public speaker, so I give you my apologies in advance. I'd like to say my company held a summit on health care on Monday at which more than a dozen experts locally debated whether our citizens have a basic right to good health and how we as a society can make medical care available and affordable for all.

I'd argue that education should be a similar right in this country, and that everyone deserves the opportunity to pursue knowledge and the wisdom we hope that goes with it with as little

regard as possible for financial standing or for an individual's ability to study full time or at the appointed ages of 18 to 22. The community college system in New York, specifically in Suffolk County, fills that important space for people who cannot afford the luxury of full time study, who don't fit into the standard high school to college to career model or for those who choose to pursue a career, a lifetime, if you will, of occasional or continuing study.

Of special interest to me as a businessman is the role our community college system place in work force development and promoting an ever better educated group of workers for Long Island and helping promote literacy at all levels and help in the important area brain drain in helping our local young people stick here in our economy. I've been really impressed in the past year by the efforts you've all made in bringing professional leadership to Suffolk County Community College and expanding the school's mission across the County, in essence making that basic right to education available and accessible to as many people as possible.

I think I can play a specific role in that good work, specifically in the areas of work force development, which the papers are very, very much involved in strengthening the college's ties to the business community, which is important, in the area of fiscal oversight and the general perspective I could bring as the CEO of what we like to think of as one of Long Island's signature companies, and, of course, the many, many other business leaders we come into contact with on a regular basis.

My basic personal information is I've lived here only six years, but when you take over a business newspaper, you're forced in that sort of assignment role to become a very quick study on all of the goods, but of course, some of ills of the place you have to represent through the paper. I had a long career as a journalist correspondent overseas and became especially adept at understanding cultures and governments and even the money systems of foreign countries. And, you know, I think I very quickly worked my way in the fabric of the business community here and can serve as a good representative of that community for the board.

**LEG. VILORIA • FISHER:**

I have a question.

**CHAIRPERSON NOWICK:**

Thank you. We have the first question, Legislator Viloria•Fisher.

**LEG. VILORIA • FISHER:**

Thank you very much for coming down and making yourself available for this appointment. And certainly your comments, I guess, you are preaching to the choir here, because education is what we see as an entitlement and a right of every individual. I do have a question regarding the balance that's so necessary in an academic institution, that the balance of the institution acting as a business and its relationship with the business world, be •• there be an equilibrium with its goals and its mission as an academic institution. Can you speak to that a little bit, because I've seen sometimes where sometimes there have been views that have pushed too much of the business end of, you know, getting people and the convention center and that as opposed to just looking at the academic mission as its primary mission?

**MR. KOMINICKI:**

You know, I think you're right in saying that is a very delicate balance and its •• in the regards of the Community College, it's a very similar delicate balance between the government's involvement in what is, we hope, outside of that overview, what's supposed to be a free academic environment that best promotes education. So there's lots of dicey equations in this sort of •• in this sort of ••

**LEG. VILORIA • FISHER:**

Actually, I agree with you, and Plan C helps to provide for that separation so that ••

**MR. KOMINICKI:**

Absolutely. I think the Community College faces the same challenges that all institutes of higher education suffer through these days, and that is how exactly to remain sort of pure in the efforts to deliver that higher education, that goal of education and wisdom, and at the same time be in some way solvent. It is a tight rope that I can tell you we have a very strong relationships with almost all of colleges, business relationships with almost all of colleges, on Long Island. And through that door, I guess, I get to see first hand how everyone sort of has to walk that razor blade, if you will.

I think you have to remain, and this isn't much of an answer, but very vigilant and ery cognizant of that issue and constantly try to weigh the financial responsibilities that goes with this sort of pure academic mission that I'd liken to health care and that we both agree is a sort of inalienable right that needs to be pursued.

**LEG. VILORIA • FISHER:**

Thank you.

**CHAIRPERSON NOWICK:**

Legislator Foley.

**LEG. FOLEY:**

Thank you, Madam Chair. John, good to see you here today and hear you speak about one of the major missions of the Community College, which the new president has forthrightly stated as one of the primary goals, which is work force development. The academic side of the equation is something that I know, and this committee knows, that she is working very diligently on particularly with Vice•President Canniff, whose main responsibility is the academic curriculum. However, as we both have said in other times when we have talked about these matters, that community colleges are a different higher education institution, whereas as important as the academic requirements and, they are also seen in our state and throughout the country as a means to also help those who are in the work place develop the skills and knowledge either to be more promotable within the organization they're in, or they are looking to move to some other endeavor.

So I think the balance that Legislator Vilorina•Fisher is talking about is one that we also need to keep in mind, the balance on the board of both academic emphasis and on other side of work force development emphasis. And I think what you bring to this equation is a side that the new president whom we have high regard for intends to amplify and elevate that part of the equation in order to meet the needs, the growing needs, of tens of thousands of County residents who we feel are receiving and could receive an excellent education at the college in order to find the right work for their skills. So I thank you, John.

**MR. KOMINICKI:**

I would add, arguably, the role of institutions like the Community College, as we have this changing dynamic in our whole economy basically and how workers work and the whole idea that you graduated from high school, went to college, learned a career and then stayed in that career for the rest of your life essentially or until you got the gold watch had changed remarkably just in the past, say, ten years. And I was speaking with the Dean of the Business

School at Hofstra on Monday, and he was bemoaning declining enrollment in business MBAs, because the market place no longer really recognizes of value of an MBA, unless it happens to come from an ivy league school. Smart young people are saying it's really not a good investment of my time and money to go back and get an MBA or at least much less so today than before.

So I think what we have is this evolution of education where people increasingly will continue to go back and forth from the work place back into education to get skill sets rather than advanced degrees. In the way that we can provide those levels of education as accessible as possible and as affordable as possible, then those are the real work force, I think, future work force development issues that become even that much more vital for the college.

**LEG. FOLEY:**

Thank you.

**CHAIRPERSON NOWICK:**

I'm little upset about that MBA at Hofstra since my daughter just spent \$18,000 at to get her MBA at Hofstra. I will say that I think it's very important to bring your business accumbent to the college. I think that's very important, and I think it is important to equalize business and also the other aspects of the college. Did somebody else have a question?

**LEG. CARPENTER:**

No.

**CHAIRPERSON NOWICK:**

Well, thank you very much. Anybody else have any questions? Thank you.

**MR. KOMINICKI:**

You have been most kind. Thank you.

**LEG. CARPENTER:**

I'd like to make a motion to approve.

**LEG. O'LEARY:**

Second.

**CHAIRPERSON NOWICK:**

Motion by Legislator Carpenter to approve 1876, seconded by Legislator Foley. All in favor? Opposed? 1876 has been **APPROVED. (VOTE:7•0•0•0).**

**LEG. FOLEY:**

Madam Chair, we have another potential appointee who •• whose name has been submitted by Legislator Bishop, Tonna and myself, an Ernie Mattace who is here today. His particular resolution •• the prime sponsor was unable to have it submitted in time for the last committee •• the last General Meeting, but will be submitted on next Tuesday. So I thought since he has taken the time to be here today, if he could come to the •• to the table and give us some thoughts on where he sees the college going and we can ask him some questions. I think extending that courtesy would •• we would appreciate that.

**CHAIRPERSON NOWICK:**

Certainly, Legislator Foley, but before I do that, I just want to finish the agenda and go to the Sense Resolution.

**S•070. Sense of the Legislature Resolution requesting the New York State Legislature and the SUNY Board of Trustees to seek out other opportunities for locations for proposed expansion of SUNY Stony Brook and avoid utilizing Eminent Domain Proceedings. (NOWICK)**

**CHAIRPERSON NOWICK:**

I'd like to make a motion. Do I have a second?

**LEG. CARPENTER:**

Second.

**CHAIRPERSON NOWICK:**

Seconded by Legislator Carpenter. All in favor? Opposed? Sense 070 has been **approved. (VOTE:7•0•0•0).**

Okay. That takes care of the agenda. Mr. Mattace, would you like to come up and talk to us?  
Good morning, how are you?

**MR. MATTACE:**

Good morning. How are you?

**CHAIRPERSON NOWICK:**

We have a little bit of your background in front of us, but maybe you would like to talk to us and tell us yourself.

**MR. MATTACE:**

Ernesto, E•r•n•e•s•t•o, Mattace, M•a•t•t•a•c•e, and that's junior. Well, as my resume states, I've been involved now in Suffolk for 38 years, and as of this past September, started my 39th. I began at Suffolk in 1966 and got involved within months in student government, and I watched the college grow. I watched this taking classes at the bottom of the hill where the administrative office are now and watched the buildings grow and the campuses grow.

Over the years, I became involved as one of the founders of the Alumni Association and felt the need for more activity between the alumni and the college. As I developed working with the college, we set up committees to gather the funds that were needed for items that weren't covered under the budget. And we start with the golf committee, from there we developed the foundation. And for six years I was Chairman of the foundation. At this point, being a past Chairman, I felt it was time to continue my work with Suffolk.

I believe Suffolk, it's been said many times, is our jewel. I watched it grow from one campus to three campuses, and as far as I'm concerned, one of the best community colleges in the country. Working on the foundation, I worked with different committees, I worked with the honors program and watched how successful it was and how we can expand it. We also worked in other areas; reeducation of individuals, they can come back to college and continue their education and grow and go back in the working community. The bottom line is that Suffolk has the ability to be the stepping stone for everyone in this County when they realize it's there.

Our problem is •• and the look at a community college is, well, I don't want to go to a community college, I want to go to a four year school. A community college serves many

purposes. In Suffolk, it serves the basis of the stepping stone for that person to continue their education. It's been wonderful for me, wonderful for my family. Both my children graduated from Suffolk Community College. While I'm out there working with the foundation and other groups, I promote Suffolk as one of the best educational institutions on the Island and can be one of the choices that individual make that will not only help them financially in this time of excessive costs for education, but you get to understand what a community college is all about, how the professors take the time to spend with the students on a day•to•day basis, how they will help and work afterwards, how they'll get involved in committees that involve the community.

On an ongoing basis, I feel that Suffolk can only get better under our new president. Working with the new president, I see her goals as just a shining star for this County and for the future of Suffolk Community College.

**CHAIRPERSON NOWICK:**

Thank you, Mr. Mattace. You know, that point that you brought out about the professors working with the students is something we don't often talk about, but most of us having children that have gone to colleges, that's one of the most important aspects of colleges, especially for a student that needs a little bit more attention. Does anybody have any questions? Legislator Foley.

**LEG. FOLEY:**

Thank you, Madam Chair. Thank you, Ernie, for coming down here today and giving us your thoughts about an institution that you've been involved in for many, many years. I didn't realize it goes back 38 years. I know of your time as a board member of the foundation. But certainly having those additional years of service certainly speaks of your dedication to the Community College. If you could just tell us briefly some of the highlights of your time as a foundation board member and how that, you believe, prepared you well for your own stepping stone going from foundation board to the Board of Trustees from a fund raising •• essentially fund raising position to a policy making position.

**MR. MATTACE:**

Well, the foundation itself gets involved in many areas. We're able to deal with businesses throughout the County. We're able to work with them on different programs for educational

purposes, for training purposes and expanding our base and expanding the opportunity for those people to come to Suffolk, all right, and continue their education. On an ongoing basis it's •• it's like a wheel, all right, in the sense that every day that we get involved, all right, we're dealing with new and broader industries, whether it be the automotive industry, heating and air conditioning industry. Again, we spoke about it before, there are so many needs that are out there. And the educational opportunity is not there and Suffolk will be able to provide that.

**LEG. FOLEY:**

The foundation then was part of that equation, as I call it, as opposed to a wheel. But the foundation reached out to different business communities and others to link them with the college?

**MR. MATTACE:**

Yes. On an ongoing basis. It is continually going on to strengthen the college as far as participation with students and new programs, expanding them, of course, in whatever area we can get involved in.

**LEG. FOLEY:**

Thank you.

**CHAIRPERSON NOWICK:**

Legislator Viloría•Fisher.

**LEG. VILORIA • FISHER:**

Good to see you this morning, Ernie. And I don't have a question, I have a comment. I'm very pleased to see you here today, I'm very pleased to know that your name has been submitted for this appointment. And as a past Chair of the Legislative Committee on Education, having attended many functions with Suffolk Community College, you were truly ubiquitous, and I know that you have really invested a great deal of time and energy and leadership already to the college. And so you certainly are situated in the right place for this move. So I thank you for volunteering to move ahead in your support of the college.

**MR. MATTACE:**

I thank you. You had mentioned about the professors, and I had mentioned how the professors

helped. I just •• just a side note, and it came to me as you mentioned it. My daughter left Suffolk and went to Dowling to continue in school. After a month, she contacted me and said, is there any way you can make Suffolk a four year college? And I said, no, it's not going to work. But she was instrumental in letting me know, you know, how important the professors were to her.

**CHAIRPERSON NOWICK:**

I know it's true, and I know especially with students that could drop through the cracks, students that •• let's face it, if they're brilliant student and they get scholarships, they're going to be scholarships maybe to four year colleges. Many of our students need that little extra, and Suffolk allows them the opportunity to do the two years, know they can do it, have the help of the professors and then go on if they wish. So that's true. Anybody else have any questions? Thank you.

**MR. MATTACE:**

Thank you.

**LEG. FOLEY:**

Thank you.

**CHAIRPERSON NOWICK:**

Okay. We have a presentation today. Kevin MacLeod has a presentation on the solar electric systems.

**MR. MAC LEOD:**

Good morning, ladies and gentlemen, committee members. My name is Kevin Mac Leod. I'm a licensed electrical contractor here in Suffolk County. And first, I would like thank you for giving me the opportunity to make this presentation this morning. First, we're going to talk about solar electric systems, residential electrical generation, and net metering in conjunction with the current LIPA Rebate Program that's in place now.

I'd like, with your permission first, to invite Mr. Bill Feldman to talk a little bit about solar electric and how it works and bring you up to speed on the technology as we stand today, then I will talk about the current problems that we are experiencing as contractors out in the field

with the current LIPA program and make my proposal to you. So with your permission, I'd like to introduce Mr. Bill Feldman from Empire Electric Company. And I would say, feel free to ask questions or stop us at any point if you have any questions. Thank you.

**MR. FELDMAN:**

Basically, my name is William Feldman or Bill Feldman, Empire Electric Company. We are a supply house that is supplying photovoltaic equipment. It's exciting, it's new, it's something that's great. And I want to give you some basic information about it. And it fits in well with this committee, because it touches on economic development, higher education and energy, So it would be a good fit. Of course, if you have any questions while I'm going along, don't hesitate to stop and ask the questions.

**CHAIRPERSON NOWICK:**

We have about ten minutes before we start •• we have another meeting going on after this.

**MR. MAC LEOD:**

We're going to try to get through it as quick as we can. The brochures that you have in front of you kind of like goes along with the program, so you can refer to that if you can't see. I provided you with a lot of information towards the back about the program and some helpful trivia questions and facts and myths about the whole program.

**CHAIRPERSON NOWICK:**

So would this program, before hearing about it, can we save any money on our LIPA bill?

**MR. MAC LEOD:**

Yes.

**CHAIRPERSON NOWICK:**

I think that's what everybody is interested in.

**MR. MAC LEOD:**

I'll jump real quick to a point. I used my system as an example on Page 24, a natural printout of my current electric bill, my bill. I put one of these systems on my house, a ten kilowatt system. And if you want to look at the block diagram on the left, for one month we're talking about a savings of 1790 kilowatts for the one month, which is \$325 alone. And you could see,

like, last year when I used 2502 kilowatts, a big difference between then and now. And that's the important part of this whole thing.

**CHAIRPERSON NOWICK:**

That's for a two month bill, right?

**MR. MAC LEOD:**

That's 27 days.

**CHAIRPERSON NOWICK:**

Twenty seven days.

**MR. MAC LEOD:**

Twenty seven days. If you look at the bill, it says ••

**CHAIRPERSON NOWICK:**

So you would have used 400 •• almost \$450 in that 27 days in your house?

**MR. MAC LEOD:**

Exactly. That's with the air conditioning running full blast. That's where you usually get killed at.

**CHAIRPERSON NOWICK:**

How many hairdryers do you have going in your house?

**MR. MAC LEOD:**

Believe it or not, it's only me and my son.

**CHAIRPERSON NOWICK:**

Oh, my God.

**MR. MAC LEOD:**

Can you believe that? Right. But we like to stay cool in the house.

**LEG. COOPER:**

Bill, what was the cost to install the solar at your house?

**MR. MAC LEOD:**

Excuse me?

**LEG. COOPER:**

What was the cost to install the solar at your house?

**MR. MAC LEOD:**

Since I'm a contractor, and I did put the breakdown in there too, it cost me, myself, wholesale \$50,000. I want to mention that I got a nice check from LIPA for \$45,000 as part of the rebate program.

**LEG. COOPER:**

Forty five thousand rebate out of a \$50,000 expenditure?

**MR. MAC LEOD:**

Right. That's correct. On Page 21, there's a picture of my system. It's a ground mount system in my backyard. I have about an acre, so there's plenty of room to put it there. That's the problem we're having here. It's very generous of LIPA to give that kind of money, but as a contractor, I can't afford to go around installing systems at wholesale. I have to make some money. And in all honesty, a system of this type, I should be charging a customer about \$73,000. LIPA gives back \$45,000 and the customer is still having to foot \$27,000 out of their pocket for this.

And in all honesty, if you were faced with this kind of figure and the amount of time it would take to repay that amount of money over 20 years, you're probably not going to want the system. But if I told you I could do it for you for \$5000, you would have me there tomorrow. I have been installing the systems at wholesale for friends and some close relatives, and it's to the point where I can't do it any more without going out of business. I mean, I have a dedication to the environment, and I want to get the industry going, but I can't continue charging these kind of figures.

**CHAIRPERSON NOWICK:**

So, you know, maybe you can start the presentation.

**MR. MAC LEOD:**

All right. If you want to jump to Page 21. I had a slide show too since Bill is having a struggle going, we can follow along in the brochures if you wish to. Page 21, are we on the same level? Okay. That's the system that I installed in my backyard. It's a ten kilowatt system. It's a ground mount system. On the next page, 22, is the system. I broke it down into a flow chart kind of think. If you look here, panels generate DC electric, provide it into an \\_inverter array\\_ and converts it from DC to AC. The \\_inverter\\_ then feeds it into a combiner, which goes to a main breaker on the house panel, out to a LIPA disconnect and back feeds into the LIPA meter. I'll continue •• would you like Bill •• he's got it going, he is ready to go.

**MR. FELDMAN:**

I apologize.

**MR. MAC LEOD:**

The reason I had Bill come in to explain it, in case you weren't familiar with how it works and the generation. I'll continue. On Page 23, as he brings it up to speed, under the current LIPA rebate program called Solar Pioneer, a customer can install a solar electric system on their house and sell back to LIPA any excess electric they don't use. It's called net metering. In a sense, their meter will spin backwards. This helps reduce the high summer demands on LIPA's grid as more and more people become their own power generating stations, in a sense.

They can reduce their electric bills by as much as 85%, get a rebate for the installation and help the environment at the same time. As I discussed just a few minutes ago, this is my electric bill. And I saved 1790 kilowatts in a 27 day period, that's about \$325. And I just highlighted a part over in the corner there, because that's going to kind of, like, tie into my proposal. On Page 25 there's a copy of the actual check I got from LIPA for \$45,000 as part of the rebate program. Just to let you know this is real.

**LEG. SCHNEIDERMAN:**

Is this under the old program?

**MR. MAC LEOD:**

No. That's under the current program now. This check is dated as you see •• it's maximum for a ten kilowatt system, \$50,000. It could be 50% of the cost.

**LEG. SCHNEIDERMAN:**

I thought it was •• it's five cents a kilowatt?

**MR. MAC LEOD:**

No. It's \$4.50 a watt.

**LEG. SCHNEIDERMAN:**

Okay. It's \$4.50 a watt is what they reimburse up to 50% of the cost of the system, I thought, no?

**MR. MAC LEOD:**

It's not actually by percentage. It's to a maximum amount. You can install a five kilowatt system and get five times \$4.50.

**LEG. SCHNEIDERMAN:**

So if you can get it installed for •• you know, 4.50 a watt, then you can actually get it pretty much for nothing.

**MR. MAC LEOD:**

Not really.

**LEG. SCHNEIDERMAN:**

What does it cost to get one of these installed?

**MR. MAC LEOD:**

If I would install something on your house, it would cost you from me about \$73,000. I have to make some money.

**LEG. SCHNEIDERMAN:**

How much a watt?

**MR. MAC LEOD:**

Excuse me?

**LEG. SCHNEIDERMAN:**

How much per watt?

**MR. MAC LEOD:**

Seven dollars and fifty cents a watt.

**LEG. SCHNEIDERMAN:**

Seven•fifty a watt and you get 4.50 a watt back.

**MR. MAC LEOD:**

Right. In the brochure, I kind of, like, give a breakdown on the whole thing. I'm going to jump through it real quick. The LIPA program which was started in December of 2001 was initiated with 30 lottery drawing systems for five and 600 watts a system. The rebate program started then as \$6 a kilowatt, that's \$60,000 they gave as a rebate initially, and then it decreased down to the current level we have right now, \$4.50 a watt.

I also want to continue on Page 27, I want to make quick mention about at the same time their program came on line, Suffolk County and enacted the one and half percent increase in their energy sales tax, which I'm going to tie into my proposal. On Page 28 is a block diagram that talks about the LIPA rebates. Where it was initially in 2000•2001, \$3 dollars a watt, and then when we came on line with the new program in 2002, it was \$6 a watt, it decreased to \$5 a watt in 2003, and it's currently at \$4.50 a watt this year. By the end of March of 2005, it will decrease to \$4 a watt. Now we're down to \$40,000 a max contribution for this system. And in 2006, we're not exactly sure what is going to come out of the rebate program from LIPA, it could be nothing, which would be devastating for this industry.

If you look at the chart on Page 28, we are talking about the number of PV installations on Long Island. And with the enactment of the program in 2002, we had 188, and it has decreased to 142 in 2003, and currently is at 63 in 2004. If you look at the correlation between the rebate amounts and the number of installations, you will see how it tailed off significantly because of less popularity for the current LIPA rebate program as it decreased in price. All right. On page 30 ••

**LEG. VILORIA • FISHER:**

Excuse me. Madam Chair, can I just ask a question before you leave Page 29? What is the typical size of the •• of the installations that you have on the grid on Page 29? How many kilowatts would be the size of those installations be?

**MR. FELDMAN:**

The average size of the installations today is just over five kilowatt.

**LEG. VILORIA • FISHER:**

Just over five kilowatt. Okay. Thank you.

**MR. MAC LEOD:**

On Page 30, if you look at this quick block diagram, I spelled it out, since 2000 when the initial started into 2002 with the \$6 rebate program, we have installed a little over two megawatts of power on Long Island. That's a lot for a short period of time. You can imagine what kind of power generation that saved LIPA at that point. On Page 31 is a break down of a system that I am going to be installing in Mount Sinai in October. And on the left graft compared to the right side, we're talking of wholesale prices where I can't make any money versus the retail side on the right, which I should be able to charge to the customer to make somewhat of a profit.

If you go down real quick, we have a cost break down of \$51,000 for the sales tax. And I must admit, Suffolk County charges sales tax on solar electric purchases, and the materials cost 46,000. After you go through the whole rebate program with LIPA and the New York State income tax credit, that brings that •• it comes to \$48,000, and that bring it down once we get through all the rebates and credits with the optional, of course, roof, which you are most likely going to have to replace if it's less than ten •• if it's over ten years old, about \$7000 out of the customer's pocket.

The same break down on the right, except down here you have the contractor installing the whole system, getting the permits, the plans, the labor and everything, and he would charge about \$73,000. After the rebates from LIPA and New York State of \$48,000, we still have an out of pocket expense to the customers of between 25 and \$30,000. On the next page, obviously these two figures here, which one of them would you choose? I would say on 33, most likely you would go for the \$7000 figure. But unfortunately, most homeowners can't

install the systems themselves. They're not electricians. And contractors are entitled to make some profit, but with this figure, that's impossible to do, regardless of what kind of dedication myself or they might have towards the environment.

On Page 34, the actual realistic figure of \$29,000 is what we would actually have to charge to the customer, and a lot of homeowners can't afford this price. They can't get a loan to cover these costs, or they're not •• just not willing to go along with the program considering it will take 20 years for them to recover their investment. So basically, the contractor loses the job, and it's one less system that gets installed.

**LEG. VILORIA • FISHER:**

Before you leave that. Just a second. Can you go back to the tax credits, how are those computed, the New York State income credit on that?

**MR. MAC LEOD:**

It's based on the cost of the system depending on the size of the system you put in, but the maximum is \$37,050, and you can take it out over five years. And the LIPA rebate is based on the watts, so if you were to install a 5000 watt system, it would be 5000 times \$4.50 at this point.

**MR. FELDMAN:**

New York State income tax is calculated based on the net cost of your system. So installation cost minus your rebate from LIPA, you can get 25% of what's left, up to maximum \$37,050.

**LEG. VILORIA • FISHER:**

Okay. Thank you.

**MR. MAC LEOD:**

On Page 35, it's kind of like leading a little bit into my proposal that I'm going to talk about. This program needs help from Suffolk County. And I would like to propose that Suffolk County subsidize this program to bring the final cost down to make more systems attractive. Now, we can do this by offering a supplemental rebate from Suffolk County adjusted according to LIPA's level of rebate, basically \$4.50 plus \$1.50 from Suffolk County per watt would bring it back to up \$6 a watt. Or if the system •• their rebate goes down to \$4 a watt, we can increase our

rebate to \$2 on Suffolk County's point to bring at the \$6 level, or we could have a separate stand-alone program or we could have both. We can also look at exempting the sales tax on solar equipment purchases, subsidize low interest loans, and of course, better education on programs.

Now, how do we do this? Of course, this all costs money. On Page 36, I talk about the two points I'd like to recommend to the board. We could impose a 1% surcharge on LIPA electric utility bills, which we would call renewable energy on top of the current two and a half percent sales tax, or which is more popular, we could use 1% of the current two and a half percent Suffolk County sales tax that's collected and use it towards the rebate program that Suffolk County could enact. Honestly I think this is the more popular proposal. And really if we're collecting sales tax for energy, it should go towards energy programs, not general funds. On Page 37, the advantages of the enhanced rebate program ••

**CHAIRPERSON NOWICK:**

Can I just stop you one minute. Impose a 1% on LIPA, that would all across the board, even for people that don't take advantage of this system?

**MR. MAC LEOD:**

Just for electric, yes.

**LEG. SCHNEIDERMAN:**

To everyone's utility bill, that would be popular.

**LEG. COOPER:**

Why don't you sponsor that one then.

**MR. MAC LEOD:**

I would think that the •• taking part of the sales tax back in the latter part is a little bit more popular than the 1%. That was my original suggestion, and I got a lot of lost ears on that one.

**LEG. FOLEY:**

Madam Chair. How much money would be raised by taking that 1% out of the two and a half percent, have you done any figures on that?

**MR. MAC LEOD:**

I don't have the exact figure, but I was coming in around \$653,000 a month.

**LEG. FOLEY:**

By taking 1%?

**MR. MAC LEOD:**

Yeah.

**LEG. SCHNEIDERMAN:**

One percent is \$653,000?

**MR. MAC LEOD:**

Yes, if my numbers are correct. It's hard trying to get the information from people.

**LEG. SCHNEIDERMAN:**

That's per month. So you're talking about 7 or \$8 million a year.

**MR. MAC LEOD:**

Yes.

**LEG. COOPER:**

Bill, do you have any idea as to how much money LIPA has set aside in their rebate program, what funding is available?

**MR. MAC LEOD:**

I don't really think LIPA has an amount, a dollar amount, aside. I think it's basically from year to year that they decide whether they're going to continue the program or discontinue it.

**MR. FELDMAN:**

There is a block of money, and they want to try to divvy it out so that it doesn't disappear too quickly. But basically it's meant to jump start the industry in our area, because it's going to

create jobs, and it's going to help us on a peak demand period not to build more power stations and also to cutback on buying electricity on the open market during peak demand periods. That's what we're facing now with the cable, the Cross Sound Cable, and things like that. On peak demand periods, LIPA has to fire up old inefficient polluting generation facilities to meet that demand, plus import power at a very high cost .

**LEG. SCHNEIDERMAN:**

Do you know, why did LIPA drop down from \$6 a watt to \$4 a watt or 4.50 a watt?

**MR. FELDMAN:**

Because the money went very quickly at \$6 a watt.

**LEG. SCHNEIDERMAN:**

There wasn't •• doesn't LIPA has a certain amount of money that's dedicated for promoting clean energy and renewable resources?

**MR. FELDMAN:**

Yes, they do.

**LEG. SCHNEIDERMAN:**

And it's a pretty big pot of money.

**MR. FELDMAN:**

Excuse me?

**LEG. SCHNEIDERMAN:**

If I recall, it was a pretty big pot of money.

**MR. FELDMAN:**

Yes. But the photovoltaics •• I mean, it's all different across all renewable energy or clean energy initiative; it's fuel cells, it's wind power. Photovoltaics or PV is only one small part of that.

**LEG. SCHNEIDERMAN:**

But if I look at the numbers when it's \$6 a watt, a tremendous amount of people were using it.

Now they've dropped it down to 4.50 a watt, very few people are using it. They ought to have enough money to go back to six for a while. I mean, have you talked to them at all about going about to six or even \$5 a watt, maybe somewhere in the middle.

**LEG. COOPER:**

Or raising it to seven.

**MR. MAC LEOD:**

That would be great.

**LEG. COOPER:**

It would, I mean, if they're really serious about wanting to promote this.

**MR. MAC LEOD:**

I have not talked to direct executives from LIPA, but I've talked to a couple of their program managers, and they've told me that that's not going to happen. The actual program may go away eventually.

**MR. FELDMAN:**

The idea was to get the industry going and to drop the price, and that's the idea between every rebate program across the country, and the world for that matter. Japan is the largest user of photovoltaic energy, over 200 megawatts in 2002. They now hold the major market share of manufacturing, which at one time, was the United States. California is one the biggest, but the northeast here is growing very quickly in the rebate programs. New Jersey has a \$6 a watt program. So basically what we're here to do is to ask for help to keep these programs going and to get more people involved. The more people involved and the more people installing these systems, the lower the cost of these systems become. Right now, LIPA has been dropping at a rate which exceeds the drop of the cost of the equipment. So that's why the program is slowing down, there's less people installing.

**LEG. SCHNEIDERMAN:**

But why the County, why not the state?

**MR. FELDMAN:**

Well, the state is doing something. NYSERDA •• LIPA is a separate entity as far as that's concerned, but NYSERDA, the New York State Energy Research Development Authority is giving a 4.50 a watt rebate on commercial systems if an Energy Star home that the equipment is going in. It's \$4 a watt if it's not. But we're trying to get every branch of government involved in helping this program, in helping the industry, because it's going to create jobs. Already we had one manufacturer decide to locate Upstate in New York State because of our programs as opposed to locating in California, where they also have a very good photovoltaics program.

**MR. MAC LEOD:**

California is coming on line now considering the problems they've had in the past. They've really looked at the •• that's another point is, like, you wouldn't believe, 110 ten square miles of this type of equipment is enough to power the whole country completely, a small corner of Nevada.

**MR. FELDMAN:**

Enough energy falls on the United States in one hour to power the country for a year.

**MR. MAC LEOD:**

If I can just continue real quick.

**CHAIRPERSON NOWICK:**

If we could try to sum it up in a few minutes.

**MR. MAC LEOD:**

Part of this program could be used to target HEAP customers, HEAP electric customers. This would be a huge savings to Suffolk County in the amount of money they lay out in HEAP electric. If we target these people first these systems, they won't have to ask Suffolk County for electric money anymore. We can also target affordable housing candidates, they could qualify for the program. And we can also set it up according to income levels, lowest first. All homeowners should eventually be available •• eligible.

This is going to reduce out our dependance on fossil fuels and help the environment. It will stimulate the industry making equipment prices cheaper as it's been doing so far and reduce the demand on LIPA's grid, especially in the summer when it's •• when we talk about brownouts and possible blackouts, build less power plants. It will put me to work, and I will

hire people to do work for me, also, more jobs, more work for contractors. And who knows? I've talked briefly with Sharp executives, as Bill has. There's always a possibility we could have a production facility here on Long Island if this program takes off.

So just in conclusion, the last page, if you would like to see a system in operation, I'd like to invite you to come to my house and see the system, see it working, my meter going backward and generating power, if you would like to. But the bottom line is I can't continue doing this at wholesale. I have to make money sooner or later or else I'll be out of business. You people have the power to enact the program that can get this industry going and get started again.

**CHAIRPERSON NOWICK:**

Thank you very much. That was very informative. There's nothing I'd like better than seeing my LILCO •• LIPA gage go backwards. That would be nice.

**MR. MAC LEOD:**

You get to take the check and put it in a picture frame too.

**CHAIRPERSON NOWICK:**

Thank you very much.

**MR. MAC LEOD:**

Thank you.

**LEG. CARPENTER:**

Thank you.

**CHAIRPERSON NOWICK:**

Thank you very much.

**CHAIRPERSON NOWICK:**

Just so you know, hopefully at the next meeting we will have Brookhaven National Laboratory here to talk to us about an economic impact on Suffolk County. So if possible, we are going to try to do that. We have a letter here from Budget Review, so it will be something to look at.

**LEG. VILORIA • FISHER:**

Madam Chair, if I could just make one comment. There had been a presentation similar to the one we just saw at my Energy Advisory Committee that had been put together by resolution a couple of years ago. And when we broached the subject of doing this additional subsidy •• and I'm going to ask Counsel to just think about this or research it for a later meeting •• I believe at that time I was advised by Counsel that that might •• our Charter precludes us from giving that kind of rebate to individuals. And I just think we might look at that again, because I had looked at this, supplementing the LIPA rebate. And there was a problem with it, it was a couple of years ago, so I'm having difficulty remembering what it was precisely. But I think it was a gifting problem.

**MS. KNAPP:**

Clearly, as I was listening to the presentation, some of what was proposed raises issues of gift to public funds, if it's not done perfectly. We would have to look at whether or not there is a legal way to accomplish that. And some of the conversation too about •• about adjusting sales tax is all state legislation. The County doesn't control its own ability to impose sales tax or to exempt from sales tax, however, the state does. But there may be some other things that were suggest that, you know, could be implemented.

**LEG. SCHNEIDERMAN:**

I think we do it with the fuel tanks. I know a lot of the towns give incentives to get your buried oil tanks out of the ground, I think the County has a program as well that would be similar ••

**LEG. VILORIA • FISHER:**

Didn't we just pass \$100 incentive program for the ••

**LEG. SCHNEIDERMAN:**

Right.

**LEG. VILORIA • FISHER:**

So that is something that I think we should revisit looking at that, because it had been something that was brought to the Energy Advisory Task Force.

**LEG. SCHNEIDERMAN:**

Some towns do and some towns don't increase your property taxes based on your solar

systems adding value to your house. I know some towns offer ••

**MR. FELDMAN:**

New York State is asking for ••

**LEG. SCHNEIDERMAN:**

They increase because you've put, you know, this \$50,000 utility generator on your roof. Some towns will give you a five year rebate on it. I'm bringing it up because this is something that is one more thing for us to look at is, you know, a property tax type of exemption for clean energy systems.

**MR. FELDMAN:**

New York State is asking all municipalities for a 15 year real property tax exemption for the value of the solar electric system when it's installed.

**MR. MAC LEOD:**

There's a form that you fill out that takes care of that. I don't really think there are any towns at this point that are charging property taxes on that system. I know Islip and Brookhaven is not.

**LEG. SCHNEIDERMAN:**

I know local areas that do, but if you fill in the form, you get a five year exemption.

**LEG. VILORIA • FISHER:**

And this is part of the LEED legislation. This is one of the criteria in the LEED building.

**CHAIRPERSON NOWICK:**

Okay. This meeting is adjourned. I thank you so much for your presentation.

**(\* THE MEETING WAS ADJOURNED AT 10:53 A.M. \*)**

**\\_ \\_ DENOTES BEING SPELLED PHONETICALLY**