

SolarCity Leasing Company Expands on Long Island

Published: February 19, 2014
By MARK HARRINGTON

SolarCity, a San Mateo, Calif., company that specializes in leased sun-power systems for residential homes, Thursday opens a vastly expanded Long Island operations center that officials say marks the growth and potential of the local market.

The expansion comes as the market for leased solar systems is heating up. LIPA reported leased solar systems accounted for about 40 percent of its rebates last year -- the first year such systems were eligible. PSEG Long Island has since taken over the rebate program.

Publicly traded SolarCity said that in just over a year it installed about 400 solar systems on roofs around Long Island. It is adding 15 employees to its staff of 47 in coming months as it moves toward a local workforce of about 80, said Leon Keshishian, SolarCity's regional vice president for the East Coast. Its Hauppauge operations center, originally 3,000 square feet, has expanded to more than 18,000.

"With the [large middle-class] population that exists in general on Long Island, there's a lot of opportunity" for growth, he said. First-time buyers and retirees have been receptive to the systems, he said.

SolarCity markets solar systems in a leasing model that eliminates or vastly reduces the upfront cost of traditional systems while providing consumers electric-bill discounts of 5 percent to 15 percent. Consumers don't own the system, and don't get the lucrative tax benefits and rebates that often accompany the systems. SolarCity gets those.

Local companies specializing in selling solar systems in recent months have been increasingly critical of the leasing model as it begins to take up a growing share of the local market.

"The solar lease concept is brought to you by the same people who dreamed up the subprime mortgage," local installer **Cantiague Electric** of Westbury warns customers on its website. "These investment bankers and Wall Street brokers have found a way to finance solar for you, but to take all the benefits that should have been yours out of the equation."

Keshishian dismissed the criticism, saying customers who can't afford the large upfront payment of a purchased solar system will opt for leasing.

In a typical SolarCity leasing agreement, he said, customers with a \$300 electric bill would see it reduced by half with a 5 kilovolt solar-panel system. Then, in addition to the \$150 utility bill, they would also begin receiving a monthly SolarCity leasing bill, with an average discount of 5 percent to 15 percent based on the reduced utility bill.