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Brownfields to Brightfields

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Implementing cost effective and sustainable energy solutions will be essential as demand for energy continues to grow. Solar energy is one of the primary resources that can meet this demand. Developing photovoltaic installations on abandoned or distressed land is an emerging opportunity for real estate developers and property owners to make use of otherwise unviable assets.

The economic benefits of renewable energy development on Brownfields and Superfund properties are achievable through the right terms, existing economic incentive programs and coordination with regulatory agencies.

Land Acquisition

There are several options involving land acquisition for renewable energy development, including sites that may be immediately available such as environmentally distressed properties or Brownfields sites. Liability concerns associated with Brownfields sites can be limited through renewable energy development, as there is a diminished risk to human health and the environment. As part of the Small Business Liability Relief and Brownfields Revitalization Act established in 2002, modified liability provisions are provided to bona fide prospective purchasers (BFPPs), contiguous property owners (CPOs) and innocent landowners (ILOs).

Environmentally Responsible Redevelopment

Prior to 2002, owners and operators of environmentally distressed properties were liable for environmental contamination on the basis of their current ownership of the property, independent of the potential responsible parties (PRPs). Today, the EPA manages the Environmentally Responsible Redevelopment and Reuse (ER3) Initiative to promote sustainable cleanup and redevelopment of environmentally distressed properties.

To further limit the liability associated with renewable energy development on Brownfields and Superfund sites, EPA offers enforcement and compliance incentives. Developers may decide to enter into prospective purchaser agreements (PPAs) with PRPs and existing land owners to establish the liability associated with environmental contamination. Brownfields and Superfund PPAs are favorable where development is beneficial to the surrounding community, which is certainly the case of solar energy development.

Economic Benefits

Solar energy generation on Brownfields sites may be leased by the developer to provide economic benefits by reducing the electricity costs to power purchasers, while establishing economic benefits for the developer through the solar renewable energy certificate (SREC) market. SREC programs will continue to be the primary economic incentive for developers to own and operate solar installations by selling SRECs to utilities, who must satisfy renewable portfolio standard (RPS) obligations.

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