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## Jared Connell - Leasing Roof Space for Solar

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The regulatory environment in Massachusetts gives commercial property owners many options when it comes to onsite renewable energy generation. Through virtual net metering provisions of the Green Communities Act, generation facilities can apply credits from renewable generation to an end user's bill so long as the user is a customer of the same utility company, and located within the same utility load zone. There are 3 load zones in Mass., Northeast Mass. (NEMA), Southeast Mass. (SEMA), and Western Central Mass. (WCMA). As an example, a generating facility located in Worcester, a WCMA and National Grid area, could apply credits for power production to another National Grid user's bill within the WCMA load zone. This gives Mass. property owners flexibility to deploy solar. The following are potential options:

1. Purchase of system to offset onsite loads - common or other
2. Purchase of system to offset onsite tenant loads
  - a. Property owner recoups investment through a Power Purchase Agreement with tenant
3. Purchase of system to offset offsite user loads (within the same utility company and load zone)
4. Engage in a power purchase agreement with a solar developer
5. Engage in a roof lease with a solar developer who will lease rooftop space in order to sell the net metering credits to an offsite user.

Due to the complexities of arranging a deal that works for all parties (owner, tenant, & solar developer) the fifth option cited above is often the easiest way to structure a project. There are some particulars to think about in that scenario, but it represents an excellent option for large, structurally sound, rooftops where solar can be constructed at scale. Leasing the rooftop can provide found revenues for previously unused space and increase property value by increasing Net Operating Income. There are other soft benefits of engaging in a roof lease as well. There have been several published studies that found strong evidence of rent premiums and faster absorption rates /higher prices per square foot for buildings that have implemented energy saving measures including solar. Onsite solar also has the ability to garner LEED points for existing buildings. Large commercial property owners that have considered solar for their roofs in the past and haven't been able to structure a deal that works for all stakeholders should be encouraged by the plethora of options that exist today in Massachusetts. Property owners looking for additional information should be encouraged to contact qualified solar integration firms for additional information.

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