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Rooftop solar leasing provides additional income for owners

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If you're a commercial property owner, you're probably familiar with the benefits of solar energy by now. Solar energy's growth, especially in Massachusetts, is hard to ignore as more and more businesses are deciding to "go solar." Last month in the NEREJ's Green Building section, I wrote about the various financial options available for businesses interested in investing in solar. One option, which was not covered but is becoming increasingly attractive, is the option of leasing your roof for the development of a solar array and generating revenue from an otherwise underutilized space.

Rooftop space is quickly becoming a valuable asset to property owners as solar developers and even utilities look to build, own and operate solar arrays on leased rooftops. A roof rental model is similar to a Power Purchase Agreement (PPA), in that a third-party leases the roof from the property owner, and the third party owns and maintains the system. However, in a roof rental scenario the third party provides a lease payment for the roof and then sells the electricity to someone other than the property owner.

Adding solar as a tenant on your roof is a unique opportunity for property owners to gain extra income from an otherwise untapped resource. Additionally, a solar roof rental model allows businesses that may not have sufficient electricity demand, such as warehouses or storage facilities, to benefit from solar in a different way and generate more revenue by simply leasing their rooftop space. It also helps that in Massachusetts the state's investor-owned utilities offer net metering, allowing the array owner to sell excess power generated to other local business and residents beyond the physical location of the solar site. PPA and roof rental models also present great alternatives for businesses that might have considered installing solar but decided to pass on the prospect of owning a system.

There are many ways to incorporate solar into your business model; from owning a system directly, to entering into a Power Purchase Agreement, or leasing your roof to a third party solar entity. Talking with an experienced solar developer will help you determine how your business can best benefit from solar energy and if your rooftop space is an ideal candidate for solar.

Solect is a full-service solar photovoltaic (PV) project developer, delivering smart solar solutions to help businesses and organizations reduce energy costs. As an industry leader in commercial solar energy, Solect takes a practical approach to the development, installation and on-going support of each system. We partner closely with our customers, providing strong financial insight and solar technology expertise to optimize their investment while creating a positive impact on the environment. Solect currently has installed over 10.5 MW (megawatts) of commercial PV systems, with a primary focus on commercial, light industrial and institutional properties in New England.

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