



[Back to Rush is on to lock up rights to flat GTA rooftops](#)

Rush is on to lock up rights to flat GTA rooftops

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Flying into Pearson International Airport offers a view of the GTA that would make even the least excitable solar entrepreneur salivate.

What's the big deal? In a word: rooftops. Thousands of flat rooftops on hotels, manufacturing plants, warehouses, apartment and office buildings, schools, hospitals and shopping malls. Each is a sunlight sponge with the potential to take the sun's rays and convert them into emission-free electricity.

In a province prepared to pay richly for solar power, it's no surprise then that the race is on to lock up leases on prime rooftop real estate across the Greater Toronto Area and the rest of Ontario.

"It's kind of like a gold rush right now," said Justin Woodward, director of solar development for Toronto-based Greta Energy Inc., which is focusing its efforts on smaller towns outside the GTA.

Greta Energy is one of dozens of emerging ventures that are approaching commercial property owners with an offer that is difficult to refuse.

Give them 20-year access to your building's unused rooftop and they'll kindly compensate you for the space – similar to how farmers over the years have earned income by allowing wind turbines on their property.

With that secured access, companies will design, build and own the rooftop solar system at no expense or risk to the building owner. They'll then apply to connect the system to the grid as part of the Ontario Power Authority's feed-in-tariff program, which for large commercial rooftops pays between 53.9 cents to 71.3 cents per kilowatt-hour and guarantees quick connection to the grid.

Payment to the building owner can come in a number of ways: a percentage of annual electricity revenues from the system, or a fixed price per square-foot of rooftop being used to host the system.

Greta Energy prefers the square-footage approach, which can vary from 10 cents to \$1 per square foot but on average lands at about 30 cents. This means a 250-kilowatt system that takes up 40,000 square feet (3,716 metres) of space would result in an annual payment of \$12,000 to the building owner.

"The rooftop lease works out to about 10 per cent of (electricity) revenues," said general manager Chris Young of Ottawa-based Enfinity Canada

"At the end of the term the equipment is transitioned to the building owner's hands so he can benefit from electricity production beyond the 20-year contract."



Rooftop solar installations are increasingly common around the world.

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Alternatively, compensation might be a guarantee to supply solar-sourced electricity over two decades for less than what a building owner currently pays. CarbonFree Technology of Toronto takes this approach.

The market is increasingly becoming crowded, with Ozz Solar, Helios Energy, Rumble Energy and SunOne Energy Canada among a growing list of solar rooftop aggregators knocking on doors.

Woodward said he's noticed a dramatic change since the Ontario Power Authority announced the province's new feed-in-tariff program on Sept. 1. He estimated that for every 10 building owners that were cold-called three months ago there would be one that had already been contacted by a competing developer.

"It's now probably one in four calls," he said. "Right now there are a lot of small players jumping into the market, people who just get business cards made up or foreign companies just cold-calling commercial property owners."

Building owners need to be cautious, said Young, warning that some "lease consultants" are merely accumulating rooftop real estate that can be flipped for a profit.

"If they sign on with someone who is going to flip the project to someone else, that's money out of the building owner's pocket," he said. "Property owners should be looking for people who have a strong financial track record and are capable of following through with the project they've contracted for."

He said rooftops must also be inspected to ensure they are strong enough to handle the weight of both the panels and winter snow. Enfinity, for example, builds the cost of insurance into its business model to take account of possible damage to a roof.

Ben Chin, a spokesman for the Ontario Power Authority, said it's important for property owners to do their homework before entering any long-term leasing contract.

"You wouldn't hire a plumber without experience," said Chin