

Solar Lease Considerations as Renewable Energy is on the Rise

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According to the <u>U.S. Energy Information Administration</u> (EIA), energy generation from renewable sources like wind and solar energy has surpassed coal on a national level since 2022. Furthermore, the EIA forecasts that solar power will be the leading source of growth in electricity generation for 2024 and 2025. This shift is driven in part by technological advancements as well as environmentally friendly political trends and public policy which promote renewable energy generation instead of traditional fossil fuels. As a result of such advancements and policies, solar leasing and solar facility development have become increasingly prevalent in Pennsylvania.

From the landowner's perspective, many Pennsylvanians holding significant acreage are being presented with lease proposals offering significant per-acre rental rates compared to typical agricultural lease rates. Despite these seemingly lucrative offers, landowners should closely review the terms of any agreement put before them. Sometimes, solar lease agreements contain <u>provisions</u> that are not in the landowner's best interests and could lead to future liability, unforeseen obligations, or restrictions on what they do with unleased portions of their land. It is best practice for any landowner considering leasing their land for solar development to carefully review the proposed lease agreement in consultation with an attorney experienced in the industry.

In addition to the landowner's need for legal counsel, solar developers operating in Pennsylvania should also retain competent legal representation in connection with their operations. For instance, solar developers seeking to obtain approvals and permits for solar facility projects in the Commonwealth must navigate complicated and cumbersome zoning and land development ordinances at the municipal government level, as well as strong opposition from local residents and, at times, even from obstinate elected officials. Having knowledgeable and experienced legal counsel to help navigate applicable ordinances and requirements as well as mitigate opposition is critical to the developer's chances of bringing a solar facility project to fruition.

If you have any questions about reviewing solar lease agreements or navigating lease-related challenges, please contact attorney <u>Jacob H. Kiessling</u> or any member of the <u>Barley Snyder Environment & Energy Industry Group</u>.

DISCLAIMER: The information in this alert should not be construed as legal advice to be relied upon nor to create an attorney/client relationship. Please note that the reader's or an industry's specific situation or circumstances will vary; thus, for example, an approach that is advisable in one industry may not be appropriate in another. If you have questions about your situation or about how to apply the information contained in this alert to your situation or industry, you should reach out to an attorney.

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