

Solar Panels and the Law

Generally, we are more energy conscious now than we used to be, and ready to explore new ways of saving energy resources. Solar panels are an example.

So far as the law is concerned, there are two ways for property owners to organise the installation of solar panels. The first is to buy the panels and pay for their installation; the second is to grant a Lease to a supplier to fit their solar panels on your property.

Buying your own panels

You can pay for these outright or on hire purchase. It may also be possible to obtain help under the Government's "Green Deal" Scheme.

It will be your responsibility to obtain any necessary Planning Consent from the Local Authority and/or comply with Planning Legislation as to the position and siting of the panels.

You will normally need Building Regulations approval from the Local Authority to cover such details as materials used and methods of construction, and any electrical works.

Once you have installed the panels, you can potentially benefit by using the electricity they generate to reduce energy costs and if the "feed-in" tariff applies, you can earn from each kilowatt-hour of electricity generated and in any case sell surplus energy to the energy supplier.

Granting a Lease

Normally a supplier of solar panels will ask for a Lease of 25 years or more and the terms should be checked carefully as for any Business Lease. If not stipulated otherwise, the supplier may be entitled to a new Lease on similar terms when the period of the Lease expires. The Lease should also deal with rent payments, responsibility for repairs, insurance and who will own the panels at the end of the Lease.

If a Lease is granted, it will normally be the supplier's responsibility to apply for Planning Consent and Building Regulations.

General Considerations

1. Restrictive Covenants

Before starting work, it is prudent to check whether there are any Restrictive Covenants affecting your property which forbid the installation of solar panels or require consent from a third party.

2. Mortgage Lender Requirements

If you have a mortgage you will need to check whether your mortgage conditions allow the installation of solar panels, or require you to take any particular steps. This is particularly pertinent where a Lease is granted to a third party. Most commercial lenders will have stipulations about what the Lease provides, for example how long the Lease may last, and their position must be protected in case they need to exercise their power to sell the property if you default. Each lender will have its own detailed requirements which should be checked before you start work.

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