



Small Solar

OFA supports solar power on buildings, in fencerows or in small plots of land, or in otherwise vacant areas such as hydro corridors. Although solar power is costly, rates can be reasonable once the project is amortized, and small scale solar is quiet and unobtrusive.

However, large scale solar on good farmland is not suited to Ontario. OFA believes solar development will cause erosion, bake the soil, disrupt carbon and nitrogen fixing, create habitat for weeds, and destroy habitat for many native creatures that share farmland. Large scale solar on good farmland will not produce any more power than if it were located on rooftops or rocks and it will reduce farm production needlessly. OFA policy is to protect good farmland rather than using it for solar.

Small Projects

Ontario's microFIT solar projects are less than 10 kW in capacity and can supplement farm income by about \$12,500 a year. Costs are in the same range as other farm investments, so it is relatively easy and very useful to compare an investment in small solar with other potential farm investments.

For microFIT solar, Ontario pays 80.2 cents a kWh for rooftop solar and 64.2 cents for ground mounted solar. The units require approximately 25 meters by eight meters on the ground and slightly less on a roof. Panels can be fixed or mounted to track the sun. If fixed the panels should face within 25 degrees of south. A bias to the east will produce more power in the morning and more power overall as the panels work better in the cool of morning than in heat later in the day.

Installation

Ontario has many solar suppliers. Some have been in business 30 years, others a few months. Choose a vendor who has been in business 10 or more years and has experience as an electrical contractor. Be sure to also buy components with at least a 10-year guarantee.

Durable panels are essential. They may take slightly more space, but the panels have to last, or they will not be producing 10 years out when the owner hopes to be earning profits. The owner can pay cash or borrow. Either approach works well:

- Ground mounted installations cost approximately \$65,000 to \$85,000.
- Roof mounted units cost \$75,000 to \$95,000.

A land owner could also lease the site to a solar developer. If you lease out a roof area you will be obligated to maintain the roof for the full 20-year period. Many leases also obligate the land owner to provide site security. Annual rents are typically \$200 to \$500 per year.

Place the panels so they add to or at least do not detract from the appearance of your property. If the appearance is a problem, they may add \$12,500 a year to your income, but subtract \$75,000 from your property value.

Taxes and Insurance

Property tax will vary by county but is unlikely to be more than \$400 a year.

For income tax, solar panel income is not farm income and cannot be used to offset farm losses.

The panels enjoy a beneficial capital cost treatment and the income can be shared, put into RRSPs, RESPs or Tax-Free Savings Accounts.

Insurance is very useful to cover hail, wind, lightning, vehicle contact accidents, fire and vandalism. Ground mounted systems should have posts in place to stop trucks or tractors from hitting the panels. The panels also produce potentially lethal amounts of power whenever the sun shines. Emergency personnel should be advised of this with a warning notice.

A microFIT solar project can be an excellent supplement to farm or retirement income. It may or may not pay as well as other investments in your farm, so the alternatives should be compared. If you do opt to go ahead with a solar project, the key decision is the choice of vendor/installer. Choose a reliable firm that has been in business ten plus years and has strong capabilities as an electrical contracting group.

In February 2011, Ontario Hydro notified 1,500 microFIT solar project applicants that connection would not be possible. To avoid disappointment, do not spend any money on the project until the conditional offer has been upgraded to a final offer.

For more information on small solar options, contact your local OFA Member Service Representative or OFA's Guelph office.

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