

STAINES

LAW



So you have been approached by a developer of
Renewables.....



Changes since last year

- RESS
- Eirgrid – planning now required before Grid connection
- Push from State to ensure 20% Target hit
- Technology changing
- Battery storage – stand alone or part of Scheme
- Planning Permission Granted for Solar
- Planning Guide lines for Wind farms
- Community Co Op involvement
- Push for AD for Gas

Why do you consider their offer?

- Potential better return on farm land
- Security for family
- Certainty for the family
- Keeping farm in some manner for the next generation
- Disillusioned with farming
- Seeking early retirement from farming
- Another stream of income to support existing farm business

Matters you have considered

- Farm succession
- Single farm payment
- Tax
- Net rent
- What will I do
- Track record of developer – long term or flip
- Other options - long term leasing
 - Partnerships

Joint development

- Tax benefits and greater profits if development done properly
- Funding will be an issue
- Requirements and conditions that would be imposed by founders need to be considered carefully
- Issue of community co-op buying interest in the development
- Ensure that all streams of income are considered

Documents you may be asked to sign

- Grid connection
- Planning permission consent
- Option agreement
- Lease agreement

Do not sign without advice from solicitor and accountant

Pitfalls to watch out for

- Strength of developer
- Option
- Rent
- Insurance
- Impact on adjacent property
- Reinstatement /Decommissioning

Strength of developer

- In for the long haul or flip
- Who is providing funding
- Track record
- What are they offering option, fees, rent , milestone payments

Option

- Option ties up your land for 3 to 6 years
- Ensure that milestones are put in place
- Can restrict what you can do on your retained land
- When you sign the option you are committing your self to release

Rent

- Solar based on a flat fee per acre
- Battery – rent per acre
- AD – percentage of income
- Wind – rent per turbine
- Some developers are offering a percentage of the gross Revenue
- will be subject to up to 50% tax
- Unlikely additional payment if RESS obtained
- separate Rent on land for battery storage?
- 3rd party connections
- Look at all income streams

Insurance

- Renewable developments have their own unique insurance requirements
- Different risks for different developments
- Environmental standards will tighten over the coming years

Vital to ensure the following

Public /Employer liability

Environmental liability -especially in the case of battery storage

If the Farmer is taking a grazing agreement they will also require insurance for that

Important to ensure that the Right clause regarding insurance is in the lease /option

Impact on adjacent property

- Restrictions on similar renewable development on retained land
- Requirement to allow easement across retained land
- Possibility of third parties or other developments accessing land for connection
- Issue of Eirgrid and substations

Reinstatement /Decommissioning

- Many leases for 25 years or more but often can be terminated earlier
- Possibility a number of renewable companies will go bust
- Structures need to be in place to allow for decommissioning and reinstatement of the land to its original condition
- Some local authorities require decommissioning bond
- Possibility of sinking fund
- Developers looking to flip the project will be reluctant to agree to these

Takeaways

- Be comfortable with who you are dealing with
- Is this what you want
- Do not sign anything without advice
- Look at all your options

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