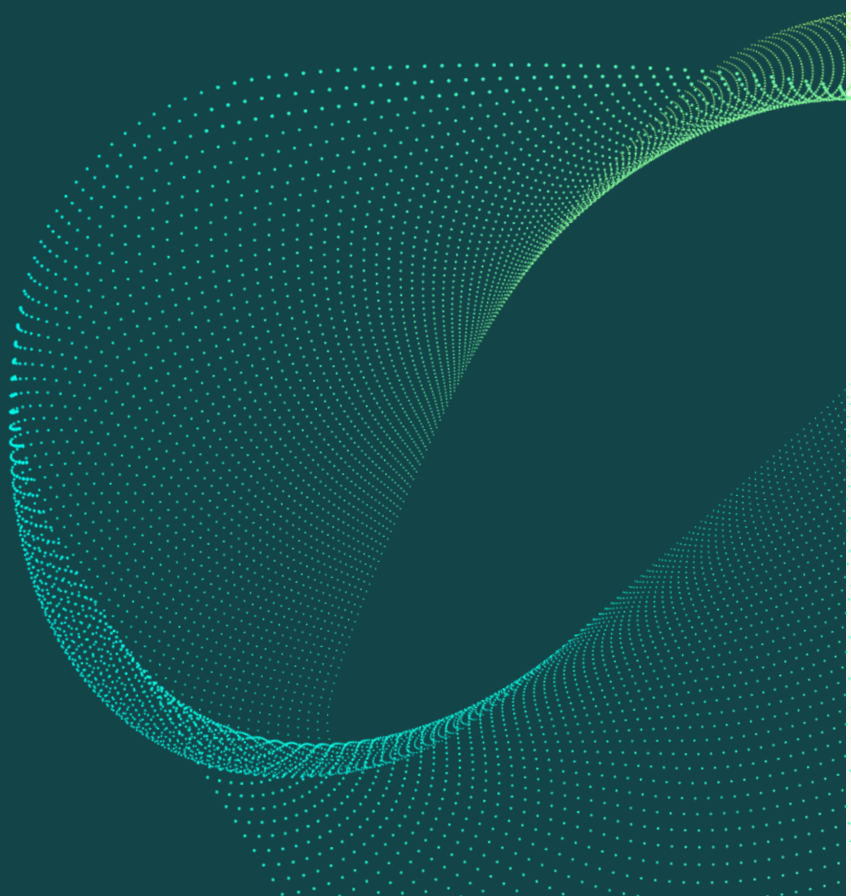
REGEN

Solar PV on Third-party Roofs: Roles and responsibilities

A guide for community energy organisations and building owners in developing rooftop solar PV systems.

DECEMBER 2025



Local Energy Scotland and CARES

Local Energy Scotland manage the Scottish Government's Community and Renewable Energy Scheme (CARES). CARES supports communities across Scotland to engage with, participate in and benefit from the energy transition to net zero emissions through the provision of advice and funding.

About Regen

Regen provides independent, evidence-led insight and advice in support of our mission to transform the UK's energy system for a net zero future. We focus on analysing the systemic challenges of decarbonising power, heat and transport. We know that a transformation of this scale will require engaging the whole of society in a just transition.

Acknowledgements

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About this guide

Purpose and scope

This guide clarifies roles and responsibilities at each stage of a solar PV project developed between community energy groups and a third-party building owner, such as a local authority. It covers the different steps of a rooftop solar PV project, from initial feasibility through to operations and decommissioning and details what is expected of each party through the process.

Who this guide is for

The guide is intended for two audiences: community energy organisations considering a solar project, and building owners (e.g. local authorities, public bodies, private building owners) who are considering partnering with a community group.

Why solar PV on third-party buildings?

Third-party buildings (e.g. owned by local authorities, universities, or businesses) offer ideal sites for community solar projects, particularly in towns and cities where there is less space for larger wind or solar installations.

Potential benefits for the building owners

- Lower energy costs from discounted solar electricity, and no upfront capital investment or operational burden of developing and maintaining solar PV
- Reduces emissions and strengthens environmental, social and governance (ESG) credentials while building stronger relationships with local community groups
- Public buildings like schools and leisure centres can support climate education and community engagement
- For local authorities, community energy partnerships help deliver core priorities like local wealth building, creating skilled green jobs, improving public engagement in energy decisions and reducing fuel poverty.

Potential benefits for community energy organisations

- Increases local ownership and democratic participation in the energy system
- Delivers visible benefits to the community, including the potential to fund local projects through surplus profits
- Long-term agreements to sell electricity to building owners provides stable income and strengthens the financial model
- Access to larger commercial roofs enables higher renewable electricity generation and revenue streams.

Who’s involved

Several parties typically play a role in a community solar project. Understanding who they are and what they contribute helps clarify expectations.

Community energy organisation

The organisation is developing and managing the solar project. They are primarily responsible for community engagement, building identification, project development, securing finance, managing installation, billing the building owner and operating the system long term.

Building owner (third-party partner)

The building owner provides the roof space and typically purchases the electricity generated. They are responsible for ensuring access to sites for feasibility, development and installation, agreeing on the purchase of electricity (or similar) and providing relevant details on the building itself.

Distribution Network Operator (DNO)

The company responsible for the local electricity network. Assesses grid connection feasibility, provides connection offers, and manages the technical connection of the solar system to the grid.

Planning authority

Determines whether planning permission is required, assesses planning applications against policy and approves building control compliance. Ensures the installation meets regulatory standards.

Support providers (if engaged)

May include consultants, surveyors, engineers, solicitors, specialist organisations (like CARES, Energy4All, Ethex, etc) or other community energy groups. Provide specific expertise at different stages.

Funders and investors

Banks, grant-makers (like CARES), public funders, social lenders or community members providing capital. Each funder has different requirements and timescales that affect project planning.

How to use this guide

This guide outlines the nine key stages of a community solar project, from site identification through to end-of-life planning. Each stage includes:

- **Responsibilities at a glance**: a table showing what each party's responsibilities are.
- **Agreements and documents**: what needs to be formally agreed or provided in writing at each stage.
- **Guidance**: Practical information the community energy organisation and the building owner need around the process and requirements at each stage.

These are colour coded, with green headings and boxes for information relevant to community energy organisations and purple for site owners. Read the sections most relevant to your role, but also take time to understand what the other party is responsible for. Share the guide with your partners so everyone is working from the same information.

Acronyms used in text

As you navigate through different sections of this guide, we have compiled a list of acronyms used throughout. Many of these terms are explained in greater detail in our glossary section.

Acronym	Stands for
CARES	Community and Renewable Energy Scheme
CAPEX	Capital Expenditure
DNO	Distribution Network Operator
MCS	Microgeneration Certification Scheme
MOU	Memorandum of Understanding
PDR	Permitted Development Rights
PPA	Power Purchase Agreement
SER	Structural Engineer's Report

The nine stages of community rooftop solar projects

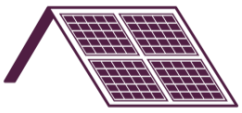
This table provides a quick reference to the roles and responsibilities of community energy organisations and building owners across all stages of a rooftop solar PV project.

Stage	Community organisation	Building owner
1. Finding a building and partner	Identify sites, initiate contact, conduct pre-feasibility check, present opportunity and build relationship.	Provide building information, indicate interest and carry out due diligence.
2. Feasibility study	Apply for funding, select and manage consultant, liaise with building owner/DNO/local authority, review findings.	Provide site access and technical data, share building information and structural assessments, clarify restrictions.
3. Secure the site	Negotiate lease and PPA terms, seek legal advice, manage negotiation process.	Engage in negotiations, sign legal agreement.
4. Planning and building warrants	Submit planning application if required, determine building warrant requirements.	Provide building information, support roof structural survey.
5. Grid connection	Engage DNO early, submit connection application, review offer, coordinate installation.	Confirm building ownership/Heads of Terms, support DNO site access.
6. Finance	Establish legal structure, identify and secure funding, manage funder agreements.	Provide letters of support, consider co-investment opportunities.
7. Installation	Procure contractors, manage project schedule, oversee quality and compliance, manage health and safety.	Provide site access, coordinate around building operations, share safety requirements.
8. Operations and maintenance	Set up monitoring systems, manage finances and invoicing, arrange maintenance, report to funders, manage insurance.	Pay for electricity per PPA terms, provide access for maintenance, track benefits, notify of planned closures.
9. End-of-Life planning	Plan decommissioning timeline and costs, review lease duration, decide on replacement/removal and recycling.	Confirm lease terms and restoration expectations, decide on ownership transfer or removal.

Step 1: Finding a site and partner (pre-feasibility)

The first step is finding a suitable site for a solar PV array. The community organisation typically leads this process by surveying the local area for potential sites, then contacts building owners to discuss interest and gather key site information. Every organisation may approach site selection differently – adopt the guidance that works for your organisation.

Responsibilities at a glance

 Community organisation	 Building owner
• Identify potential sites • Initiate contact and build a relationship • Conduct pre-feasibility check (with support, as possible/needed) • Present the opportunity	• Provide building information • Consider the potential of a solar project for your building and organisation • Indicate in-principle interest • Carry out due diligence on project and community organisation

Agreements and documents that may be required at this stage

Permission to access	• A simple written permission allowing site surveys and assessments
Non-binding letter of intent	• Or a Memorandum of Understanding showing the roof owner's interest in exploring the project further
Information-sharing agreement	• Potentially with a non-disclosure agreement to protect site information and data

Community organisation's roles and responsibilities

Identify buildings

Start by identifying potential end users or suitable buildings in your local area. You can approach key local contacts (businesses, schools, local authorities) to gauge interest, or remotely survey potential sites before reaching out to building owners. For remote surveying, use satellite imagery (Google Maps or aerial photos) to identify potential sites. Appendix A, Table A1, outlines key criteria for assessing suitable roofs.

Organisations to consider approaching

- **Local authorities: Social housing, schools, leisure centres, council offices**
- **Community organisations: Community centres, places of worship, hospitals**
- **Local businesses: SMEs, research institutes, universities/colleges, non-profits with sustainability goals**
- **Commercial and industrial premises: Significant roof space and predictable energy use**
- **Retail/supermarkets: high daytime energy use, roof space.**

Assess sites for viability

The best buildings will use the electricity generated, as this creates better returns. Look for organisations with high, steady daytime energy use, suitable roof space and clear sustainability goals.

Online tools to support pre-feasibility assessment:

- PVSol – detailed solar design and simulation software
- Solcast – solar irradiance and generation forecasting
- Energy Saving Trust's Solar Calculator to get a rough idea of how the system might perform, including how much electricity could be used on-site or exported.

Build the relationship

Building a strong relationship with the building owner is critical. Develop a clear value proposition showing how your project supports the building owner's needs (e.g. reduced emissions, lower bills, ESG goals). Prepare this through key talking points or a briefing note. Contact key decision makers and introduce your organisation and ambitions, then invite a conversation to explore:

- Their appetite for a solar PV project
- Their organisation's priorities and sustainability goals
- Any building constraints (planning restrictions, structural issues, previous applications)

- Next steps for securing organisational buy-in and progressing the opportunity
- Invite them to discuss further

For local authority officers interested in stimulating community energy on their estates: Consider establishing an early joint working group including technical staff (estates, energy officers, procurement) and other relevant council personnel. Early structured collaboration builds trust and helps navigate council procedures.

Building community support alongside site identification

Engage your community during site identification through conversations with local councils, schools, citizens and community organisations. This provides insight into community needs, informs project outputs and identifies additional partners.

Plan community benefits from the outset. Early thinking supports fair distribution and allows you to factor costs into your financial model. For guidance, see Local Energy Scotland, Foundation Scotland, and a webinar from SP Energy Networks on Structuring your community energy projects in a just and inclusive way.

Begin documenting your project early (photos, videos, time-lapse). This supports future engagement, education and fundraising. When applying for grants (see **Step 6: Securing finance**), it may be useful to include budget to have this done professionally.

Legal entity considerations

If not yet formally incorporated, plan to establish a legal entity early. Certain organisations cannot borrow money or enter into contracts. See **Appendix B – legal entities** for more information.

Conduct a pre-feasibility study

Once the building owner shows interest, conduct a pre-feasibility study – a concise, desktop-based evaluation to understand what size project might be technically and commercially viable. You may need to commission a consultant to help with this. Contact Local Energy Scotland for CARES funding to support this (see Step 6: Securing finance).

Requesting information from the building owner

Conducting a pre-feasibility study requires information about the building and site. As the community organisation, your role is to facilitate access and gather high-level information to assess initial viability. *Detailed technical assessments (roof surveys, structural evaluations, electrical system specifications) will be conducted by the solar installer or consultant you engage, but you'll need basic information from the building owner first.*

Start with the essentials (to get a quick sense of project viability)

☐ Building ownership status (e.g. freehold, leasehold)

☐ Current electricity consumption (12 months of bills minimum OR, if available, half-hourly data)

☐ Check whether they have an MPAN (Meter Point Administration Number)

☐ Current electricity tariff rates and any existing Power Purchase Agreement (PPA) rates

☐ Basic building information (age, construction type)

☐ Approximate roof dimensions and orientation (this can be verified by installer)

☐ Decision-making process and key contacts

The installer/consultant will gather additional technical details:

☐ Detailed roof structural survey and load-bearing capacity

☐ Electrical system specifications and connection points

☐ Confirm whether the existing metering setup can track import, export and on-site solar consumption with half-hourly capability, or requires upgrades

☐ Safe access routes to the roof

☐ Building occupancy patterns and peak usage times

☐ Planning constraints (listed status, conservation area, proximity to airports, etc)

Secure in-principle support from the building owner

Once you've identified a suitable building and partner, formalise their commitment. A non-binding letter of intent and written site access permission demonstrate credibility to funders and grid operators. The final, legally binding lease agreement will be negotiated in **Step 3: Securing the site**.

You may also develop a more formal agreement with the building owner:

- **Memorandum of Understanding (MOU):** A formal but non-binding agreement outlining both parties' intentions and areas of cooperation. An MOU signals commitment and can strengthen funding applications, but is usually not accepted as proof of legal rights to the site.
- **Heads of Terms:** A simple non-binding outline of the key commercial principles you both intend to include in the final legal agreement. This demonstrates agreement in-principle on core issues and is often accepted by DNOs as evidence you have permission to progress a grid application.

You might also negotiate exclusivity arrangements, ensuring the building owner doesn't work with competing projects. You could also encourage your site partner to embed the project into their organisational strategy, providing a clear mandate and demonstrating institutional support.

Contact Local Energy Scotland for template support for these agreements. You may also wish to consider seeking legal advice to ensure they adequately protect both parties' interests.

Secure early development funding and external support

Before proceeding, you'll need funding to cover early development costs, including pre-feasibility and feasibility studies, legal fees for lease agreements and contracts, planning applications, structural surveys and any additional professional support (e.g. consultants, project managers).

Contact Local Energy Scotland to access CARES (Community and Renewable Energy Scheme) funding for early-stage development costs, including pre-feasibility studies, consultancy support and project planning (see Step 6: Securing finance). **Note:** CARES operates on annual deadlines, so apply early.

Building owner's roles and responsibilities

At this stage, your main responsibilities are cooperation and information-sharing rather than formal commitments.

Provide building access and Information

Your key role is to supply enough information for the community organisation to assess viability:

- **Site access:** Allow early-stage visits to gather basic building information.
- **Building details:** Share essential facts such as ownership or lease arrangements, roof age/condition, recent issues, access for installation/maintenance and any regulatory constraints.
- **Electricity use:** Provide energy consumption data (e.g. seasonal averages, peak times, half-hourly data if available, and any relevant certificates).

- **Planned works:** Clarify any upcoming refurbishments or extensions that might affect the project. Timelines can be adjusted to coordinate works and reduce disruption.
- **Constraints:** Note potential limitations such as heritage listing, conservation areas, airport proximity or nearby services.

This information enables quick assessments and project sizing.

Assess partnership suitability

Consider whether this collaboration fits your organisation. As part of this:

- Brief relevant internal teams (procurement, legal, finance, estates) so they're aware and can flag requirements or barriers
- Consider value alignment – strong partnerships involve an engaged building owner and committed community organisation

Lend expertise (optional)

If helpful and feasible, offer light-touch support to early project development.

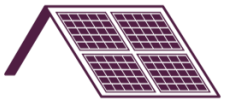
Examples of optional support:

- Providing or signposting to pre-feasibility funding (e.g. some local authorities hold funds for community energy groups)
- Facilitating conversations between the community organisation, site managers and estates teams if you manage multiple sites
- Offering support on funding applications (e.g. letter of support)
- Endorsing the community organisation to add credibility
- Offering informal advice or access to internal expertise, tools or frameworks
- Connecting them with other potential sites

Step 2: Feasibility study

A feasibility study assesses project viability and secures funder confidence. It confirms site suitability and provides investors with necessary details. The project moves from initial contact and outline agreements into assessing technical and commercial viability. This is generally delivered by an expert consultant, commissioned by the community energy organisation, with building owner support in providing data, procedural support and building access.

Responsibilities at a glance

 Community organisation	 Building owner
• Apply for funding • Select and manage consultant • Manage study process, including liaising with the building owner to get the information the consultant requires • Review findings and make decisions on best project pathway • Reach out to contractors, DNO and local authority for cost estimates	• Provide site access and technical information • Share all relevant building data, structural assessments and technical information • Clarify building restrictions and planned works • Consider lending relevant internal expertise (where appropriate)

Agreements and documents that may be required at this stage

Building information and data	• Data to be collected: building age, roof type and condition, ownership/lease terms, electricity consumption data (12 months minimum, half-hourly data if available), current electricity tariff rates and any existing PPA rates, planned works, building restrictions, heritage status, conservation area designation, airport proximity
Essential pre-installation reports	• The Building Condition Report, Electrical Installation Condition Report (EICR) and Asbestos Report (for older buildings) are critical for identifying potential issues before installation. While the building owner may already have some of these documents, these may need to be commissioned as part of the feasibility process.
Title deeds	• Essential for confirming legal ownership of the building before lease negotiations.

Structural assessments	• Existing roof surveys, load-bearing capacity assessments or confirmation that these will need to be commissioned.
Access arrangements	• Written confirmation of site access for consultant surveys and assessment visits
Feasibility report	• A comprehensive technical and financial assessment including site design, generation potential, financial viability, planning requirements, community benefits and risk management.

Community organisation's roles and responsibilities

Procure the feasibility study

Your main role is procuring a feasibility study from an expert consultant that provides comprehensive assessment of the project's technical and commercial potential, informing decisions, unlocking funding and setting a clear path forward. Table A2 (in Appendix A) highlights considerations for feasibility checks.

A feasibility study requires input from multiple organisations. Reach out early to:

- Contractors and suppliers (installation and component costs)
- The DNO (to estimate grid connection costs, potential grid constraints)
- The local authority (to understand planning requirements)
- Export tariff providers (to understand available export rates, as these directly impact financial viability)

You may also need a structural survey – see **Step 4: Planning permissions and building warrants** for guidance.

For example templates and feasibility studies, see North East and Yorkshire Net Zero Hub's Feasibility Report Structure and Grand Union Community Energy's Solar Car Parks Study.

Procure consultant support

Given the technical complexity, you'll need to hire a consultant. Start by creating a specification outlining your feasibility study requirements. Get recommendations from support organisations (such as Local Energy Scotland) on producing this specification or use their Framework contractors. Once complete, seek quotes from at least three consultants by emailing them directly or promoting through your social media channels.

Contact Local Energy Scotland to access CARES for funding for feasibility studies (see Step 6: Securing finance).

Manage the project

As the community energy organisation, you're responsible for overall project management. Do this yourself or hire a project manager with relevant experience if funding allows (see **Step 6: Securing finance**). If managing yourself, develop:

- **Project plan:** Detailed plan for different steps and phases, including responsibilities and contingencies
- **Gantt chart:** Detailed project timeline, broken down by activity
- **Team resourcing:** Outline of who within your organisation is responsible for which elements, including the third party role where appropriate
- **Risk register:** Live record of potential risks (e.g. funding gaps or lack of community engagement) and potential mitigations, updated at regular intervals

Building owner's roles and responsibilities

Provide building information and access

Share all relevant building data, structural assessments and technical information. Be clear about building restrictions, planned works (roof maintenance, tenancy changes) and upcoming changes. Consider lending internal expertise (such as electrical or structural engineers) if resources allow (see Step 1 for a breakout box of possible information requests from the building owner).

Step 3: Securing the site

Securing the site formalises the community organisation's right to install and operate the solar array. This stage typically builds on an earlier Memorandum of Understanding (MoU) or Heads of Terms (HoTs), negotiating a lease agreement with the building owner, agreeing on how electricity will be sold (via a Power Purchase Agreement, or PPA) and obtaining legal approval. These agreements establish the legal framework for construction, long-term operation, maintenance arrangements, liability and end-of-life responsibilities.

Responsibilities at a glance

Community organisation	Building owner
• Negotiate terms with building owner (lease and payment terms). • Seek legal advice and thoroughly assess any legal risks • Manage negotiation process • Secure building owner agreement	• Engage in negotiations • Instruct own solicitor to review legal terms • Sign legal agreement

Agreements and documents that may be required at this stage

Memorandum of Understanding	• If appropriate and not already completed in the previous step

Roof lease agreement	• The formal agreement between the building owner and the community organisation for leasing the roof for solar.
	• Below are some useful examples:
	  ○ Exeter Community Energy: Honiton Town Council lease agreement
	  ○ Devon County Council: Community Energy Legal Toolkit

Power Purchase Agreement (PPA)	• Although the terms of a PPA can be very tailored to a specific project, examples are still useful.
	• Below are some useful examples and resources:
	  ○ Aldgate Solar Power: Power Purchase Agreement
	  ○ North West Net Zero Hub: Power Purchase Agreement Guide
	  ○ Montel: PPA pricing strategies explained

Community organisation's roles and responsibilities

Establishing an agreement

Once feasibility is complete and you're confident in the site's viability, negotiate a formal agreement. This builds on any earlier MOU or Heads of Terms and requires legal advice from a solicitor.

This agreement is the final binding contract granting the community group the right to install and operate the system. It sets the legal basis for construction and long-term operation and typically covers:

- **Rights and responsibilities:** Boundaries and responsibilities of the relationship, including any rights granted
- **Insurance and liability:** What the building owner can and can't assure about the site, and where responsibility for insurance and liability sits
- **Operations and maintenance:** Who is responsible for maintaining and repairing the array, and maintenance intervals
- **End of life:** What happens when the array reaches end-of-life, decommissioning responsibility, whether the building owner may want a buy-out clause ahead of decommissioning and any clauses for premature termination

Budget for legal support early, as community groups may need funding for both their own and the partner organisation's legal costs. Speak to Local Energy Scotland about CARES funding (see Step 6).

Agreeing the method of electricity sale

You and the building owner may also require a **Power Purchase Agreement (PPA)** – a contract allowing the building owner to purchase electricity directly from the solar array at an agreed price and schedule. This guarantees your revenue while giving them a consistent, often discounted rate, hedging against market fluctuations. In some cases, the PPA and site agreement may be combined into one agreement.

Negotiating a PPA requires agreement on:

- **Pricing method:** You'll need to agree how electricity is priced. Options include:
    - Fixed price (set for the contract duration)
    - Indexed to market prices (varies with energy markets)
    - Hybrid approach (combination of fixed and indexed)
    - Discounted rate (set as a discount off their current electricity costs)

- **Contract length:** Power Purchase Agreements can vary in length depending on the community organisation and site owner's preferences. Longer-term PPAs (e.g. 10-15 years) guarantee revenues and can stabilise the price for the purchaser in case of market price fluctuations. However, this may also lock purchasers into higher prices if market prices come down. As such, each PPA should be negotiated to meet both parties' needs.
- **Payment terms:** How frequently the building owner pays you (monthly, quarterly, etc.)

Keeping PPA costs competitive can help attract the building owner and align with their existing electricity pricing. For more details on PPAs, their costs and structures, see the CARES guide on non-commodity relief. A solicitor or legal expert should guide this process. Consider asking other community energy organisations for example PPAs to speed up negotiations and highlight potential challenges.

Consider commissioning an energy market consultant to advise on appropriate pricing based on market forecasts and cost considerations. This expertise is particularly valuable when determining fixed vs. indexed pricing and contract length. It may also be incorporated into the feasibility study.

Tip to reduce legal costs during negotiation

Legal support is essential, but it can be costly, particularly with larger organisations that request multiple revisions. Consider asking your solicitor to provide a "traffic light review" of draft agreements. This involves the solicitor marking terms as:

🔴 **Red – cannot accept.** These are terms that pose significant legal risk or are unacceptable to your organisation. These must be negotiated or rejected.

🟡 **Amber – needs attention.** These are terms that might cause issues or need clarification. Focus negotiation efforts here to resolve concerns.

🟢 **Green – acceptable.** These are terms that are reasonable and can be included as-is. These don't need further negotiation.

Why use this approach?

- It focuses negotiation on what really matters (red and amber items)
- It reduces legal costs by streamlining the review process
- It prevents getting bogged down in minor details
- It gives you a clear action plan for each term.

Once you've negotiated based on this feedback, return revised terms to your solicitor for final sign-off. Ask your solicitor to keep the documents clear and accessible to help reduce complexity.

Building owner’s roles and responsibilities

Review agreements carefully

The roof lease agreement is led by the community organisation. Once finalised, it provides the full legal right to develop, install and operate the project. Carefully consider project risks and how liabilities should be distributed. Have your legal team or solicitor review all agreements thoroughly.

Manage internal coordination

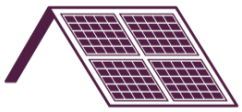
Inform your legal, finance and procurement teams early, as they’ll need to sign off on the lease and PPA. These agreements must work within your existing procurement frameworks.

In cases where the site user/tenant is not the building owner, there are likely to be contractual ramifications to resolve before an installation can take place. The site user will be required to secure approval from the building owner.

Step 4: Planning permissions and building warrants

Most rooftop solar installations benefit from Permitted Development Rights and do not require formal planning permission – always confirm eligibility with your local planning authority early. Note that building warrants may be required separately, regardless of planning permission requirements. Securing the correct approvals is crucial to projects progressing efficiently.

Responsibilities at a glance

 Community organisation	 Building owner
• Engage with the planning authority • Check PDR eligibility and obtain written confirmation from the planning authority • If planning permission is required, carry out surveys, gather information and conduct community consultation for planning applications (note: community engagement should occur throughout the project) • Determine building warrant requirements with local authority	• Provide site information • Support a Roof Structural Survey to be carried out

Agreements and documents that may be required at this stage

Building warrant requirements	• Building Warrant (likely required for most commercial buildings, particularly those with public access such as schools) • Roof Structural Survey – SER (Structural Engineer Registration) Certification • Note: Confirm requirements with building control authority (currently local authorities) during pre-feasibility stage
Prior approval	• A formal confirmation for Permitted Development Rights, **if required**
Planning permission common requirements	• Online application, site plans and drawings, fee payment, **if required**

Community organisation's roles and responsibilities

Confirm whether Permitted Development Rights (PDR) apply

First, confirm whether your site is eligible for Permitted Development Rights. PDR are automatic planning permissions for certain developments, including rooftop solar – meaning you may not need a formal planning application.

PDR doesn't usually apply to listed buildings, conservation areas, World Heritage Sites or sites near airports. Verify this with your local authority early, as it directly affects your timeline and costs. Scottish guidance on Permitted Development Rights is available for non-standard cases here. Also see Table 1 below for general guidance on PDR in Scotland.

Table 1. Permitted Development Rights (PDR) for Scotland

Technology/installation	
Rooftop solar (domestic)	✓ Usually permitted if panels are <1m protrusion from the building to which they are attached*
Rooftop solar (non-domestic building)	✓ Usually permitted if panels are <1m protrusion from the building to which they are attached*

**Restrictions may apply to listed buildings, conservation areas, World Heritage Sites, sites near airports, etc.*

Confirm in writing PDR eligibility with the local authority

Contact your local authority to confirm whether PDR applies and if Prior Approval is needed (find relevant local authority here). Prior Approval is a simplified process where the authority checks specific aspects (siting, design, appearance) rather than assessing a full application.

Get written confirmation from your local authority about whether PDR applies and if prior approval is needed – this provides clarity and can help protect your project.

You could also apply for a Certificate of Lawfulness (formally confirms your development is lawful under planning law), which can provide extra legal certainty, even when PDR applies.

If planning permission is required

If the project needs planning permission (for example, if the panels rise >1m above the property), gather the necessary information. This typically includes details about the location and size of the project and any potential impacts on the surrounding area. They may also request detailed plans and drawings of the installation.

Submit your application online with the required fee. The authority has up to four months to make a decision. Heritage buildings or other circumstances may require additional documents (further guidance in the CARES toolkit for Solar PV and through engagement with the relevant local authority).

Community engagement is crucial for planning approval. Begin this process early, ideally with the building owner's involvement (particularly those using the building).

Determine building warrant requirements

In Scotland, most commercial buildings will require a building warrant for solar PV installation, even when PDR applies. This is particularly likely for buildings with public access (e.g. schools, community centres, offices) or those requiring any structural strengthening to support the installation.

Contact your local authority (the verifying body for building standards in Scotland) early – ideally during the pre-feasibility stage – to confirm whether a building warrant is required for your specific building. If it is, you will need to:

- Apply for and obtain approval from your local authority
- Provide SER (Structural Engineer Registration) certification – documentation from a registered structural engineer certifying compliance with Scottish Building Standards.

Arrange structural assessments

A Roof Structural Survey is typically necessary before installation. This is a detailed inspection of the roof's structural integrity by a qualified surveyor or structural engineer, confirming it can safely support the solar panels. The solar installer typically arranges and conducts this survey – ensure this is included in your installer's quote.

If roof strengthening is needed, this must be completed before solar installation and will require separate Building Warrant approval for the strengthening works.

Building owner’s roles and responsibilities

Provide information and support

Provide site dimensions and any additional building information needed for planning applications, and provide access and information to support any roof structural surveys the community organisation arranges.

Support community engagement

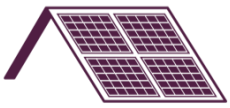
Support the community organisation’s engagement with local residents through your existing relationships. This could include promoting events, facilitating discussions or sharing information through staff and partners.

However, if you’re a local authority, your officers should maintain independence to avoid conflicts of interest, as you’re also the planning authority.

Step 5: Grid connection

Most solar installations need a grid connection to export any excess power, even if most electricity is used on-site. The connection application submitted during this stage informs the community energy organisation what the feasibility and cost is for their connection, which directly impacts project viability. Community organisations should consider this early in the process (e.g. at the pre-feasibility stage).

Responsibilities at a glance

 **Community organisation**	 **Building owner**
• Engage early with the DNO • Submit grid connection application • Provide technical information and site details • Review and accept/reject connection offer • Coordinate construction and metering arrangements	• Provide site location and layout information • Confirm land ownership or Heads of Terms agreement • Support DNO access for site surveys if needed

Agreements and documents that may be required at this stage

DNO connection application form	The formal application to the local DNO, completed with project details and technical specifications
Connection offer from DNO	• This sets out the connection costs and payment terms, construction timescales, metering arrangements, contestable vs. non-contestable work and conditions or requirements
Legal agreements (if required)	• Wayleaves or easements (if equipment needs to be installed on land not owned by the community group or building owner; these give legal permission to use someone else's land for cables or other equipment) • Adoption agreements (if using contestable works with third-party contractors; these confirm the DNO will take responsibility for the contractor's work once completed)

Community organisation's roles and responsibilities

Engage the DNO before starting an application

Contact the local DNO as early as possible – ideally during pre-feasibility checks. Early engagement helps you:

- Understand network capacity in the local area
- Identify potential connection options
- Provide preliminary cost estimates (including whether there is a cost for the application itself) before submitting a formal application
- Highlight any challenges that might impact project viability.

Some DNOs have dedicated community energy contact points or online tools to support this early engagement and provide preliminary estimates.

Submit a formal application (usually through your installer)

Once you've engaged a solar installer and they've completed the site design, they will typically submit the formal grid connection application to the DNO on your behalf. Verify this with your installer early to help with project planning. The application requires detailed technical specifications that can only be provided after site design is complete.

Information needed for the application:

- Site location
- Layout plan
- Estimated generation capacity
- Connection type (typically G99, which applies to most small-scale solar installations)
- Planning status (submitted, approved or exempt).

Requirements vary by DNO, so check your DNO's guidance:

- **Scottish Power Energy Networks (SPEN):** See SPEN's High-Level Solar Guide
- **Scottish Southern Electric Networks (SSEN):** See SSEN's Generation Connections Guide

Receive the connection offer

The DNO will provide a formal connection offer within a specified timeframe. When you receive it:

- Review costs, timescales and conditions carefully
- Seek technical advice if needed to understand the terms
- Note the offer's expiry date
- Decide whether to accept within the required timeframe.

The offer will specify whether work is ‘contestable’ (can be done by competing contractors) or ‘non-contestable’ (can only be done by the DNO). Understanding this distinction helps you understand connection costs (for contestable work you can open it to competitive bidding, but for non-contestable work you will have to pay the DNO).

Construction, commissioning and metering

Once you’ve accepted the offer:

- Confirm metering arrangements with the DNO
- Coordinate construction timescales with the DNO and building owner
- Obtain final commissioning certificates before switching on the system

Building owner’s roles and responsibilities

Provide site information and access

Support the grid connection process by providing information, such as:

- Site location details
- Site-specific constraints (listed building status, conservation area designation, etc.) that might affect connection options
- Heads of Terms agreement (or roof lease agreement, if already completed) – led by the community organisation. This document outlines the key terms both parties intend to include in a final lease, and provides proof that the community group has the legal right to develop the site.

Be available if the DNO needs to visit for surveys or assessments. Communicate any restrictions on site access or timing (for example, if the building is occupied).

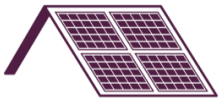
Support DNO engagement

Be available if the DNO needs to visit the site for surveys or assessments, and communicate any restrictions on site access or timing (for example, if the building is occupied and access needs coordination).

Step 6: Securing finance

Securing finance is essential for a community energy project. While a PPA provides a guaranteed income stream, additional upfront capital is usually required to cover project costs before the PPA generates revenue. Early planning for grants and other funding sources is crucial to reduce upfront costs and support project viability.

Responsibilities at a glance

 Community organisation	 Building owner
• Identify funding sources, and reach out to support organisation for advice/guidance on applications • Prepare applications and apply • Establish financial agreements with funders • Manage funding requirements throughout the project	• Support community group's applications • If appropriate, consider potentially contributing equity or become an investor on the project

Agreements and documents that may be required at this stage

Grant or loan applications	• Formal submission to funding bodies (CARES, other government funding schemes, foundations, DNOs, specialist lenders) that outlines your project, financial need, and how you'll use the funds. Each funder has specific requirements and criteria.
Business plan and financial model	• A detailed document that outlines your project's strategy, operational plan, and financial projections. This demonstrates viability to investors and lenders, showing revenue forecasts, costs and repayment capacity.
Offer document (if doing a share offer)	• A document for potential investors that explains the investment opportunity, expected returns, investment risks and what happens to their money. It combines elements of a business plan with marketing messaging.
Investor agreements	• Legal documents setting out the terms and conditions between your organisation and equity investors or share purchasers. This covers rights, responsibilities, how returns are distributed and what happens if circumstances change.

Loan agreements	• Formal contracts with banks or specialist lenders that specify loan amount, interest rate, repayment schedule, security/collateral and lender conditions. These protect both your organisation and the lender.

Community organisation's roles and responsibilities

Securing finance

Community solar projects require upfront capital. Most community groups combine **equity**, **debt** and **grants**. Grants are typically used in earlier stages to establish project feasibility and conduct development work, while finance (equity and debt) is more often used for capital costs of building your project, but this can vary. Select the mix that best suits your project context and risk profile (see Table 2). Plan this as early as possible to help with planning and secure building owner buy-in by demonstrating viability. See Appendix A for costs to budget. Below is a list of organisations that can provide guidance and support.

Getting support with raising finance

- **CARES (Community and Renewable Energy Scheme) –** provides funding and development support for community energy projects
- **Community Shares Scotland** – free support and guidance to anyone interested in learning more about community shares.
- **Ethex –** crowdfunding platform specialising in community energy investment offers
- **Energy4All –** end-to-end project support, including on setting up community share offers
- **DNOs often have small funds –** e.g. SP Energy Networks' community funding
- **Local authorities/combined authorities –** may have dedicated community energy funding schemes or can signpost to regional opportunities.
- **Younity –** supports community energy groups with funding opportunities, PPAs and volunteer matching services.

Table 2 Types of finance for community energy projects and examples

Type of finance	Examples
Equity (finance that the community already has or can raise)	• **Existing community funds:** cash reserves accumulated from prior fundraising or operational activities within the community • **Community share offers:** crowdfunding initiatives where local participants invest capital and may receive modest financial returns • **Asset-backed equity:** using existing community-owned assets as security to borrow capital for the community's equity investment.
Debt (finance borrowed from banks or specialist lenders, usually secured against the project and its future income)*	• **Project finance**: non-recourse loans secured against the project's assets and revenue stream • **Commercial bank loans**: traditional lending from banks experienced in renewable energy • **Specialist social lenders**: financing from mission-driven financial institutions that focus on community and social enterprises (e.g. Triodos Bank, Social Investment Scotland, Thrive Renewables).
Grants (public or charitable funding)**	• **Government grants:** funding schemes from national, devolved and local authorities • **Foundation grants:** opportunities through philanthropic organisations and lottery funding • **Utility company funds:** energy companies offering community energy grants • **Distribution Network Operator (DNO) community funds** (e.g. see SP Energy Networks' community funding) • **The building owner or the local authorities** may also know of regional opportunities.

**Securing loans can be challenging for smaller projects, as many financial institutions prefer larger investments. Speak to your local development officer at CARES before beginning this process, as there may be grants available (see next section). Find your local development officer here.*
***Check each funder's eligibility criteria to understand what costs they will support.*

Building owner's roles and responsibilities

Supporting the community energy organisation

You can also support the community organisation by:

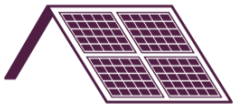
- Endorsing funding applications (e.g. letters of support)
- Providing matched funding or signposting internal grant schemes (where available)
- Signposting external funding opportunities (e.g. CARES)
- Offering practical support with applications (e.g. staff time)
- Promoting community share offers through existing communication channels (while avoiding regulated financial advice), if applicable.

In some cases, the building owner may wish to become an investor in community-led projects. This requires coordination between the community energy organisation and the finance department at your organisation to agree on investment terms and approach.

Step 7: Build management and installation

Once financing and agreements are in place, the project moves into construction. This stage involves selecting contractors, managing installation, ensuring safety and quality and coordinating activities on the site. The community organisation leads delivery, while the building owner ensures safe and practical access to the building.

Responsibilities at a glance

 Community organisation	 Building owner
• Procure and select contractors and suppliers • Manage project schedule in timeline or hire a project manager • Oversee quality and compliance • Manage health and safety on site	• Provide site access for construction • Coordinate access and scheduling around building operations • Ensure building-specific requirements are met

Agreements and documents that may be required at this stage

Procurement contracts	• Formal agreements with selected contractors specifying scope, price, timeline, warranty and insurance requirements
Risk assessment	• Documents which identify hazards and mitigation measures
Insurance and indemnity	• Confirm contractor has appropriate liability and workers' compensation insurance
Warranties and certifications	• Documentation of MCS certification, product warranties and installation guarantees
Approval from building owner for procurement process	• Confirmation that procurement follows the building owners requirements

Community group's roles and responsibilities

Managing the project

You are responsible for procuring and managing the installation process. This includes managing the schedule, tracking progress, overseeing quality and ensuring compliance with standards, including CDM (Construction Design and Management) regulations. Note that CDM requires a Principal Designer to manage health and safety during design. Clarify to the building owner that the project will follow these regulations throughout.

Many organisations hire a project manager (if funding allows – see Step 6) to help coordinate procurement, manage health and safety and CDM compliance and oversee contractors.

Ensure your Principal Designer (appointed earlier for CDM compliance) is involved throughout the construction phase to manage health and safety risks.

Insurance requirements

You must have appropriate insurance before and during construction. Secure public liability insurance for your organisation to cover incidents during construction. Once the system is operational, obtain insurance covering the solar installation assets and ongoing operations. Consult an insurance broker experienced in community energy projects to ensure adequate coverage at each stage. See Step 8 for ongoing insurance requirements.

Procurement/tendering process

You are also responsible for selecting qualified contractors and suppliers. Useful directories include (though still check references, certifications and track records):

- Local Energy Scotland's contractor directory
- EST's Renewables Installer Finder
- MCS "Find a Contractor" tool

A competitive tender process is often the best way to compare pricing, experience and technical approaches. It also helps clarify project requirements for you and the building owner.

Some building owners (like local authorities) have mandatory procurement rules or pre-approved contractors. Understand these early, as they can significantly impact project costs (e.g. if the supplier/contractor fees are much higher than if you could tender more widely).

Tips for procurement

- **Obtain competitive quotes that consider more than price: warranty terms, maintenance costs and other project components**
- **Advocate for using a standardised scoring matrix to evaluate candidate. Agree the scoring criteria and weighting with your team (and building owner, if involved) before reviewing applications.**
- **Clarify what's included in quotes (some suppliers include installation in panel prices; others charge separately). Be aware that using a different installer than the panel supplier could affect warranties**
- **Understand your funding requirements. Different funding sources have their own procurement rules and payment schedules. Ensure that your procurement plan aligns with when funds will be available.**

Overseeing installation, including quality assurance and health and safety

You (or project manager) are also responsible for ensuring the installer meets contractual obligations, technical standards and agreed timelines. This includes:

- Verifying work quality and adherence to specifications
- Conducting a pre-installation risk assessment
- Ensuring contractors follow health and safety procedures
- Minimising disruption to building users (e.g. scheduling work during school holidays)

Securing certifications, warranties and documentation

Before handover form the installer, you may need the following:

- MCS certification and electrical installation certificates
- Inspection and Testing Certification from a third-party inspector
- As-fitted drawings with all components clearly labelled, showing what belongs to whom
- Product and workmanship warranties in writing
- Full commissioning documentation showing the system has been test and performing as expected.

These are essential for future maintenance, export tariff applications (e.g. with energy suppliers), insurance and troubleshooting. During final inspection, document any site-specific considerations such as access constraints or risks. Keep all records securely and provide copies to the building owner as agreed.

Building owner's roles and responsibilities

Support the procurement process

Inform the community group of any procurement rules, required approval processes or pre-approved contractors. Failure to clarify this early can affect project cost and viability.

If a competitive tender process is being used, be involved to ensure your requirements/concerns are met. This might include reviewing and providing feedback on the tender, and participating in discussions and decisions on who is selected.

Support in planning and access

Provide reliable access for installation and coordinate timing around normal building operations. Your responsibilities include:

- Communicating suitable times for installation to minimise disruption to building users
- Sharing building-specific safety procedures and access restrictions (e.g. occupied buildings, shared spaces)
- Ensure the community organisation (and therefore, the contractor) understands building-specific health and safety requirements for the building.
- Coordinate access to the site for specified times

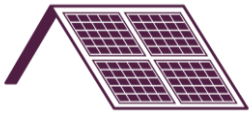
Support quality oversight

Prepare the building for installation (e.g. ensure safe roof access, identify utilities) and be available to resolve site-specific issues. As you may have your own insurance for the building, verify that installation is completed to agreed standards alongside the community organisation (or hired project manager, if applicable).

Step 8: Operations and maintenance

Once the system is installed and commissioned, the project enters a long-term operational phase (typically 20–25 years). During this time, the community organisation takes primary responsibility for monitoring system performance, managing finances, arranging maintenance and meeting funder or contractual obligations. The building owner continues to play an essential supporting role by providing access and paying for electricity as agreed.

Responsibilities at a glance

 **Community organisation**	 **Building owner**
• Ensure monitoring and metering systems are set up • Manage finances and income collection • Arrange maintenance contracts • Report to funders and stakeholders • Manage insurance and liability • Maintain site access arrangements	• Pay for electricity according to PPA terms • Provide reliable access for monitoring and maintenance • Track benefits received (emissions reductions, community benefits) to feed into KPIs • Notify community group of planned closures or disruptions

Agreements and documents that may be required at this stage

Maintenance contract	• Formal agreement with maintenance provider (installer or certified service provider) specifying what is covered, frequency of servicing, costs, and warranty terms
Access arrangements	• Documented in the roof lease agreement, specifying the community group's right to regular access for monitoring and metering, as well as emergency access for repairs
Monitoring and reporting protocols for building owner and funders	• Documenting how performance data will be collected, stored, and reported to funders or stakeholders (might want to include in the PPA)
Funder reporting requirements	• Clarity on what updates and data the community group must provide to funders during the operational phase

Community organisation's roles and responsibilities

Monitoring and metering

All solar PV systems should be installed with an electricity generation meter to track total solar production. Export metering (which may use existing building meters if capable or require new meters) tracks electricity sent back to the grid. Together, these allow you to calculate on-site solar consumption. Confirm during feasibility that the building's existing meter is capable of tracking export and half-hourly readings.

All solar PV systems should be installed with an electricity generation meter. You should also install export meters to track on-site consumption. Use monitoring software to regularly track this data to:

- Calculate payments owed by building owners
- Track historical performance trends
- Identify technical problems early
- Meet funder reporting requirements (see Community Energy London's Monitoring and Evaluation guide for further advice)

Performance data is essential for spotting inefficiencies and completing required monitoring and evaluation.

Setting up export metering may require access to the building's main meter and coordination with the Meter Operator (MOP) to provide access. Your installer or export tariff provider can provide further guidance on the specific metering requirements for your project.

Financial management

Once operational, manage the financial model established during project planning. This includes:

- Invoicing the building owner based on PPA terms
- Paying fixed costs (loans, maintenance, rent, insurance)
- Distributing surplus income (e.g. to shareholders or community benefit funds)
- Tracking and reporting on financial performance

Explore applicable support schemes, such as the Smart Export Guarantee (a UK government initiative that pays small-scale generators for excess electricity exported to the grid).

Tracking, monitoring and reporting

You are responsible for tracking, monitoring and reporting to the building owner and funders. For example, the building owner may wish to have access to the electricity consumption for the solar panels, which could feed into their KPIs if setting up the project for environmental/carbon reduction goals.

Discuss early with the building owner what information will be available, and how often you will send this information.

Insurance and liability

You are responsible for securing appropriate insurance coverage for the solar installation (buildings insurance, equipment insurance, liability insurance), but the building owner will also need their own insurance.

Check insurance feasibility early, as it could impact project feasibility if insurance cannot be secured or premiums are prohibitively high. For example, roof age, condition, building and roof type can impact insurability.

Important considerations

- **Confirm early that the building owner's insurance allows solar installation**
- **When selecting an insurance, ensure that it remains valid throughout the system's lifetime or be aware of when this will needs updated during the project**
- **Understand liability responsibilities if something goes wrong (e.g. who is responsible if the installation damages the roof, or if someone is injured during maintenance) and how that is split and agreed with the building owner and their insurance**
- **Document liability arrangements clearly in the lease or PPA**
- **Maintain up-to-date insurance records and share relevant details with the building owner**
- **Consult an insurance broker experienced in community energy projects.**

Maintenance and repairs

Solar PV will require maintenance over the course of its lifetime, including cleaning (note that some insurance policies are now requiring 6-month cleaning). You are responsible for ensuring this occurs and will need to be available if emergency repairs are needed. This work is typically contracted out to the installer or a certified maintenance provider.

You must ensure that the schedule of maintenance follows warranty and insurance guidelines. Using non-approved providers or failing to document maintenance can void warranties, so keep detailed records of all maintenance activities.

There may also be repairs or replacements required over the course of the project. Consider extended warranties on key components, particularly inverters (which typically need replacement once during the system's life). Some community organisations purchase spare panels at the outset, as changes in technology may make identical replacements unavailable later.

Site access and maintenance arrangements

Stay in contact with the main contact of the building owner to ensure they maintain arrangements for regular access to monitor and service the system. Provide advanced warning to the building owner of any planned site closures or disruptions that might affect maintenance schedules and work together to make any disruption as minimal as possible.

Can't or don't want to manage operations yourself?

Some community organisations choose to outsource operational management to project managers and contractors. This can reduce the workload on volunteers within the community organisation. Ensure that this is calculated into the costs upfront.

Building owner's roles and responsibilities

Payment and electricity use

Pay the community organisation for electricity according to the agreed PPA or lease terms. These should be paid on time and in full.

Access and maintenance support

Provide the community organisation with reliable, regular access to the solar array for monitoring, metering and maintenance activities. The community organisation may contact you to give notice of planned site visits. Provide any building-specific restrictions that could impact maintenance scheduling as soon as possible so the community group can plan accordingly.

Tracking benefits

You may also want to track the benefits you are receiving from the solar array, e.g. emissions reductions and contributions to a community benefit fund. If required, request access to monitoring equipment or reports from the community energy group on the solar installation (e.g. energy cost savings, emissions reductions). This may need to be built into the roof lease agreement or PPA to ensure the community group establishes a protocol and can budget for the time to report.

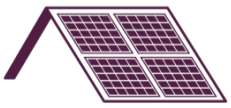
Ongoing engagement

For projects to succeed long-term, remain engaged and supportive. This is particularly important for maintenance and for gaining access to the site.

Step 9: End-of-life planning

End-of-life planning sets out what happens when the solar array reaches the end of its operational life (typically 25–30 years). Agreeing who pays, who removes or replaces equipment and how the site will be restored protects both parties and avoids costly disputes later. Start these conversations early and record outcomes in the lease/PPA so obligations are clear long before decommissioning is needed.

Responsibilities at a glance

 **Community organisation**	 **Building owner**
• Plan for decommissioning timeline and costs • Review lease and planning permission duration • Decide on replacement vs. decommissioning • Explore panel recycling options	• Confirm lease terms and end-of-life provisions • Discuss site restoration plans • Decide on ownership transfer or removal

Agreements and documents that may be required at this stage

Decommissioning agreement	• ideally part of the lease/PPA agreement, setting out: • Responsibility for removal and recycling • Budget for decommissioning costs • Timeline for removal if required
Ownership transfer agreement (if applicable)	• formal documentation if: • The building owner will purchase the array at end-of-life • Ownership transfers to another party • The system will continue operation under different management
Planning permission documentation	• How long planning permission is valid • Any conditions about removal or restoration at end-of-life

Community organisation's roles and responsibilities

Plan timeline and track lease duration

Confirm how long the lease or site agreement runs, and how long the planning permission is valid for, to confirm whether these expire before the panels reach end-of-life. Build renewal or transition options into early planning.

End-of-life decisions or end of community group's involvement

Plan ahead for what happens when the system reaches end-of-life. Options include:

- **Replace with newer technology**: if the site remains suitable and funding can be secured, panels can be replaced with more efficient models
- **Continue operation**: if panels are still functioning and the lease/planning permission allows, the system can continue operating
- **Decommission and remove**: if replacement or continuation is not feasible, plan for removal and site restoration

There may also be a clause in the agreement where the building owner can purchase the solar panels outright at a certain point in the project. You should have already agreed on what this would look like upfront with the building owner in the agreement, including what the costs and requirements would be for the building owner.

Decommissioning costs and planning

Budget for decommissioning costs from the outset (i.e., include this in initial financial planning). Clearly agree and officially document who is responsible for removal in the lease or PPA agreement (typically the community organisation, unless agreed otherwise with the building owner).

If the decision is to decommission and remove the technology, also plan for site restoration to its original condition (or as agreed in the lease/planning permission).

Recycling and reuse

Most silicon-based solar panels can be recycled. You should explore recycling options for panels and other components at end-of-life (e.g. inverters, mounting systems) can be reused or sold. Speak to your installer early about their end-of-life collection process and factor the estimated time and cost for decommissioning and recycling into your budget from the project outset.

Building owner's roles and responsibilities

Confirming lease and planning terms

Engage in end-of-life planning alongside the community group. Stay aware of lease duration, planning permission conditions and any buy-out or end-of-life clauses. It may also be of interest to renew the project with the community organisation or transfer ownership early. Begin discussions ahead of the end of life so the community can plan accordingly.

End-of-life outcomes vary depending on the agreement in place. Common scenarios include:

- **Removal by community group** – the community group is responsible for removing the installation and restoring the site
- **Continued operation under new terms** – if neither party wishes to remove the system as it could still work operationally, arrangements may continue under revised terms
- **Transfer of ownership** – the building owner purchases the array and takes responsibility for ongoing operation, maintenance or decommissioning (at a predetermined cost).

Agree restoration expectations

Clarify what condition the site should be returned to, who covers restoration costs and whether any infrastructure (e.g. mounting structures) should remain. Consider your preference to the following questions, and communicate that to the community energy organisation:

- What condition should the site be returned to?
- Who bears the cost of restoration?
- Are there any exceptions? For example, if as building owner you want to retain mounting structures.

Early engagement

While end-of-life may seem distant, you should engage in these conversations early. Decisions made now (about lease duration, planning permission scope and end-of-life responsibilities) will affect what's possible in 25-30 years.

Glossary

- **Adoption agreement**: Legal document confirming that a Distribution Network Operator will take responsibility for a contractor's work once completed.
- **CAPEX**: Capital Expenditure, a one-time upfront costs for a project, such as equipment and installation.
- **Community Benefit Fund**: Money set aside from project income to provide benefits to the local community, often distributed for local projects or initiatives.
- **Decommissioning**: The process of removing and dismantling solar panels and related equipment at the end of the system's life.
- **Distribution Network Operator (DNO)**: The company responsible for managing the local electricity network and connecting new installations to it.
- **Easement**: Legal permission to use someone else's land (usually for cables or other infrastructure) without owning it.
- **Export meter**: Equipment that measures electricity sent from the solar system to the electricity grid.
- **Generation capacity**: The maximum amount of electricity a solar installation can produce, usually measured in kilowatts (kW).
- **Grid connection**: The physical and legal connection linking a solar system to the main electricity network, allowing export of excess power.
- **Heads of Terms**: A simple, non-binding outline of the key commercial terms both parties intend to include in a final legal agreement.
- **Hectare**: A unit of land area equal to 10,000 square metres.
- **Heritage listing**: Official designation of a building as having historical, architectural or cultural importance.
- **In-kind support**: Non-financial help such as providing staff time, use of facilities, or expertise.
- **Inverter**: Equipment that converts the direct current (DC) electricity produced by solar panels into alternating current (AC) electricity used by buildings and the grid.
- **Roof lease agreement**: A formal, binding contract between the building owner and community organisation allowing use of roof space for a defined period.
- **Memorandum of Understanding (MOU)**: A formal but non-binding agreement outlining both parties' intentions and areas of cooperation.
- **Microgeneration Certification Scheme (MCS)**: UK certification scheme confirming solar installations meet quality and safety standards.
- **OPEX**: Operating Expenditure, an ongoing and recurring project costs such as maintenance and insurance.
- **Permitted Development Rights (PDR)**: Automatic planning permissions for certain types of development, including rooftop solar in many cases, requiring no formal planning application.

- **Power Purchase Agreement (PPA)**: A contract allowing the building owner to purchase electricity directly from the solar array at an agreed price and schedule.
- **Prior approval**: A simplified planning process where the local authority checks specific aspects (siting, design, appearance) rather than assessing a full application.
- **Procurement**: The process of selecting and purchasing goods or services from external suppliers or contractors.
- **Structural survey**: A detailed inspection of a building's structural integrity by a qualified surveyor or engineer, confirming it can safely support solar panels.
- **Wayleave**: Legal permission to use someone else's land (usually for cables or other infrastructure) without owning it; can be revoked more easily than an easement.

Additional resources

Other solar PV guides

- SPEN's Solar Guide
- Community Energy London's Guide to Solar PV
- CARES Toolkit – Module on Solar PV
- Sustainable Energy Authority of Ireland's Community Energy Toolkit for Solar PV
- Energy Saving Trust's Guide to Solar Panel Installation
- Energy Saving Trust's article on Solar panels: costs, savings and benefits explained

Planning and technical tools

- PVSol – detailed solar design and simulation software
- Solcast – solar irradiance and generation forecasting
- Energy Saving Trust's Solar Calculator to get a rough idea of how the system might perform, including how much electricity could be used on-site or exported.

Community benefit fund guidance

- Local Energy Scotland's community benefit toolkit
- Foundation Scotland's 'Guiding Principles and Actions for Enhancing Community Benefits from Community Benefit Funds'
- SP Energy Networks webinar on 'structuring your community energy projects in a just and inclusive way'.

Finding an installer

- Local Energy Scotland's contractor directory
- EST's Renewables Installer Finder
- MCS 'Find a Contractor' tool

Appendix A – Early process assessments

Table A3. Checklist for ideal site characteristics for solar PV

Technology	Ideal characteristics
Roof space	☐ South-facing (or potentially east-west facing) with little shade through summer and winter ☐ Roof angle at around 30°-40° (flat roofs can use angled frames) ☐ Strong and safe structure (survey may be needed for older roofs) ☐ Enough space: Roughly 8m^2 per kWp for sloped roofs (assuming that a typical panel is 1.1m x 1.7m and weighs about 21kg). Flat roofs need more space to avoid panels shading each other. See BRE's guidance for more information on this. ☐ Limited rooftop furniture ☐ Panels as close to the buildings electrical systems as possible to bring wiring costs down
Tenure	☐ Freehold, or leasehold with supportive landlord ☐ Not requiring renewal in the medium term
Usage	☐ High daytime energy usage
Access	☐ Road access for construction and maintenance ☐ Safe and straightforward access to roof
Use restrictions	☐ Not interfering with conservation zone, flightpath, height or noise restrictions ☐ Limited visual impact

What to assess in pre-feasibility:

- **Size:** How many panels could reasonably fit based on space and orientation
- **Cost:** Including estimations of the cost of:
    - Feasibility studies
    - Community consultations
    - Structural surveys and architectural drawings
    - Equipment cost and installation
    - Operation and maintenance costs
    - Insurance costs (including renewal)
    - Grid connection costs
    - Community benefit payments
    - Any repayment of loans or returns to investors
    - Potential repairs
    - Decommissioning
- **Technical appraisal,** including:
    - Roof structural capacity (type, age, orientation, tilt, load-bearing)
    - Environmental factors (wind, shading, climate)
    - *You may need a surveyor for older or complex buildings*
- **Energy:** Generation potential, on-site use and grid export
- **Income:** Selling electricity to the building owner (PPA), payments for surplus electricity sold to the grid
- **Insurance:** Understand the insurance conditions of the site

Key components for which you'll need quotes from suppliers/installers:

- Solar panels (some organisations purchase extra panels because replacements can be hard to match if damage occurs)
- Inverters (converts DC electricity from panels into AC electricity compatible with the grid)
- Mounting systems (secures panels to roof or ground)
- Cabling and wiring (connects panels to the building or grid)
- Monitoring systems (tracks system performance over time)
- Meters (measures electricity generation and export)

Many suppliers can provide a preliminary estimate if you give them the location, approximate system size (kW) and installation type (rooftop or ground-mounted). Using MCS-certified installers is recommended to ensure quality and industry standards.

Table A4. Factors to explore in a feasibility study

Factors	Aspects to consider
Context	• Context of site, community organisation and the planned project.
Site design and technology	• Panel sizing, number of panels and most viable orientation, accounting for shading, wind and wiring needs • Site restrictions such a conservation areas, heritage areas, visual impact assessments • Structural survey of building and rooftop
Electricity generation	• Potential site capacity and generation, along with relevant capacity factors and percentage of site demand being met • Proximity to grid, and potential grid connection costs (if already established)
Financial viability	• Indicative CAPEX (Capital Expenditure – one-time upfront project costs) and OPEX (Operating Expenditure – ongoing and recuring project costs) • Cumulative income and expected return for members and/or contribution to Community Benefit Fund
Planning, consents and building regulation requirements	• Does Permitted Development Rights apply? If no, details of required planning, permitting and the likelihood of achieving these • Other planning considerations (e.g. proximity to airports) • Existing contracts (building owner), and any risk inherent in these • Building regulation requirements/structural assessments
Benefits of the project	• Assessment of carbon reduction and contribution towards relevant climate targets • Governance and distribution of the community benefit fund • Creation of any job or volunteering opportunities
Community engagement	• Details of community engagement carried out and an assessment of the level of support for the scheme
Operation and governance	• Oversight of who will be responsible for the management and delivery of the project • Details on the legal entity that will oversee and deliver the project • Relevant project planning and scheduling details

Risk management considerations	• Contingency plans in situations where:
	  ○ appropriate finance isn't raised,
	  ○ the array doesn't generate the electricity expected, or
	  ○ necessary planning and permitting is not been obtained

Appendix B – legal entities

A legal structure separates the organisation from individual members, limiting personal liability and distributing risk fairly. This is particularly important for solar projects, as the community group will need to enter into a roof lease agreement, arrange a PPA and secure loans or investments to give funders confidence in governance.

Agreements and documents that may be required

Application for desired legal structure	• The formal registration documents required to establish the organisation. The specific application depends on the legal structure chosen (for example, SCIOs register with OSCR, Community Benefit Societies register with FSA, companies register with Companies House).
Letter of support from building owner	• If the community group is applying for funding at this stage, a letter from the building owner confirming their willingness to host the project can strengthen the application. This demonstrates genuine commitment and builds funder confidence in the project's viability.

Establishing your legal entity

If your community organisation is newly formed or currently unincorporated, you'll need to establish a formal legal structure before progressing. Most community energy groups choose to incorporate because they need to enter into contracts (such as lease agreements) and access certain types of funding. An incorporated structure creates a legal entity separate from individual members, limiting personal liability and distributing risk equally.

- **Incorporated:** Creates a legal entity separate from the individuals forming the organisation. This limits the individual liability and distributes risk more equally among all members. It is possible to enter into contracts as an incorporated organisation.
- **Unincorporated:** Individuals may be personally liable for any outstanding debts. Risks can be distributed unequally among members. It's not possible to enter contracts in the name of an unincorporated organisation.

For a detailed overview of the different legal structures available (such as SCIOs, Community Benefit Societies and Companies Limited by Guarantee), see Table B1, below.

Establishing a legal entity can be a complex undertaking. You can also seek advice from:

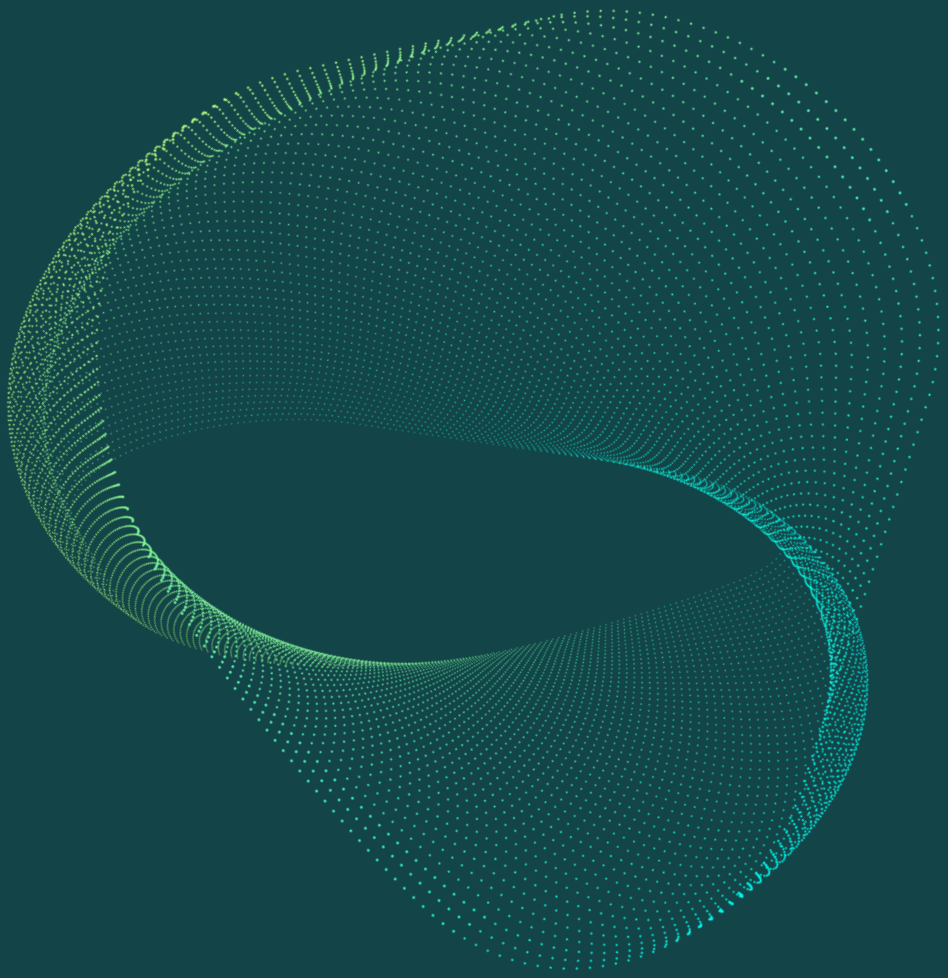
- **Community Ownership Support Service (COSS)** – for advice specific to community-led projects
- **Scottish Council for Voluntary Organisations (SCVO)** – for guidance on governance and structure
- **Third Sector Scotland Network** – for support on setting up social enterprises
- **OSCR (Office for Scottish Charity Regulator)** – if considering charitable status
- **A solicitor** – to help with setting up the legal entity and understanding liability implications.

Table B1. Types of legal entities and key features of each

Legal entities	Description	Key features
Scottish Charitable Incorporated Organisation (SCIO)	A corporate structure designed for charities, regulated by the Scottish Charity Register (OSCR). Must meet the criteria for being a charity.	Able to hold property, enter into leases and employ people; has a minimum of 2 members and 3 trustees; charitable status and tax benefits.
Company limited by guarantee (including Community Interest Companies)	Limited company structure for social enterprise with secure asset lock (assets can only be used for the benefit of the community). Community Interest companies are subject to additional regulation to ensure community benefits.	Members/board have limited liability; can have charitable status if it meets charity criteria;
Trust	Suited to small groups who want to manage money or property. Assets owned by trustees and managed on behalf of beneficiaries. Liability lies primarily with trustees and trustees must undertake transactions and hold titles on behalf of the trust.	Cannot hold leases, land or employ people as the organisation; governed according to organisation rules; can have charitable status if it meets criteria.
Co-operative Society	Between an unincorporated association and a registered company, a co-op has rules of association but is an incorporated body with limited liability. Members have limited liability with fewer requirements under companies act.	One member, one vote; can hold property, enter into leases and employ people; managed by committee on behalf of members; does not have charitable status
Community Benefit Society (BenCom)	A type of co-operative that provides benefits for the wider community in addition to its members. Suitable for a large membership and provides members a direct say in the management through financial ownership and an elected committee.	One member, one vote; asset lock, ability to raise funds through share offer; can hold property, enter into leases and employ people; can have charitable status if it meets criteria.

Voluntary association	An informal structure with no general regulation. Trustees must undertake transactions and hold titles to land or property on behalf of the organisation. Individual members are personally liable.	No bureaucracy or set-up cost; can have charitable status if it meets criteria; governed according to organisation rules.

Public



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