



Introduction to Solar Leases for Developers

A Developer-Focused Overview of Solar Lease Structure, Rights, and Key Legal Components

Solar leases are the foundation of solar project development. They establish the long-term real estate rights necessary to evaluate, design, construct, operate, and maintain a solar project over a multi-decade period. Although every project and property is unique, the fundamental legal architecture of a solar lease is relatively consistent across projects, properties, and jurisdictions.

This introduction highlights the basic building blocks of a typical solar lease, the parts every developer should be familiar with, while leaving the project-specific strategy, commercial terms, and negotiation approach for one-on-one consultation with experienced renewable energy real estate counsel.

I. The Option Phase: Controlling the Land While You Study It

The first stage of a solar lease is the **option term** (or development term), which grants the developer exclusive rights to study and evaluate a property for solar energy development.

A typical option provision gives developers broad rights and sufficient time to accommodate:

- interconnection applications
- permitting, zoning, and land-use analysis
- environmental, cultural, and geotechnical studies



- site design
- title and survey review, and title curative work
- project financing preparation

A well-drafted option structure ensures the developer can conduct all required diligence **without prematurely triggering the financial obligations of the operations term.**

2. Transition to the Lease Term

If the site proves viable, the developer exercises the option (or otherwise commences the construction term under the lease) and the lease term begins. The lease term usually includes:

- a **construction term**, allowing access and possession for building the solar energy system
- an **operations term**, providing the stable, long-term land control needed to operate the solar energy facility

Note that in certain lease structures, there is a development term rather than an option term, followed by a construction term and operations term. In these structures there are different triggers that commence the construction term and operations term. In the structure being discussed in this article, the exercise of the option ends the option term and triggers the lease term, which includes both the construction term and operations term.

3. Rights to Construct and Operate the Solar Energy System

A solar lease must expressly authorize the developer to construct, maintain, repair, replace, relocate, and remove all project facilities, including:

- solar arrays, trackers, and racking systems
- inverters, transformers, and collection lines
- overhead and underground transmission lines
- SCADA, communications, and fiber
- substations and switchyards
- access roads, culverts, and drainage systems
- O&M facilities, laydown yards, and staging areas



These rights must be broad enough to accommodate evolving technology, layout modifications, and project changes over time.

4. Access Rights

Solar projects require flexible, long-term access, both to the site and across the site. Continuous, unobstructed access is essential for:

- construction mobilization
- heavy-equipment transport
- operations and maintenance
- vegetation management
- upgrades and replacements

Access must be flexible in location and width to account for evolving engineering and field conditions.

5. Transmission, Collection, and Interconnection Rights

Developers need the ability to construct and maintain:

- overhead and underground transmission and collection lines
- communications and SCADA networks
- substations, switchyards, and associated equipment
- cable routes, poles, conduits, and equipment pads

These rights must anticipate initial construction, future improvements, and repowering.

6. Non-Interference

For developers, **non-interference** is among the most important protections in a solar lease.

No landowner activity may:

- shade or obstruct solar insolation
- impair access



- undermine lateral or subjacent support of the solar energy facility
 - conflict with construction or operations
 - create hazards or operational inefficiencies
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7. Assignment, Financing Rights, Lender Protections, and Termination Rights

Critical project finance provisions in a solar lease include:

- broad assignment and financing rights
 - robust lender cure rights and other lender protections
 - rights to divide projects into phases
 - broad full and partial termination rights
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Conclusion

Solar leases are fundamentally **development instruments**. Their purpose is to secure the broad, long-term rights a developer needs to evaluate, permit, finance, construct, and operate a project, without locking the developer into onerous or inflexible terms.

This article covers only the basic anatomy of solar leases. **If you need guidance on drafting, negotiation, commercial terms, risk allocation, site-specific issues, or state-specific statutory compliance, contact us.** The right renewable energy real estate counsel early in the process preserves optionality, reduces cost, and positions a project for long-term success.

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