



*Long-Term Thinking
for Today's Issues*

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Property Taxation on Solar Panels **Position Statement**

Introduction

At this time solar panels for energy production do not have a classification. With the passage of the Green Energy Act and the Feed-in Tariff program, the possibility of farmers investing in such panels has greatly increased. As more and more of these panels are installed, it is inevitable that they will receive consideration by the Municipal Property Assessment Corporation and be assessed as *something*.

The CFFO Assessment of Property Tax Classification for Solar Panels

The following statements summarize the CFFO position on the potential property tax classification of solar panels in the province of Ontario

1. Solar Panels must have their own classification number.
2. Solar Panels should be rated by their rated power generation.
3. Solar Panel installations that fall within the Micro-fit designation - under 10 kW – should continue to remain property tax exempt.
4. Solar Panel installations should be treated as the same regardless of being located on buildings, poles, or on the ground.

*Adopted by
CFFO Provincial Council
June 23, 2010*

Background Information

Feed in Tariff Rates

Outlined below are the feed-in tariff rates for various solar photovoltaic (PV) projects, both rooftop and ground systems.

Rooftop

- Less than 10 kW - 80.2 ¢/kWh – Scale: House or Small Retail
- 10 - 100 kW - 71.2 ¢/kWh – Scale: Small Commercial – schools, apartments, condos, municipal buildings (a barn)
- 100-500 kW - 63.5 ¢/kWh – Scale: big box store or strip mall (a large barn)
- Greater than 500 kW - 53.9 ¢/kWh – Scale: industrial warehouse

Ground Systems

- Less than 10 MW - 44.2 ¢/kWh

Property Tax Classification for Wall or Roof mounted Solar PV projects.

The CFFO recommends that wall and roof mounted solar have no impact on the property tax classification of buildings. The feed in tariff rates are reflective of the cost involved in installing a Solar PV system. Adding additional costs through property tax increases may seriously impact the viability of these projects, which would run counter to the policy goals of the Province of Ontario in energy matters.

Solar Farms or Solar Parks

In the view of the Christian Farmers Federation of Ontario, Solar Parks are not an agricultural use. Rather these lands are dedicated to energy production and should be treated as such. However, because the province has established a system that recognizes the high cost of installation, the rate should be appropriately low so that Solar PV projects can be accomplished in appropriate areas.

Appendix A:

Examples of the Size and Scale of German Solar Parks.

The following examples are useful because they demonstrate the amount of space that is required to put some of these projects in place.

The **Erlasee Solar Park**, also sometimes called the Gut Erlasee Solar Park, is a [photovoltaic power station](#) located in one of the sunniest regions of [Germany](#). On the former wine-producing

Erlasee estate near Arnstein in [Bavaria](#), in southern Germany, [Solon SE](#) has constructed what is currently the largest [tracking photovoltaic](#) solar power station in the world with an output of 12 MW. Just under 1,500 "SOLON-Movers" tracker mounted arrays convert sunlight into environmentally friendly power, generating as much as the average consumption of the nearby town of Arnstein.^[1]

The plant cost £35 million (37 million euro, as of 23-12-2008) and covers 77 hectares of land.¹

Bavaria Solarpark, is a [10 Megawatt \(MW\) photovoltaic power station](#) separated into 3 different locations in Germany. Solarpark Mühlhausen is 6.3 MW located in [Mühlhausen](#), Germany. Solarpark Günching is 1.9 MW located in [Günching](#), Germany. Solarpark Minihof is 1.9 MW located in [Minihof](#), Germany. The Bavaria Solarpark constructed by [SunPower](#) consists of 57,600 [Sharp](#) solar panels on SunPower [Trackers](#). The total plant occupies 25 [hectares](#)