



Canadian Solar Industries Association
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LRP I Backgrounder: Solar and Decommissioning

What happens when it is time to remove a solar project?

One of the benefits of solar projects is the relative ease of decommissioning compared to other electricity generation projects or industrial installations. Solar projects are constructed from materials that are recyclable and can be repurposed for future use. Furthermore, solar projects do not contain any harmful chemicals, so there is no risk that the soil on the property would be contaminated.

The requirement for decommissioning is set out as part of the Renewable Energy Approval permit which is issued by the Ministry of Environment and Climate Change¹. This means that the project owner has a legal requirement to properly decommission in accordance with the approved Decommissioning Plan². The Renewable Energy Approval process requires the project developer to consult on all aspects of the solar project, including the Decommissioning Plan. In addition to the regulatory requirements, it is standard practice for property owners to require that the site is restored at the end of the lease term. Once the project owner decides to decommission the solar project they are required to remove all equipment and project features, including:

- Solar panels,
- Electrical wiring,
- Racking and mounting system,
- Inverters and transformers,
- Communications systems, and
- Fencing and roadways.

Decommissioning also involves the restoration of property so that it can be returned to its prior use. If the landowner requires, the soil on the property can be chiseled and/or tilled to remove any compaction. The property would also be planted with an appropriate seed mixture, and temporary erosion and sediment control measures may be implemented, if needed, until the property returns to a stable condition.

How long can solar projects last?

While a contract under the Large Renewable Procurement includes the provision to sell power to the electricity grid has a term of 20-years, it is expected that many solar projects may have a 30-year lifetime. At the end of the contract term, the project owner will make an economic decision based on the current electricity system to either continue operating the project or decommission the project.

¹ **Renewable Energy Approval.** (<http://www.ontario.ca/environment-and-energy/renewable-energy-approvals>)

² **Technical Guide to Renewable Energy Approvals. Chapter 7: Guidance for preparing the Decommissioning Report.** (<https://dr6j45jk9xcmk.cloudfront.net/documents/915/3-3-1-guide-to-renewal-energy-approvals-en-pdf.pdf>)



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Project owners may also consider upgrades to the project equipment to extend the life of the project if it is financially prudent to do so and all permits and approvals are obtained

Can the equipment be recycled?

Yes, the equipment is recyclable. Much of the equipment, such as mounting systems, racking, inverter houses, and wiring consists of recyclable metals.

In addition, the Canadian Solar Industries Association and the International Energy Agency³ are working on a worldwide initiative to develop international laws and regulations for solar panel life-cycle management that will lead to environmentally responsible recycling. This work, and the national and international regulations that follow, will be in place well before the earliest installations in Ontario are decommissioned.

Who is responsible for decommissioning?

The project owner is responsible for decommissioning and is required to cover all costs associated with decommissioning activities. The costs of decommissioning are considered as part of the projects budget and construction costs. It is also expected that the salvage value of the recyclable equipment would cover the costs associated with decommissioning activities.

What if the company goes bankrupt?

In the unlikely event that the solar project owner goes bankrupt, the assets of the company would be sold or transferred to a new company, likely the institution that has provided financing to the project. All rights and obligations of the solar project, including requirements for decommissioning as part of the Renewable Energy Approval and the lease agreement (if applicable), would be transferred to the new project owner.

³ International Energy Agency. (<http://www.iea.org/>)