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Into the Brave New World of Consumer Protection Policy

Solar Power International - Las Vegas, Nevada

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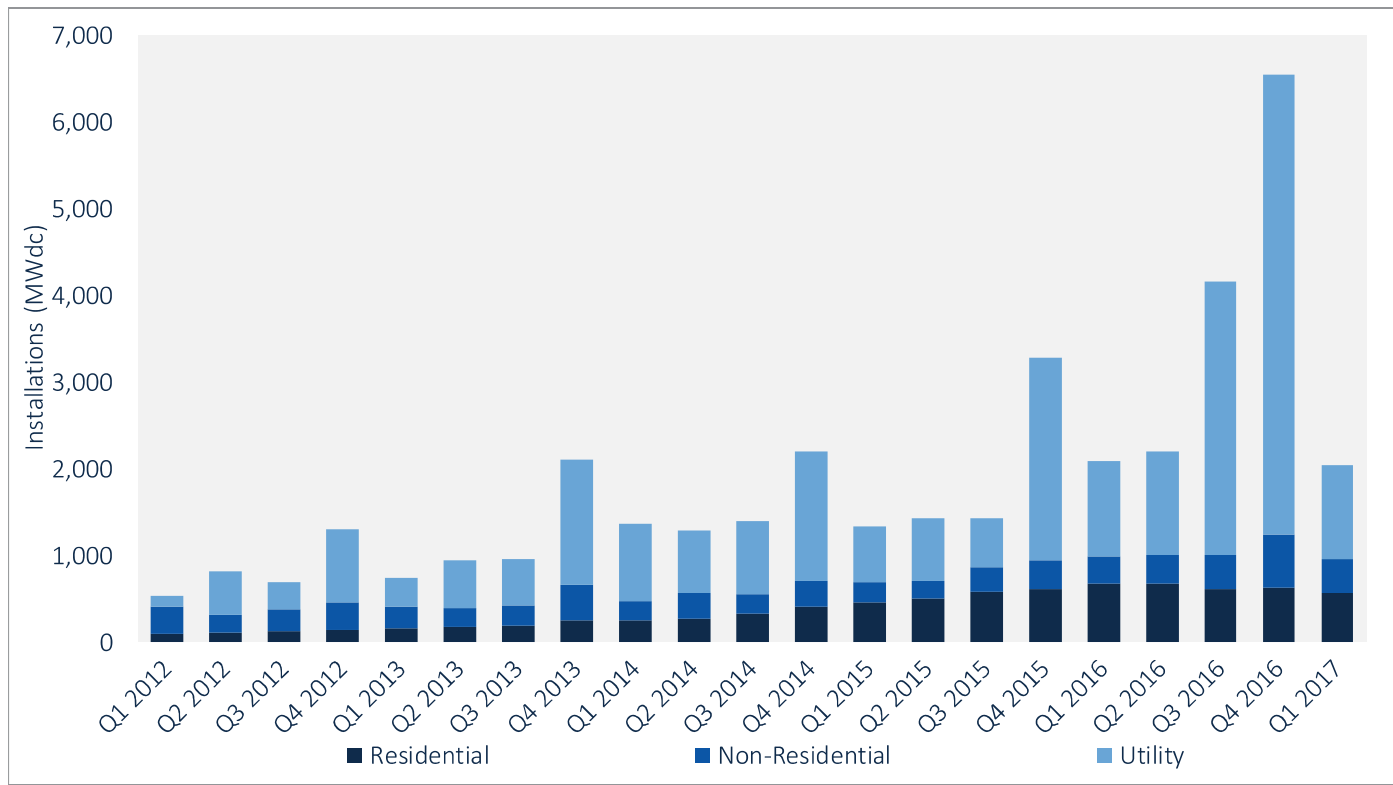
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Consumer Adoption of Solar PV in the U.S. is Growing

Figure 1.1 U.S. Quarterly PV Installations Q1 2012-Q1 2017



Source: SEIA/GTM Research

Types of Customer Solar Arrangements

- Customer Ownership
 - Customer Purchase
 - Loan Agreements
- Third Party Ownership
 - Leases
 - Purchase Power Agreements



Major Issues in Consumer Protection

- Disclosures and transparency
- Ability to compare options
- Contract provisions
- Enforceability of contract terms



Why the Solar Industry Should Support Customer Protections

- Growth in PV - important for businesses involved and the environment
- Company brand matters as does industry reputation
- Solar industry goal to be perceived as trustworthy, offering a valuable, reliable product
- Consumer skepticism hurts industry growth

Disclosures and Transparency

- Contract terms - consistent with marketing materials
- All materials - accurate, factual, easy to understand
- Contracts - disclose estimated amount of energy to be delivered
- All costs - fully disclosed (including installation, maintenance, any fees, etc.)



Disclosures and Transparency

**Good faith
estimate of all
benefits
customer will
receive**

**Estimates
based on
actual utility
rates with
disclosure
that subject
to regulatory
changes**

**Rights and
responsibilities
of each party**

Ability to Compare Options

- State Commissions should determine a uniform set of data to calculate current and future bill impacts for each utility service area
- Commission website with apples-to-apples comparisons



Contract Provisions

- Standardized contracts reviewed by the Regulator
- Clear explanation of rights and responsibilities
- Clear explanation of all financial aspects of the transaction including costs and payments to both parties, tax liabilities and credits, etc.
- Clear explanation of impact on the residence at point of sale such as continued obligation to make payments, property value, etc.
- Privacy provisions for customer information

Industry Self-Regulation versus Government Regulation

Industry

Voluntary

Self-Policing

Industry Guidelines

No Penalties

Government

Mandatory

Enforceable

Laws and Regulations

Penalties for noncompliance

General Licensing Requirements

- List of Officers and resumes
- Annual Report if publicly traded or current balance sheet if not publicly traded
- Sample Contract to be used
- Managerial and technical qualifications

Duties of the Commission

- Approve or disapprove Registration Application
- Establish rules on Customer Complaints and Terms and Conditions of Service (Note: does not extend to price regulation)
- Adjudicate Complaints, investigate Practices
- Ability to monitor the solar market offerings
- Impose penalties and corrective actions

Rate Design (Residential)

Customer-Specific Charges		
Customer Charge	\$/month	\$3.00
Transformer	\$/kVA/month	\$1.00

Bi-Directional Energy Charges		
Off-Peak	\$/kWh	\$0.08
Mid-Peak	\$/kWh	\$0.12
On-Peak	\$/kWh	\$0.18
Critical Peak	\$/kWh	\$0.75

About RAP

The Regulatory Assistance Project (RAP)[®] is an independent, non-partisan, non-governmental organization dedicated to accelerating the transition to a clean, reliable, and efficient energy future.

Learn more about our work at raponline.org



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