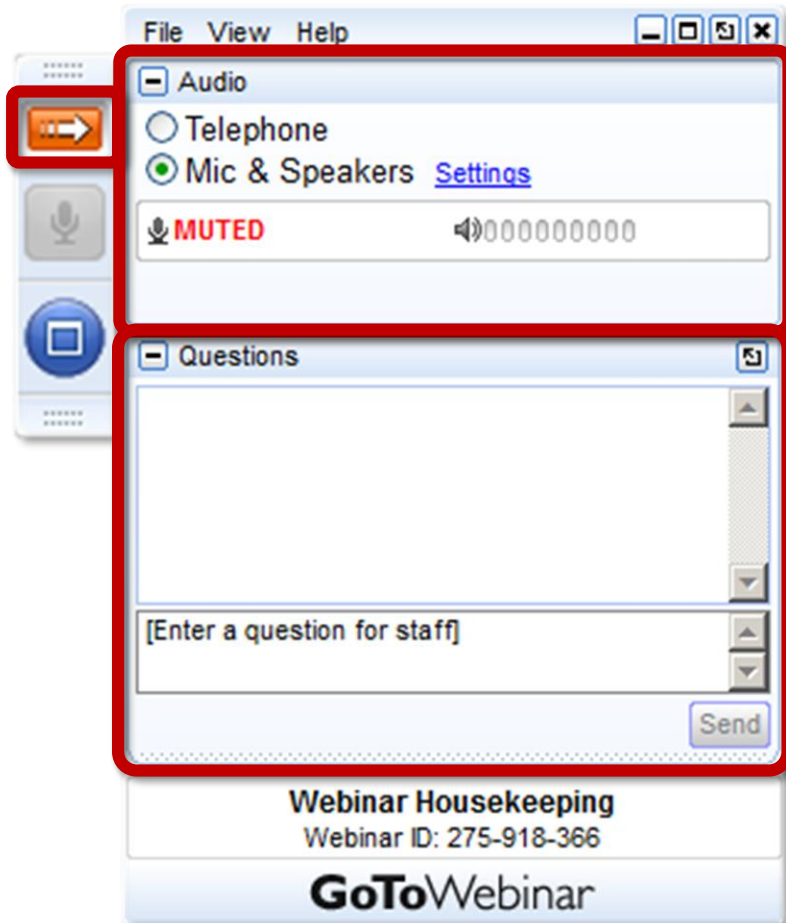


# Consumer Protection for Community Solar

June 22, 2017

# Housekeeping



Use the red arrow to open and close your control panel

Join audio:

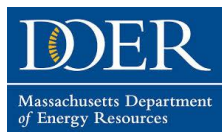
- Choose Mic & Speakers to use VoIP
- Choose Telephone and dial using the information provided

Submit questions and comments via the Questions panel

This webinar is being recorded. We will email you a webinar recording within 48 hours. CESA's webinars are archived at [www.cesa.org/webinars](http://www.cesa.org/webinars)



# Clean Energy States Alliance



[www.cesa.org](http://www.cesa.org)

# Sustainable Solar Education Project

- Provides information to state and municipal officials on strategies to ensure distributed solar electricity
  - 1) Remains consumer friendly
  - 2) Benefits low- and moderate-income households
- The project is managed by the CESA and is funded through the U.S. Department of Energy SunShot Initiative's Solar Training and Education for Professionals program.

# Sustainable Solar Education Project Resources

The Sustainable Solar Education Project is developing a variety of educational resources solar equitability and consumer protection:

- **Guides**
- **Webinars**
- **Online course material**
- **In-person training**

The project publishes a free **monthly e-newsletter** highlighting solar equitability and consumer protection news and from across the country.

[www.cesa.org/projects/sustainable-solar](http://www.cesa.org/projects/sustainable-solar)



**Clean Energy States Alliance**  
SUSTAINABLE SOLAR EDUCATION PROJECT  
**NEWSLETTER**

**MAY 2017**

The Sustainable Solar Education Project provides information and educational resources to state and municipal officials on strategies to ensure distributed solar electricity remains consumer friendly and benefits low- and moderate-income households. The project is managed by the Clean Energy States Alliance (CESA) and is funded through the U.S. Department of Energy SunShot Initiative's Solar Training and Education for Professionals program.

The Sustainable Solar Education Project Newsletter reports on issues related to solar equitability and consumer protection.

For more information about the Sustainable Solar Education Project, please visit our [website](http://www.cesa.org/projects/sustainable-solar).

[cesa.org/projects/sustainable-solar](http://www.cesa.org/projects/sustainable-solar)

**Clean Energy States Alliance**

**Sustainable Solar Education Project Webinars**

**Bringing the Benefits of Solar to Low-Income Customers**  
*Thursday, May 18th, 1-2 pm ET*  
CESA will conduct a webinar on low-income solar program and policy design. The webinar will be based on a recently released CESA guide authored by Bentham Paulos titled [Bringing the Benefits of Solar to Low-Income Consumers](#). The guide identifies successful and promising approaches, offers factors policymakers should consider, and provides policy and program design recommendations for bringing the benefits of solar to low-income consumers. [Register here](#).

**Crowd Financing Solar for Nonprofits Serving Low-Income Communities**  
*Thursday, May 25, 1-2 pm ET*  
Nonprofit community service providers that serve low-income communities have faced challenges in financing solar for their own facilities. One answer that has emerged is crowdfunding, in which many individuals each provide a small amount of money for a project. Crowdfunding can involve donations, or it can involve investments, in which the individuals who participate expect a financial return. In this webinar, Andreas Karelis, Executive Director of RE-volv, and Todd Bluechel, Vice President of Marketing and Sales at CollectiveSun, will present two models that rely on crowdfunding to enable nonprofits to adopt solar. [Register here](#).

**Community Solar for Low- and Moderate-Income Consumers**  
*Thursday, June 1, 1-2 pm ET*  
Because community solar can be made accessible to renters and can include flexible terms, it holds promise for spreading the benefits of solar to low- and moderate-income (LMI) consumers. In this webinar, Kelly Roache, Senior Program Manager at Solstice, and David Miller, Senior Vice President at Alpine Bank,

# Panelists

- **Diana Chace**, Program Associate, CESA
- **Nate Hausman**, Project Director, CESA

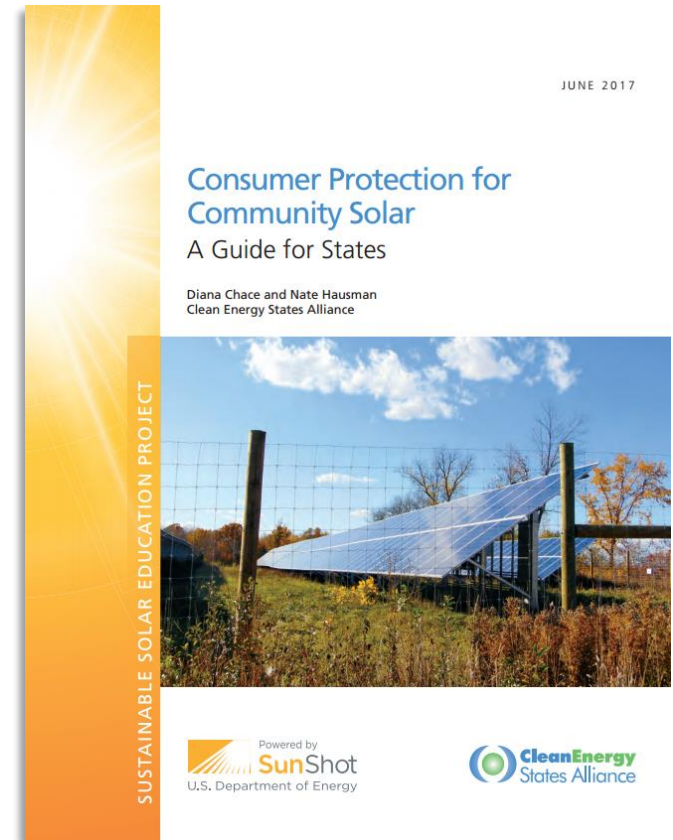




# SUSTAINABLE SOLAR EDUCATION PROJECT

# Consumer Protection for Community Solar

By Diana Chace and Nate Hausman



# Why this guide?

Community solar is growing rapidly in many parts of the country. States have an opportunity to consider consumer protection issues that may arise with community solar, and to decide whether any new or targeted consumer protections are appropriate. This guide focuses on residential customers.



# Rooftop Solar vs. Community Solar

## Rooftop

- More concrete
- More established and familiar
- Long-term commitments
- Narrower availability



Photo credit: NREL

## Community

- More abstract
- Newer and less familiar
- Long-term or short-term commitments
- Broader availability



Photo credit: CESA

# What is community solar?

- Community solar is a purchasing arrangement in which multiple customers share the electricity or the economic benefits of solar power from a single array. An array large enough to serve multiple customers is built in a single location, and individual customers sign up to own or lease parts of the array, or to purchase (or be credited for) some portion of the electricity generated by the array.
- Community solar customers have voluntary contracts or subscriptions to participate in the project. Individuals or businesses can choose to participate, and other customers of the same utility can choose not to participate.

# Differences between Community Solar Models

- Who owns the array?
- Who do customers interact with?
- How do consumers buy community solar?
- Do customers benefit financially from community solar?
- What is the rate of compensation?
- How easy is it to adjust the amount of the subscription or to cancel?
- How does it compare to rooftop solar?

# Community Solar Consumer Protection Issues

- Issues that apply to many consumer products
- Issues that apply both to rooftop solar and community solar, though maybe more to one than the other
- Issues that are unique to community solar



Photo credit: Bigstock

# Product Confusion: What Am I Buying?

- Compared to rooftop solar, community solar is an abstract product. You will likely never see “your” panels. It’s essentially a matter of paperwork.
- Every community solar project can be different, and customers can be left to figure out for themselves what “community solar” means in each case.

# Product Confusion: What Am I Buying?

- In different cases, community solar customers are paying for different things:
  - Ownership of panels
  - Lease of panels
  - Electricity from certain panels
  - Portion of electricity from entire array
  - Other?



# Product confusion: Renewable Energy Certificates (RECs)

We're buying renewable electricity, right?

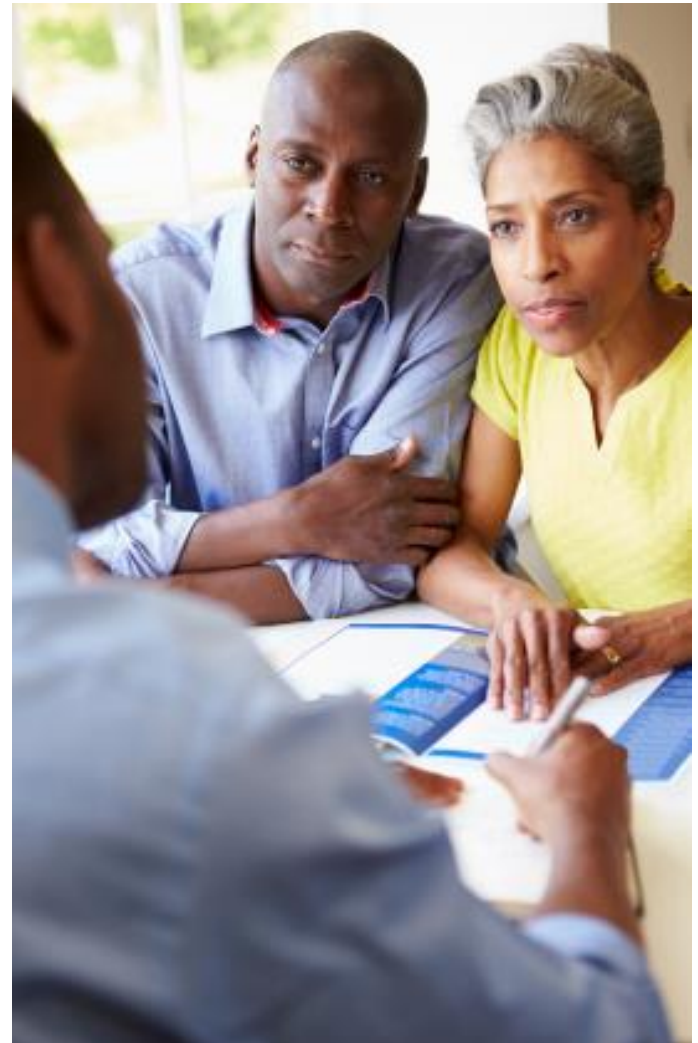


Photo credit: Bigstock

# Contract Provisions

- What is the duration or term of the contract?
- What happens to the contract if I move to a different home?
- Do I have the right to terminate the contract without penalty, either within a certain time or at any time?
- Is a sign-up fee or deposit required?
  - Is the sign-up fee additional to the upfront payment or the monthly payment?
  - Will the sign-up fee be refunded if the project is never built?
- What happens if the community solar array goes down or is taken offline? Will I be notified if the array is offline?
- Does the contract include a production guarantee?

# Contract Provisions (continued)

- Do I own part of the array?
- Will I be able to take advantage of state and federal solar incentives, or will those go to the project owner or developer?
- What is the compensation rate for electricity generated from the project? Is that fixed or could it change, perhaps based on regulatory actions?
- If paying upfront:
  - How much is the upfront payment?
  - Does that include all fees and other costs?
  - How long will it take for savings to cover costs (the “payback period”)?

# Contract Provisions (continued)

- If paying monthly:
  - Is there an escalator clause that will make payments increase over time? What is the rate of increase? How much will I be paying each month by the end of the contract?
  - Are there late payment penalties?
  - Is it possible to downsize or upsize the subscription after signing up?

# Existing Consumer Protections

- The federal government and all of the states have existing consumer protection laws. Many of these laws apply in some ways to community solar. A few states have also implemented consumer protection measures that are specific to community solar.

# Existing Federal Consumer Protection Laws

- CAN-SPAM
- Consumer Leasing Act
- Electronic Funds Transfer Act
- Equal Credit Opportunity Act
- Fair Credit Reporting Act
- Federal Trade Commission Act
- Magnuson-Moss Warranty Act
- Right to Financial Privacy Act
- Truth in Lending Act
- Telephone Consumer Protection Act
- Unfair Deceptive Practices Act (UDAAP)
- Uniform Commercial Code



# Existing State Consumer Protections

- States have consumer protection laws prohibiting deceptive trade practices.
- Some states also have solar-specific consumer protections.
  - Disclosure laws for rooftop solar.
  - Disclosure laws for community solar.
  - Consumer education for community solar - Minnesota

# State Community Solar Disclosure Laws

- Minnesota
- Maryland
- Hawaii (proposed)

# Does your state need new consumer protections for community solar?

- How big is the community solar market and how quickly is it growing?
- What consumer protections already exist?
- How do consumers benefit from community solar?
- How easy is it for customers to withdraw from a community solar subscription?
- What are the goals for community solar in your state?
- Are state agencies getting questions or complaints?

# Consumer Protection Tools

- Consumer Education
- Guidelines
- Regulations
- Grievance Procedures and Enforcement



Photo credit: CESA

# Solar Consumer Protection Resources

- Clean Energy States Alliance (CESA)  
[www.cesa.org](http://www.cesa.org)
- Interstate Renewable Energy Council (IREC)  
[www.irecusa.org](http://www.irecusa.org)
- Solar Energy Industries Association (SEIA)  
[www.seia.org](http://www.seia.org)
- Center for Resource Solutions (CRS)  
<http://resource-solutions.org>

# Securities Regulation

- Community solar projects may be subject to federal securities laws.
- The guide includes an appendix which addresses this issue in some detail.



# Contact Information

## SUSTAINABLE SOLAR EDUCATION PROJECT

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Visit our website to learn more about the Sustainable Solar Education Project  
and to sign up for our e-newsletter:

[www.cesa.org/projects/sustainable-solar](http://www.cesa.org/projects/sustainable-solar)

Find us online: [www.cesa.org](http://www.cesa.org)

[facebook.com/cleanenergystates](https://facebook.com/cleanenergystates)

@CESA\_news on Twitter



# Other Sustainable Solar Education Project Guides

- [\*Solar Information for Consumers\*](#)
- [\*Publicly Supported Solar Loan Programs\*](#)
- [\*Standards and Regulations for Solar Equipment, Installation, and Licensing & Certification\*](#)
- [\*Solar+Storage for Low- and Moderate-Income Communities\*](#)
- [\*Bringing the Benefits of Solar Energy to Low-Income Consumers\*](#)

