

STATE OF MISSISSIPPI



JIM HOOD
ATTORNEY GENERAL

June 7, 2016

Federal Trade Commission, Office of the Secretary
600 Pennsylvania Avenue N.W.
Suite CC-5610 (Annex B)
Washington, DC 20580

Re: Solar Electricity Project No. P161200

Dear Commissioners:

In response to your request for public comments on your upcoming workshop to explore competition and consumer protection issues that may arise when consumers are considering the installation of solar panels, I attach a letter that General Brnovich and I sent our fellow Attorneys General last year related to this topic. As you can see, the letter seeks to ensure that consumers are informed and protected when they consider the purchase of a residential solar system.

Sincerely yours,

Jim Hood
Mississippi Attorney General

Office of Attorney General
State of Arizona



Mark Brnovich
Attorney General

Office of Attorney General
State of Mississippi



Jim Hood
Attorney General

October 23, 2015

Dear Fellow Attorneys General:

The NAAG Summer Meeting In San Diego was filled with valuable information. We would like to particularly follow up on the Panel discussion entitled "Solar Energy Systems". The residential solar market is booming with technologies that most people are unfamiliar with, and providers are currently ahead of regulators. Discussion participants warned of some bad actors in the marketplace and expressed concern that consumers could be victimized in the absence of accurate information.

We want to emphasize that we are not opposed to the use of solar energy for residential dwellings. Solar generating units are very trendy, especially with people wishing to pursue renewable power. Unfortunately, as with many popular market entries, there are also opportunities for perpetrators of fraud to ply their trade.

Residential solar systems constitute a considerable investment – from \$15,000 to \$20,000 or more. Many companies are marketing these systems for sale, lease or as part of Power Purchase Agreements that can last as long as 30 years.

Long-term leasing or financing of residential solar systems can be extremely profitable for providers, but not necessarily for customers. Like sub-prime mortgages, most of these leases are bundled and securitized on Wall Street. Many have automatic escalator provisions, so they start low and can eventually double the cost to the homeowner during the term of the lease. Under this kind of financing, it is the investor and not the homeowner who enjoys the 30% federal tax credit.

Many people are unaware of how to determine the actual cost of a solar purchase or lease. The current excitement over 'going green' can also discourage the asking tough questions. This creates opportunities to mislead consumers. Given the novelty and

complexity of these agreements, a failure to disclose relevant information can be as deceptive as a misstatement.

Many unethical providers mislead potential customers by overstating expected increases in the price of electricity. They also fail to disclose how various subsidies, government programs and rate making practices may affect the cost of energy in the future. This includes the likelihood that some government policies regarding solar energy may change during the course of a long term contract.

Solar providers are rarely regulated by public utility commissions. Their activities are however, subject to consumer protection and truth in advertising laws enforced by state Attorneys General. That is why we have launched efforts to raise awareness and promote more informed decisions with regard to residential solar power systems.

Beginning in January 2016, the State of Arizona will require those choosing to buy or lease a solar system to sign a disclosure to confirm that they understand the actual costs. Arizona has also taken some of the worst providers to court and entered consent judgments that you may find insightful in understanding how consumers can be hurt. We are attaching that information, along with consumer advice from Iowa and Louisiana, two other states on the forefront of raising awareness. Finally, we are enclosing a set of questions that might come in handy for communications with the public and consumer information web sites.

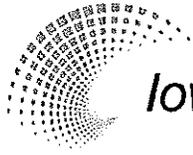
We hope that you find this information to be helpful and that together, we can reduce the number of well-meaning consumers who fall victim to the dark side of solar energy.

Sincerely,

Mark Brnovich
Attorney General of Arizona



Jim Hood
Attorney General of Mississippi



Informational Guide for On-Site Generation (Distributed Generation)

This informational guide is intended to help residential and small business customers who are considering installing electric generation (wind, solar, biomass, etc.) on their property. This document is for informational purposes only and use of the guide is voluntary. Following are the topics covered:

1. Before You Begin
2. Distributed Generation Checklist
3. Choosing a Dealer or Equipment
4. Finance Options
5. Informational Links

1. Before You Begin

Assess Your Goals. Are you exploring on-site generation because you are primarily interested in reducing your energy usage or are you interested in using more or only renewable energy?

- If you are primarily interested in reducing your energy usage, consider an energy efficiency audit and implementing the recommendations. An energy audit may uncover energy efficiency improvements to help you reduce your electric usage and potentially allow you to install a smaller distributed generation system. Contact your utility to get more information about its energy efficiency programs.
 - o Alliant Energy - <http://www.alliantenergy.com/SaveEnergyAndMoney/>
 - o MidAmerican - http://www.midamericanenergy.com/ee/ia_res.aspx

If you are served by an electric cooperative or municipal utility, you should find contact information for your utility on your electric bill. Links to the individual utility Web sites can be found on the associations' Web pages below:

- o Iowa Association of Electric Cooperatives - <http://www.iowarec.org/about/links/>
- o Iowa Association of Municipal Utilities - <http://www.iamu.org/map.cfm>
- If you are interested in increasing the amount of renewable energy on the utility grid, you can voluntarily contribute to the development of renewable energy through the utilities' Alternative Energy Purchase Program, also known as green pricing programs. Contact your utility to get more information. Also see Iowa Code § 476.47 (<https://www.legis.iowa.gov/docs/code/476.47.pdf>) for more information.
- If you are interested in producing your own electricity and having a distributed generation system on your property, the rest of this guide will help you with that process. Please keep in mind that Iowa law requires that the distributed generation system owner notify the interconnected utility prior to installing a distributed generation system.

Review Legal Requirements. In order to ensure there are no legal barriers to your proposed distributed generation system, ask the local planning and zoning commission or city officials to identify applicable zoning ordinances and building permit requirements. You should also consult your attorney to determine if your property is covered by restrictive covenants or easements that affect the installation or if there are other legal issues.

Review Insurance Issues. Discuss liability coverage and insurance needs with your insurance agent and review the applicable insurance requirements with your utility.

2. Distributed Generation Checklist

Gather Information.

- Gather your historical electrical usage for your property and the utility rates charged and paid from your utility bills or contact your utility to request copies.
- Review information to become familiar with the technology and terminology.
 - o Iowa Energy Center - <http://www.iowaenergycenter.org/renewable-energy/>
 - o U.S. Department of Energy - <http://www.energy.gov/energysaver/articles/planning-home-renewable-energy-systems>
 - o Database of State Incentives for Renewables and Efficiency - <http://www.dsireusa.org>
- Check out the following links to see the energy potential of your site. Note that the location of your system can have significant impacts on its generation potential.
 - o Wind calculator - <http://www.iowaenergycenter.org/wind-calculator-tool/>
 - o Solar calculator - <http://www.iowaenergycenter.org/solar-calculator-tool/>

Solicit and Compare Quotes from Dealers/Installers. (See the Choosing a Dealer and Equipment section for additional guidance.)

Select Your Dealer/Installer. (See the Choosing a Dealer and Equipment section for additional guidance.)

- Your qualified dealer/installer should be able to help you with the remaining areas of the checklist. You will have legal obligations with regard to your facility, so you should make sure you are fully aware of your obligations.

Consider Costs.

- Identify federal, state, and utility incentives. Also, refer to the Database of State Incentives for Renewables and Efficiency. <http://www.dsireusa.org>
 - o Look at finance/ownership options. (See the Finance Options section for more information.)
 - Purchase/Own
 - Lease
 - Third-Party Power Purchase Agreement
 - o Check with your accountant, tax advisor, attorney, or finance professional to ensure that the incentives and financing options are right for you.
 - o Calculate the estimated simple payback period.

$$\frac{\text{Total Initial Cost (including interconnection costs)}}{(\text{Annual Energy Cost Savings} - \text{Annual Operating Costs})} = \text{Payback (in years)}$$

Review assumptions used for the following:

- Cost of the system (include equipment, installation, interconnection, and incentive assumptions).
- Energy cost savings assumptions (electric rate,¹ utility assumptions (e.g., net metering)).
- Annual operating costs (insurance, maintenance, etc.).

¹ Understand that electric rates are dynamic and that some fixed aspects of rates may not be offset by a distributed generation system. Future utility rates are difficult to predict and have significant impact when evaluating a quoted price and any projected savings.

2. Distributed Generation Checklist (continued)

Review and Understand Requirements for Utility Interconnection.

- Contact your utility to discuss distributed generation systems, project plans, utility policies, and interconnection. Review interconnection requirements, safety, and any special permits that may be required. Iowa law requires that the distributed generation system owner notify your electric utility at least 30 days before installing a distributed generation system.

- Review the Iowa Utilities Board's Interconnection Rules.
(Please note that not all utilities are subject to these rules)

<https://www.legis.iowa.gov/law/administrativeRules/rules?agency=199&chapter=45&pubDate=07-23-2014>

- Review the Iowa Utilities Board's Cogeneration and Small Power Production Rules.
(Please note that not all utilities are subject to these rules)

<https://www.legis.iowa.gov/law/administrativeRules/rules?agency=199&chapter=15&pubDate=12-10-2014>

- Plan that the state of Iowa or the applicable local authority will require a construction permit and an inspection upon completion. Your electric utility may also require verification that the system meets applicable standards prior to authorizing your system to operate.

3. Choosing a Dealer and Equipment

There are many "how-to" guides for purchasing solar, wind, or other distributed generation systems. To ensure you get the system that best meets your needs, be diligent in your research and ask questions. Remember that dealers operate independently from your utility.

Get a Written Project Proposal from Multiple Dealers and Compare.

- Make sure the estimates are for the same type and size of system.
- The proposal should include detailed costs and other information (including hardware, installation, connection to the grid, permitting, sales tax, equipment warranty expense, expected life, and ongoing maintenance requirements and costs).
- The proposal should also include an estimate of how much of your electric needs the system will provide and the general time periods during which the electricity will be produced.

Get a Dealer's Qualifications (in writing) Related to a Specific Product/System.

- Can the dealer comply with all the technical requirements included in the utility's Standard Distributed Generation Interconnection Agreement?
- Can the dealer comply with applicable state and local building codes and arrange for any necessary code inspections with respect to this installation?
- Are there any pending complaints or active judgments or liens against the dealer?
 - o Contact the Better Business Bureau.
 - o Contact the Attorney General Consumer Protection Division at (515) 281-5926 or (888) 777-4590.
- Ask for references and check them. Look at other facilities installed by the dealer.
- Does the dealer have insurance and what does it cover?
- Does the dealer guarantee his work and what are the terms of any guarantee?
- Is the dealer familiar with your utility's policies on interconnection, net metering, or utility buy-back (avoided cost) rates?
- Is the dealer aware of any incentives that may be available for the system?
- Ask about maintenance of the system, training to operate the system, and how you will be able to monitor the system's performance.

For Solar, Ask:

- What type of roof preparation is needed, and what condition does the roof need to be in for a roof mount?
- Who is responsible for repairs if there are structural damages resulting from the installation?
- Who is responsible for removal and reinstallation of the system when your roof needs to be replaced or repaired?

Beware of Scams. Be wary of door-to-door solicitations, requests for verbal agreements, high-pressure sales tactics, demands for cash or large down payments, or scare tactics.

Review and Compare Options. Make notes and keep records of any representations made by the dealer.

Consider the Warranty Associated with the Specific Equipment Manufacturer. Ask:

- Who is responsible for equipment replacement while the hardware is under warranty?
- If there is a hardware warranty issue, who is responsible for the costs of removing the old equipment and installing the replacement equipment?
- Who provides notice, when must it be given, and what other provisions apply if the installer or inspector needs access to your home?

4. Finance Options

Compare the costs to own a distributed generation system versus the costs of a lease or a third-party power purchase agreement.²

Purchase/Own

- A distributed generation system is a long-term investment. When you own the system, you assume the responsibility of operating and maintaining the system.
- Consider whether to purchase the distributed generation system by:
 - o Paying for the system up front or
 - o Financing the system through a bank or other financial institution.

Lease

- Leases typically require less capital investment up front. The customer simply rents the system from a company for a fixed monthly payment for a period of time no matter how much electricity the system generates each month. The monthly lease payment may escalate with time. You may or may not be responsible for operation and maintenance costs. There may also be lease-to-own options. You should review the terms of any lease agreement carefully to make sure you understand your rights and obligations, as well as the services provided by the Lessor.

Third-Party Power Purchase Agreement

- In a third-party power purchase agreement a third-party developer owns and operates the system on a customer's property. That customer purchases the system's electric output for a period of time and at a price (typically per kWh) specified in the agreement.

Considerations for a Lease or a Third-Party Power Purchase Agreement

- Who owns any renewable energy credits or certificates³ associated with the system?
(Renewable energy credits may decrease your costs if you own them and can use them or sell them.)
- Who receives any tax credits or other incentives?
- Will the installation affect my property taxes?
- Who pays the taxes on it, including any increase in property taxes?
- What happens to the lease and the installation if the property is sold?
- Can a system be bought before the end of the agreement/lease?
- Who owns a leased system at the end of the agreement/lease?
- Is the product and performance of the product specified in the agreement/lease?
- Does the agreement specify who is responsible for system maintenance?
- Does the monthly fee or price per kWh increase over time?
- If I do not own my distributed generation system, will I be compensated for any excess power generated?

- For solar, ask: Who pays to remove the system and repair the roof (if repairs are necessary) at the end of the agreement/lease?

² The third-party power purchase agreement refers to a situation where the facility is owned by a third party who sells the output to the customer under a power purchase agreement. This is a different scenario from one in which the customer owns the facility and sells the output to the interconnected utility under a power purchase agreement.

³ Renewable Energy Credits/Certificates (RECs) represent the environmental, social, and other non-power attributes of renewable electricity generation. The RECs are tradable or can be sold separately from the electricity associated with the renewable generation.

5. Informational Links

General Information

Iowa Energy Center	http://www.iowaenergycenter.org/
U.S. Department of Energy	Guide to Purchasing Green Power: http://www.epa.gov/greenpower/documents/purchasing_guide_for_web.pdf
North American Board of Certified Energy Practitioners	To see if your installer is certified: http://www.nabcep.org/
Attorney General	To file a consumer complaint: https://www.iowaattorneygeneral.gov/for-consumers/file-a-consumer-complaint/
State Fire Marshal Division	Licenses Electrical Contractors: http://www.dps.state.ia.us/fm/electrician/index.shtml
Iowa Economic Development Authority	Energy Programs: http://www.iowaeconomicdevelopment.com/Programs/Energy Combined Heat and Power: http://www.iowaeconomicdevelopment.com/Energy/CHP
Iowa Utilities Board	Interconnection Rules: https://www.legis.iowa.gov/law/administrativeRules/199.chapter45 Cogeneration and Small Power Production Rules: https://www.legis.iowa.gov/law/administrativeRules/199.chapter15

Utility Information

Utility information can be obtained from the utility's tariff or by contacting the utility directly. Aside from the links below, you can also search the utility's Web site by using key words such as: net metering, payment for excess generation, energy efficiency, and interconnection or distributed (or customer-owned) generation.

Alliant Energy (Interstate Power and Light Company) (800) 255-4268	Home page: http://www.alliantenergy.com/ Energy Efficiency: http://www.alliantenergy.com/SaveEnergyAndMoney/ Customer-Owned Generation: http://www.alliantenergy.com/sellmypower or (800) 972-5325 Second Nature Program: http://www.alliantenergy.com/SecondNature/index.htm
MidAmerican Energy Company (888) 427-5632	Home page: http://www.midamericanenergy.com/ Energy Efficiency: http://www.midamericanenergy.com/ee/ Distributed Generation: http://www.midamericanenergy.com/environment7.aspx Renewable Advantage Program: http://www.midamericanenergy.com/wind_advantage.aspx
Iowa Association of Electric Cooperatives	http://www.iowarec.org/about/links/ (The association site should have links to the individual rural electric cooperative Web sites)
Iowa Association of Municipal Utilities	http://www.iamu.org/map.cfm (The association site should have contact information for the individual municipal utilities)

Incentive Information

The list below is not meant to be a comprehensive list of all incentives available in Iowa. Please check with your dealer, utility, or legal or tax professional to see if other incentives are available.

Database of State Incentives for Renewable Energy	http://www.dsireusa.org/incentives/index.cfm?state=IA&re=0&ee=0&spv=0&st=0&srp=1
Iowa Solar Energy System Tax Credits	https://tax.iowa.gov/solar-energy-system-tax-credits
Iowa Renewable Energy Tax Credit	http://www.state.ia.us/government/com/util/energy/renewable_tax_credits.html

RUCO's Consumer Guide to Rooftop Solar Photovoltaic (PV)



Going solar can be a great investment, but there are many factors to consider before making a decision. This guide is meant to help anyone thinking about going solar make more informed choices.

1. Important Factors to Consider

With rooftop solar, many different factors impact the investment.

Known Factors:	Unknown Factors:
Ownership structure: A system can be owned or leased, and if leased there are various types (prepaid, zero down, etc.) There are also loans.	Energy efficiency potential of the home (if no home energy audit is conducted prior to solar installation)
Solar panel maintenance including eventual inverter replacement	Lifestyle, years staying in the home, and future energy use
Number, location, and approximate output of solar panels	Future changes to electricity rates and regulations*

*Solar companies often calculate your savings assuming utility rates will increase by a certain percent per year. Over the past 25 years residential utility rates have increased 1.0% per year in Arizona, however, if you look at the last decade, the rate of increase has been over 3.0% annually and 2.5% over the last 15 years. Like many investments, history is not necessarily an indicator of future rate performance and ultimately you must feel comfortable with any assumptions you are using while knowing they cannot be guaranteed by anyone including the utility or your solar installer.

Please also keep in mind that rate increases might be on bill charges that solar PV does not reduce (e.g. fixed monthly charges). Finally, each utility has different policies regarding their pricing for solar customers- check with your electric service provider so you understand their specific rates and charges.

General Considerations

- Be a smart shopper – obtain multiple quotes and bids.
- Future changes to electricity rates and regulations can impact the benefits outlined or estimated in your contract based on current rates.
 - There is no guarantee of being 'grandfathered'
- Some providers offer a guaranteed minimum level of system production.
 - It is recommended to ask for data monitoring on your system.

Lease Related Considerations

- Some leases contain a price escalator that increases the lease payments on an annual basis. Though a low annual escalator can make sense, they also increase the risk that lease payments may be higher than a pre-solar utility bill for some period of your contract term. Make sure you understand the rate of increase in your contract and how that relates to your expected savings.
- If you own a home with leased rooftop solar panels, you may be responsible for additional property taxes incurred by the leasing company.
- Unlike a direct ownership model, the leasing company, not the homeowner, is eligible to use the federal and state tax credits. However, the tax credits are typically factored into your lease payment.

2. “Going Solar” ≠ “Off the Grid”

Even with rooftop solar panels, customers still rely on the grid 24/7. It is unlikely that at any given moment, the electricity needs of your home and the production of the PV system will be the same. The connection to the grid enables a smooth exchange of power and energy as load and production vary. For example, when your air conditioner turns on, an immediate surge of power is needed. At night and on cloudy days with limited or intermittent sunlight, solar panels are not able to produce the energy needed to run your home. Therefore, unless the solar PV system is coupled with an energy storage solution, you still need a reliable energy source to ensure comfort and safety. This need is especially true given that most solar PV systems are designed to shut down for safety reasons if grid power is lost.

3. Make Sure the Roof is Solar-ready

Before moving forward with solar, know that a typical roof's average life expectancy is 20 years. If you do not know when your roof was installed or last repaired, having a professional inspect your roof prior to installing a solar system is a good idea. You could also incur costs relating to removing and reinstalling the PV system to conduct roof work.

The orientation of your roof will impact energy production potential, but, contrary to popular belief, a roof does not need to face directly south for solar panels to work. However, if an installer proposes north facing panels, it is recommended that you request an alternative bid without those panels for comparison purposes.

4. Picking the Right Installer

Working with a certified solar installer is your best bet. Fortunately, Arizona is home to some of the most reputable companies in the business. For leased systems, the company that leases the system may not be the company that installs it. It is also important to verify that the system warranty maintains intact if the installer goes out of business or if the leasing company sells the lease to another financing company.

Things to Consider

- Be careful of large down payments before work is performed.
- Get multiple bids and read and understand the contracts beforehand. The price of systems and the terms can vary greatly among installers and leasing companies.
- The Arizona Attorney General advises consumers to be cautious of companies that solicit by phone and/or use high-pressure sales tactics.
- Inform the HOA of your rooftop solar plans. A summary of HOA rules can be found here.
- If you plan to own the system, make sure you have enough tax liability to fully realize the 30% federal tax credit and other tax incentives that may be offered.
- Obtain a city permit prior to construction (this is usually done by the installer).
- Include liability guarantees in your contract to cover roof damage that may happen during construction.
- Be sure to work with both a reputable leasing company and installer.
 - Look for PV installers who are certified or have employees certified by the North American Board of Certified Energy Practitioners (NABCEP).
 - The Arizona Solar Energy Industries Association also maintains a list of solar panel installers that have obtained a Preferred Solar Installer credential.
 - Before selecting an installer, a good place to start is with referrals from friends, neighbors or associates (but make sure you know if they are being paid for the referral), then online reviews like Angie's list, ROC complaints, finally the Better Business Bureau (BBB).

5. Selling Your Home

It is possible that you may sell your home before completing the term of the 20-year solar system lease. Rooftop solar systems can be considered an asset and can increase the value of your home. Note that depending on the type of lease and the terms of your particular leasing company, payments may be considered a liability and an encumbrance may be placed on your property and/or the equipment. Depending on your lease agreement, options for selling the house may include:

- Buying out the remainder of the lease;
- Leaving the panels behind, in which case the home buyer must qualify and agree to taking over the lease;
- Moving the panels with you, if allowed under the lease terms.

6. Get Advice

With any significant investment, it's prudent to confer with experts. Consult a tax professional, your insurance carrier, and an Eco-Broker certified real estate agent. Consulting with the local fire department regarding their ability to access the house in the event of a fire is also advisable.

7. Become More Energy Efficient

Whether or not you go solar, it's always a good idea to improve your home's energy efficiency. Utilities offer a number of energy efficiency options to save you money and to improve the safety and quality of your home environment.

Making your home as energy efficient as possible will also help ensure that your rooftop solar system is properly sized for your current and future energy use. For instance, oversized systems cost more, and any excess electricity, you produce, is paid at a low wholesale rate towards the end of the year.

Visit the following utility webpages to learn more about available energy efficiency programs and to find energy saving tips:

- Arizona Public Service customers: <http://www.aps.com/en/residential/savemoneyandenergy/>
- Tucson Electric Power customers: <http://www.tep.com/efficiency/>
- Salt River Project customers: <http://www.savewithsrp.com>

Once the above considerations are followed, solar PV can be a great investment that allows you to be more than just a consumer of energy - but also a producer of clean energy.

Arizona Attorney General Press Release

June 5, 2014

For Immediate Release

Contact: Stephanie Grisham

Press Secretary

602.542.8019.O

480.707.7434.C

CONSUMER ALERT: RESIDENTIAL SOLAR PANEL SYSTEMS

PHOENIX, AZ (Thursday, June 5, 2014) – Attorney General Tom Horne is today bringing to the public’s attention potential consumer fraud problems related to solar systems. High utility costs are a concern to all Arizona residents, especially during the summer months. Many consumers consider solar energy as a way to potentially reduce costly electricity bills. Dealers of photovoltaic systems (“PV system” or “solar system”) often claim that utilizing various federal, state and local tax credits and rebates will allow consumers to significantly reduce their total cost of electricity. In spite of these credits and rebates, however, there is no guarantee that installing solar panels will reduce your total electricity costs when you add in a monthly lease or finance payment. The PV system dealer (“solar company”), not the consumer, gets the tax benefits and incentives if it owns the equipment and leases it to consumers. Solar companies may also mark up the component costs and labor so significantly that the costs of the system far exceed the potential benefits.

A PV system can cost anywhere from \$10,000 to \$60,000 or more. Because of the significant tax benefits and high profit potential of the systems, there is intense competition between solar companies to obtain business. This competition has led some companies to engage in unethical behavior to obtain more customers and perform more installs. Solar companies sometimes use high pressure sales techniques or deceptive statements to convince consumers to enter into costly PV system agreements, under which the consumer may end up paying higher combined electricity costs after installing the system than before. Here are some consumer tips to keep in mind if you’re considering obtaining a PV system:

CONSUMER TIPS:

1. **Know the players involved.** Some callers claim to be from an official sounding entity or agency, such as the Department of Energy, a “study group,” or “institute” when they have no affiliation with any official entity. Ask for the corporate name and Registrar of Contractor license number for the solar company that wants to do an in-home sales presentation. Reputable companies will be happy to provide this information.

13. Obtain multiple, itemized quotes. Obtain an estimate from at least two solar companies, which will allow you to compare the cost and installation of the same size system between two companies. Be sure to request that every component is itemized.

14. Keep your right of rescission in mind. For agreements signed after an in-home sales presentation, you are required to be given 72 hours after signing to cancel the contract without penalty.

If you believe you have been a victim of consumer fraud in the sale or lease of a solar system, you can file a consumer complaint online at www.azag.gov or contact us by phone at 602.542.5763 (Phoenix), 520.628.6504 (Tucson), or 800.352.8431 (toll free outside metro Phoenix), or by email at consumerinfo@azag.gov.

Please provide your supporting documents by fax at 602.542.4579 or by mail to 1275 West Washington Attn: Consumer Information and Complaints, Phoenix, AZ 85007 and include your name and complaint number if available.

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APPENDIX IIA

DISCLAIMER

**POSSIBLE FUTURE RULES and/or RATE CHANGES
AFFECTING YOUR ROOFTOP PHOTOVOLTAIC SYSTEM**

The following is a supplement to paragraph 10.6 of the Interconnection Agreement you signed with the Arizona Public Service Company (APS).

1. APS electricity rates, basic charges and service fees are subject to change. Future adjustments to these items may positively or negatively impact any potential savings or the value of your rooftop photovoltaic system.
2. You will be responsible for paying any future increases to electricity rates, basic charges or service fees from APS.
3. Your rooftop photovoltaic system is subject to the current rates, rules and regulations established by the Arizona Corporation Commission ("Commission"). The Commission may alter its rules and regulations and/or change rates in the future, and if this occurs, your system is subject to those changes.
4. Any future electricity rate projections presented to you are not approved by APS or the Commission. They are based on projections formulated by external third parties not affiliated with APS or the Commission.

By signing below, you acknowledge that you have read and understood the above disclaimer.

Signed,

Name/signature

Date

By signing this disclaimer, you confirm your understanding that the economics behind your decision to buy or lease solar may change. You are signing up for a long-term agreement with a third-party NOT affiliated with APS, whose numbers are based on their own predictions about rates and policies that are subject to change.

Arizona's Stealth Solar owners admit fraud

Robert Anglen, The Republic | azcentral.com 11:52 a.m. MST February 9, 2015



(Photo: The Republic)

Owners of a Phoenix solar company that promised customers new energy systems wouldn't cost them "one cent" and would save "tons of money" have agreed to pay thousands in fines to settle a consumer fraud lawsuit.

Stealth Solar owners Fred and Sandra Richie acknowledged the company illegally advertised services through deceptive telemarketing, bogus mailers, untrue promises of savings and government subsidies.

The Richies will pay up to \$92,000 in restitution to customers they deceived and \$20,000 in attorney's fees as part of a consent agreement with the Arizona Attorney General's Office. They also face \$160,000 in civil penalties if they fail to make restitution to customers.

The attorney general sued Stealth in 2014 after receiving 50 consumer complaints against the company. Customers not only said they didn't save money, some saw utility rates rise due to the cost of equipment.

"We thank those customers who came forward to voice their concerns about this company," Attorney General Mark Brnovich said in a statement last week. "Our attorneys want to know about false advertising. With that information we can hold companies accountable for deceiving consumers."

Brnovich took office in January.

Stealth customers weren't just calling the attorney general with concerns. They also contacted Call 12 for Action, saying Stealth failed to honor contracts, that energy systems failed to deliver savings and that company officials made promises to send rebates that never arrived.

Phoenix resident Ethan Sims said he tried for months to get a \$1,000 refund check from the company that never arrived.

He said Stealth managers told him in January that the check was in the mail. When he called back again, the company's phone number had been disconnected.

Stealth Solar sold solar electric energy systems in Arizona, California and Hawaii from 2010 to 2014, when it closed. The company also marketed aerosol, barrier and film systems to homeowners.

The attorney general's lawsuit accused Stealth of generating most of its business through telemarketing calls that convinced customers to let employees make sales pitches at their homes.

The Richies acknowledged in the consent agreement that telemarketers often claimed they were calling from the "Go Green Now Program" without mentioning any affiliation to Stealth.

The consent agreement said phone solicitors told customers they would be: permanently eligible for a program that would lower electric bills from 40-75 percent; get as much as \$17,000 through state, federal and utility programs; and receive government payments for purchasing systems.

Salesmen falsely claimed to be "certified energy analysts." According to the agreement, they told customers: their utility bills would increase by 12 percent if they didn't buy solar systems; 70 percent of the purchase price was covered by government incentives; and they would save up to \$300,000 over the life of the equipment.

The company also sent bogus simulated checks to consumers from fictitious company called the National Rebate Center, according to the agreement.

Authorities said in the consent agreement that Stealth Solar owes substantial debts and "is highly insolvent and is unlikely to become solvent."

To be eligible for restitution, customers who purchased energy components from Stealth must file a complaint with the Arizona Attorney General's Office before July 1.

Robert Anglen investigates consumer issues for The Arizona Republic and is part of the Call 12 for Action team. Reach him at robert.anglen@arizonarepublic.com. Follow him on Facebook and Twitter @[robertanglen](https://twitter.com/robertanglen) (<https://twitter.com/robertanglen>).

Media & Resources » Press Releases » Attorney General Brnovich Obtains Settlement in Solar Lawsuit

Attorney General Brnovich Obtains Settlement in Solar Lawsuit

(Phoenix, AZ) -- Attorney General Mark Brnovich announced today the settlement of a consumer fraud case that was filed against Going Green Solar LLC (Going Green) and its parent company Gee Investments LLC (Gee). The Phoenix-based company, formed in 2009, markets, sells, installs, and finances photovoltaic (PV or solar) systems and products for consumers hoping to lower their utility expenses. According to the lawsuit filed on February 12, 2015, Going Green made thousands of telemarketing calls, conducted high pressure sales presentations in the homes of potential clients, and sold products that did not result in a reduction of energy bills.

The court approved a Consent Judgment with Going Green and Gee to resolve the state's lawsuit on February 24, 2015. The Judgment acknowledges that Going Green violated the Arizona Consumer Fraud Act (ACFA). Going Green made telephone calls to consumers on the Federal Trade Commission's National Do Not Call Registry; made deceptive statements during the telemarketing calls; made misleading claims as to projected cost savings; proffered false and deceptive documents in its sales presentation and targeted senior citizens.

The Attorney General's Office received approximately 30 complaints against Going Green from consumers who did not receive the benefits promised by the company's representatives. Many experienced an increase in their total monthly electricity outlay due to equipment costs.

Going Green has agreed to pay more than \$56,000 to consumers who have not already received restitution, and is required to pay up to an additional \$65,000 in restitution for eligible consumers who file a complaint within the next six months. The company must also pay over \$17,000 in attorneys' fees and investigative costs. Finally, Going Green may pay up to \$120,000 in civil penalties, but \$70,000 is suspended contingent upon the company's full compliance with the injunction provisions.

As part of the settlement, Going Green is also revising its telemarketing scripts and sales presentations to bring them in compliance with the ACFA.

"The Attorney General's Office will continue to pursue companies that do not deliver what they promise," said Brnovich. "If you believe you are a victim of deceptive solar sales practices, we want you to know that our attorneys are here to fight for you."

If you believe you have been a victim of consumer fraud, please contact the Attorney General's Office in Phoenix at (602) 542-5763, in Tucson at (520) 628-6648, or outside the Phoenix and Tucson metro areas at (800) 352-8431. Consumer complaints can also be filed online at www.azag.gov.

This case was handled by Assistant Attorney General Jordan Christensen. For more information contact Kristen Keogh (602) 542- 8019 or Kristen.Keogh@azag.gov.

1275 WEST WASHINGTON STREET, PHOENIX, AZ 85007-2926 | EMAIL: CONTACT US | PHONE: (602) 542-5025
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