August 22, 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 Chairwoman and Commissioners:

Thank you for providing the Solar Energy Industries Association (SEIA) the opportunity to present at the June Workshop. The solar industry is firmly committed to consumer protection. The education of consumers and solar companies alike on the right way to do business is a top priority for SEIA. Education, standardization and collaboration with federal, state and local policymakers is the winning path to increase consumer understanding, maximize the transparency of the residential solar transaction, and ensure that those who don't follow the rules suffer the consequences. As a follow up, we wish to inform you about some of its recent consumer protection efforts.

Disclosure Forms

A critical part of consumer understanding is providing clear disclosures. In mid-June, we released our PPA and updated lease disclosure forms which summarize an agreement's key details so that consumers can easily compare offers and see the key terms of an agreement. The disclosure forms include updated language on Renewable Energy Certificates (RECs) that was developed with guidance from the Vermont Attorney General's office. Some of SEIA's largest residential companies have committed to using these disclosure forms in their sales processes by the end of 2016.

Consumer Guides

Consumer interest in Community Solar – large offsite solar systems with multiple subscribers – has been growing rapidly. To help consumers better understand this new option, in July, SEIA released the *Residential Consumer Guide to Community Solar*. The new guide provides consumers with an overview of community solar, expert tips on how to be an informed consumer, questions solar consumers should ask before entering into an agreement and handy links to other resources.

Robocalls

Many consumers have become all too familiar with robocalls, whether it is for cruises or solar panels. SEIA is partnering with the lead generation industry stop unwanted marketing calls in collaboration with the FCC. SEIA will soon release a consumer guide on robocalls that includes tips on what to do if you receive a robocall and options for blocking unwanted robocalls.

Council of Better Business Bureaus

SEIA recently became a National Partner of the Council of Better Business Bureaus (CBBB). Through our collaboration, all BBB chapters are using the *SEIA Solar Business Code*, the national code of conduct for solar companies, in evaluating solar advertisements. Solar education content will be developed for CBBB's website, including making all of SEIA's consumer protection materials available for viewers. And the BBB commended SEIA's lease and PPA disclosure forms as an important tool to increase transparency and trust in the marketplace.

Collaboration with Government Agencies

Our efforts are designed to supplement, not supplant, the hard of work of regulators, such as the FTC, FCC, CFPB, and state AGs, to protect consumers and use governmental enforcement powers. By coordinating with government regulators, government agencies have posted SEIA's consumer protection materials available on their websites and when appropriate, SEIA will send complaints to government regulators.

Conclusion

In conclusion, the solar industry is at the forefront of consumer protection for many reasons. We rely on consumers having great experiences. That means making sure that they understand solar, can compare offers, and can see their problems resolved. To advance these goals, SEIA collaborates with both consumer groups and government agencies. Our customers have some of the most carefully considered and advanced consumer protections in the country. And when they make that well-informed decision to go solar, we wind up with happy customers who are producing their own power, saving money, and helping to drive the nation toward a clean and affordable energy future.

Respectfully Submitted,

Thomas P. Kimbis
Interim President & General Counsel
Solar Energy Industries Association
Phone: 202-682-0556
Email: tkimbis@seia.org

Attachments:

- *Residential Consumer Guide to Community Solar (Jul. 2016)*
- *SEIA Solar Leasing Disclosure Statement (Jun. 2016)*
- *SEIA Solar PPA Disclosure Statement (Jun. 2016)*
- *Press Release: "SEIA Further Simplifies Residential Solar for Consumers" (Jun. 2016)*

SEIA Further Simplifies Residential Solar for Consumers

Monday, June 20, 2016

WASHINGTON, D.C. - Adding another tool to help consumers understand rooftop solar investments,

SEIA® SOLAR LEASING DISCLOSURE STATEMENT

This streamlined statement is designed to help you understand the terms and costs of your solar lease.
This statement is not a substitute for the contract, lease and other documents associated with this transaction.
Read your contract and other documents carefully. All information presented below is subject to the terms of your contract.

LESSOR:	**INSTALLER:**	**WARRANTY/MAINTENANCE PROVIDER:**
Address:	**Address**:	**Address**:
Tel.:	**Tel.:**	**Tel.:**
License # (if applicable):	**State/County Contractor License #:**	**License # (If applicable):**
Email:	**Email:**	**Email:**

LESSEE:
Customer ID:
System Installation Address:
Lessee Mailing Address:
Email:
Contract Date:

*** NOTE: YOU ARE ENTERING INTO AN AGREEMENT TO LEASE A SOLAR SYSTEM. YOU WILL NOT OWN THE SOLAR SYSTEM INSTALLED ON YOUR PROPERTY. YOU CANNOT CLAIM THE FEDERAL INVESTMENT TAX CREDIT. CONSULT WITH YOUR TAX ADVISOR.**

Amount & Term (A)	Amount Due Up Front (B)	Total Estimated Lease Payments (C)	Other Possible Charges (D)
Your monthly payment during the first year of the lease: $_____ The length of your solar lease: ☐ ___ Years ☐ _____ Months ***NOTE:** See **Box G**: "Lease Payment Escalator" for factors that may affect the amount of future monthly payments.	Amount you owe Lessor at solar lease signing: $_____ Amount you owe Lessor at the completion of installation: $_____ Total up-front payments you owe Lessor: $_____	Total of all your monthly payments and estimated taxes over the course of the lease: Your estimated total lease payments excluding taxes are $_____ Your estimated total tax payments are $_____ based on estimated average monthly tax payment of $_____ **Incentives Included In Your Estimated Lease Payments:** ☐ None ☐ _____ _____ _____	Other charges you may have to pay under your solar lease: **Late Charge**: If a payment is more than _____ days late, you will be charged $_____. **Estimated System Removal Fee:** $_____ **UCC Notice Removal and Re-Filing Fee:** If you refinance your mortgage, you may have to pay $____ **Non-Connection to Internet:** If you do not maintain a high-speed internet connection, you will be charged a monthly fee of $_____ and/or as a result your monthly payments may be based upon estimates **Automatic Bank Withdrawals (ACH):** [$____ per month fee for not paying your lease using automatic bank withdrawals] [$____ per month discount if you pay your lease using automatic bank withdrawals]

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Number of Lease Payments (E)	When Payments Are Due (F)	Lease Payment Escalator (G)
_____	The first payment on your solar lease is due on the _____ day of the first calendar month after your leased solar system is connected. Lessor will provide you with: ■ Electronic Invoices (sent to your email address above) ☐ Paper Invoices (sent to your U.S. mail address above)	The amount of your solar lease payment will increase: ☐ Never ☐ Annually ☐ Other ___ ☐ **Your solar lease payment amount will increase by the following amount _____%** The first increase will occur in _____, 20___ or with your 13th payment, whichever comes later.

Site & Design Assumptions for your Leased System (H)

- Estimated leased system size, in kilowatts (kW): _____
- Estimated gross annual electricity production in kilowatt-hours (kWh) from your leased system: _____
- Estimated annual system production decrease due to natural aging of system: _____%
- System location: _____
- Connectivity: Your leased solar system ☐ **WILL** ☐ **WILL NOT** be connected to the electric grid.
- Net metering: At the time of installation, your system ☐ **WILL** ☐ **WILL NOT** be net metered. Net metering rules are set by the jurisdiction you live in. Any benefits of net metering accrue to you unless specified here: _____

Security Filings (I)

Lessor ☐ **WILL** ☐ **WILL NOT** take a security interest in your real property by terms of the lease (e.g. a lien on your home)

Lessor ☐ **WILL** ☐ **WILL NOT** file a fixture filing or a UCC-1 on the system (a public filing informing others that Lessor owns the system, but does not put a lien on your home)

Repair & Maintenance (J)

System maintenance ☐ **IS** ☐ **IS NOT** included for the term of the lease from lessor or a third party (such as an installer or equipment manufacturer). You are required to perform the following system maintenance: _____
_____

System repairs ☐ **ARE** ☐ **ARE NOT** included for the term of the lease from lessor or a third party (such as an installer or equipment manufacturer). If all system repairs are not included, you are required to perform the following system repairs:
_____
_____

Roof Warranty (K)

Your roof ☐ **IS** ☐ **IS NOT** warranted against leaks from the system installation for _____ years.

Your roof ☐ **IS** ☐ **IS NOT** warranted against leaks caused by removal of the system for a period of _____ years following system removal. Any portions of your roof impacted by the system ☐ **WILL** ☐ **WILL NOT** be substantially returned to their original condition following the removal of the system (ordinary wear and tear excepted).

Transferring Your Lease and Selling Your Home (L)

If you sell your home, you ☐ **MAY** ☐ **MAY NOT** transfer this solar lease to the purchaser(s) of your home.

If you may transfer the lease, the transfer will be subject to the following conditions:

☐ Credit check on the purchaser(s)
☐ Minimum FICO score requirement: _____
☐ Transfer fee. If Yes insert amount $ _____
☐ Assumption of contract by purchaser(s)
☐ Other _____

If you sell your home, you ☐ **ARE** ☐ **ARE NOT** permitted to move the solar system to a new home.

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You may also have the options to purchase the system or prepay some or all of the lease balance as part of a transfer.

Transfer of Obligations by Lessor (M)

The lease may be assigned, sold or transferred by Lessor without your consent to a third-party that will be bound to all the terms of the lease. If such a transfer occurs, you will be notified if this will change the address or phone number to use for lease questions, payments or service requests.

Performance or Production Guarantee (N)

Lessor is providing you with a:

☐ Performance guarantee
☐ System production guarantee
☐ No guarantee of performance or system production

Underproduction or underperformance will be remedied as follows: _____
_____
_____

Taxes (O)

You are responsible for property taxes on property you own. Consult a tax professional to understand any tax liability that may result from entering the lease.

Utility and Electricity Usage/Savings Assumptions (P)

You ☐ **HAVE** ☐ **HAVE NOT** been provided with a savings estimate based on your solar lease.

If provided, the savings estimate was calculated based on:

☐ Your estimated prior electricity use
☐ Your actual prior electricity use
☐ Your estimated future electricity use

The savings estimate assumes the following:

☐ Years of electricity production from your leased solar system: _____

☐ A current estimated **utility electricity rate** of _____ [cost per kilowatt-hour] during the first lease year with estimated increases of _____ percent annually. Lessor based this estimate on the following source(s):
_____

☐ An estimated **solar electricity rate** from your leased solar system of _____ [cost per kilowatt-hour] during the first lease year with estimated increases of _____ percent annually.

NOTE: It is important to understand that electricity rates are estimates only. Your actual current and future utility rates and utility rate increases may vary.

Lessor ☐ **IS** ☐ **IS NOT** guaranteeing these savings. If Lessor is guaranteeing savings, underperformance will be compensated as follows:
_____
_____

Renewable Energy Certificates (RECs) (Q)

Any renewable energy certificates or credits (RECs) from producing renewable solar energy with the leased system ☐ WILL ☐ WILL NOT be owned by the Lessor. If Lessor does own the RECs, you will not own the RECs to sell, use or claim them, and Lessor may sell the RECs to a third party who may claim clean, green or renewable energy based on its purchase of RECs from the leased system.
[Optional: Contact Provider if you would like to purchase the RECs from your installation.]

Cooling Off Period/ Right to Cancel (R)

In addition to any rights you have under state or local law, you ☐ **HAVE** ☐ **DO NOT HAVE** the right to terminate this lease without penalty within three (3) business days of _____ by notifying Lessor in writing at the above address.

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SEIA Solar Business Code (S)
Provider ☐ **DOES** ☐ **DOES NOT** abide by and agree to be bound by SEIA's Solar Business Code and its complaint resolution process. For more information about the SEIA Solar Business Code and complaint resolution process, please visit www.seia.org/consumers or email SEIA at consumer@seia.org.

Additional Disclosures or Terms (T)

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SEIA® SOLAR PPA DISCLOSURE STATEMENT

This streamlined statement is designed to help you understand the terms and costs of your solar power purchase agreement (PPA).
This statement is not a substitute for the contract and other documents associated with this transaction.
Read your contract and other documents carefully. All information presented below is subject to the terms of your contract.

PROVIDER:	**INSTALLER:**	**WARRANTY/MAINTENANCE PROVIDER:**
Address:	**Address**:	**Address**:
Tel.:	**Tel.:**	**Tel.:**
License # (if applicable):	**State/County Contractor License #:**	**License # (If applicable):**
Email:	**Email:**	**Email:**

CUSTOMER:
Customer ID:
System Installation Address:
Customer Mailing Address:
Email:
Contract Date:

*** NOTE: YOU ARE ENTERING INTO AN AGREEMENT TO PURCHASE POWER NOT A SOLAR SYSTEM. YOU WILL NOT OWN THE SOLAR SYSTEM INSTALLED ON YOUR PROPERTY. YOU CANNOT CLAIM THE FEDERAL INVESTMENT TAX CREDIT. CONSULT WITH YOUR TAX ADVISOR.**

Electricity Rate & Term (A)	Amount Due Up Front (B)	Other Possible Charges (C)
Your rate per kilowatt-hour (kWh) for the power produced: $_____ Your estimated first year production: _____ kWh The length of your PPA: ☐ _____ Years ☐ _____ Months Incentives included in your rate per kilowatt-hour (kWh) for the power produced: ☐ None ☐ _____ _____ _____ ***NOTE:** Your monthly payments will be the amount of power produced times the rate per kWh above. As a result, your payments will vary every month, but the amount you pay per each kWh will be fixed, unless you have a "PPA Payment Escalator." See **Box F**: "PPA Payment Escalator" for factors that may affect the amount of your rate per kWh and therefore your future monthly payments.	Amount you owe Provider at PPA signing: $_____ Amount you owe Provider at the completion of installation: $_____ Total up-front payments you owe Provider: $_____	Other charges you may have to pay under your PPA: **Late Charge**: If a payment is more than _____ days late, you will be charged $_____. **Estimated System Removal Fee:** $_____ **Non-Connection to Internet:** If you do not maintain a high-speed internet connection, you will be charged a monthly fee of $_____ and/or as a result your monthly payments may be based upon estimates. **Automatic Bank Withdrawals (ACH):** [$____ per month fee for not paying your PPA using automatic bank withdrawals] [$____ per month discount if you pay your PPA using automatic bank withdrawals]

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Number of Monthly Payments (D)	When Payments Are Due (E)	PPA Payment Escalator (F)
_____	The first payment on your PPA is due on the _____ day of the first calendar month after your PPA system is connected. Provider will provide you with: ☐ Electronic Invoices (sent to your email address above) ☐ Paper Invoices (sent to your U.S. mail address above)	The amount of your electricity rate per kWh will increase: ☐ Never ☐ Annually ☐ Other ___ ☐ **Your electricity rate per kWh will increase by the following amount _____%** The first increase will occur in _____, 20___ or with your 13th payment, whichever comes later.

Site & Design Assumptions for your PPA (G)

- Estimated gross annual electricity production in kilowatt-hours (kWh) from your PPA: _____
- Estimated annual system production decrease due to natural aging of system: _____%
- System location: _____
- Connectivity: The solar system ☐ **WILL** ☐ **WILL NOT** be connected to the electric grid.
- Net metering: At the time of installation, the system ☐ **WILL** ☐ **WILL NOT** be net metered. Net metering rules are set by the jurisdiction you live in. Any benefits of net metering accrue to you unless specified here: _____

Security Filings (H)

Provider ☐ **WILL** ☐ **WILL NOT** take a security interest in your real property by terms of the PPA (e.g. a lien on your home)
Provider ☐ **WILL** ☐ **WILL NOT** file a fixture filing or a UCC-1 on the system (a public filing informing others that Provider owns the system, but does not put a lien on the home)

Repair & Maintenance (I)

System maintenance ☐ **IS** ☐ **IS NOT** included for the term of the PPA from Provider or a third party (such as an installer or equipment manufacturer). You are required to perform the following system maintenance: _____
_____

System repairs ☐ **ARE** ☐ **ARE NOT** included for the term of the PPA from Provider or a third party (such as an installer or equipment manufacturer). If all system repairs are not included, you are required to perform the following system repairs: _____
_____

Roof Warranty (J)

Your roof ☐ **IS** ☐ **IS NOT** warranted against leaks from the system installation for _____ years.

Your roof ☐ **IS** ☐ **IS NOT** warranted against leaks caused by removal of the system for a period of _____ years following system removal. Any portions of your roof impacted by the system ☐ **WILL** ☐ **WILL NOT** be substantially returned to their original condition following the removal of the system (ordinary wear and tear excepted).

Transferring Your PPA and Selling Your Home (K)

If you sell your home, you ☐ **MAY** ☐ **MAY NOT** transfer this PPA to the purchaser(s) of your home.

If you may transfer the PPA, the transfer will be subject to the following conditions:

☐ Credit check on the purchaser(s)
☐ Minimum FICO score requirement: _____
☐ Transfer fee. If Yes insert amount $ _____
☐ Assumption of contract by purchaser(s)
☐ Other _____

If you sell your home, you ☐ **ARE** ☐ **ARE NOT** permitted to move the solar system to a new home.

You may also have the options to purchase the system or prepay some or all of the P balance as part of a transfer.

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Transfer of Obligations by Provider (L)

The PPA may be assigned, sold or transferred by Provider without your consent to a third-party that will be bound to all the terms of the PPA. If such a transfer occurs, you will be notified if this will change the address or phone number to use for PPA questions, payments or service requests.

Performance or Production Guarantee (M)

Provider is providing you with a:

☐ Performance guarantee
☐ System production guarantee
☐ No guarantee of performance or system production

Underproduction or underperformance will be remedied as follows: _____
_____
_____

Taxes (N)

You are responsible for property taxes on property you own. Consult a tax professional to understand any tax liability that may result from entering the PPA.

Utility and Electricity Usage/Savings Assumptions (O)

You ☐ **HAVE** ☐ **HAVE NOT** been provided with a savings estimate based on your PPA.

If provided, the savings estimate was calculated based on:

☐ Your estimated prior electricity use
☐ Your actual prior electricity use
☐ Your estimated future electricity use

The savings estimate to you assumes the following:

☐ Years of electricity production from your PPA: _____
☐ A current estimated **utility electricity rate** of _____ [cost per kilowatt-hour] during the first year of the PPA with estimated utility rate increases of _____ percent annually. Provider based these estimates on the following source(s): _____
☐ An **electricity rate** from your PPA of _____ [cost per kilowatt-hour] during the first year of the PPA with estimated increases of _____ percent annually.

NOTE: It is important to understand that future utility electricity rates are estimates only. Your actual current and future utility rates and utility rate increases may vary.

Provider ☐ **IS** ☐ **IS NOT** guaranteeing these savings. If Provider is guaranteeing savings, underperformance will be compensated as follows:
_____
_____

Renewable Energy Certificates (RECs) (P)

Any renewable energy certificates or credits (RECs) from producing renewable solar energy sold under your PPA belong to the owner of the solar system (Provider), not the owner of the property**.** Provider ☐ **MAY** ☐ **WILL** ☐ **WILL NOT** sell the RECs to a third party. You will not own the RECs to sell, use or claim, and a third party may have the right to claim clean, green or renewable energy based on its purchase of the RECs from your PPA installation. [Optional: Contact Provider if you would like to purchase the RECs from your installation.]

Cooling Off Period/ Right to Cancel (Q)

In addition to any rights you have under state or local law, you ☐ **HAVE** ☐ **DO NOT HAVE** the right to terminate this PPA without penalty within three (3) business days of _____ by notifying Provider in writing at the above address.

SEIA Solar Business Code (R)

Provider ☐ **DOES** ☐ **DOES NOT** abide by and agree to be bound by SEIA's Solar Business Code and its complaint resolution process.
For more information about the SEIA Solar Business Code and complaint resolution process, please visit www.seia.org/consumers or email SEIA at consumer@seia.org.

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Additional Disclosures or Terms (S)

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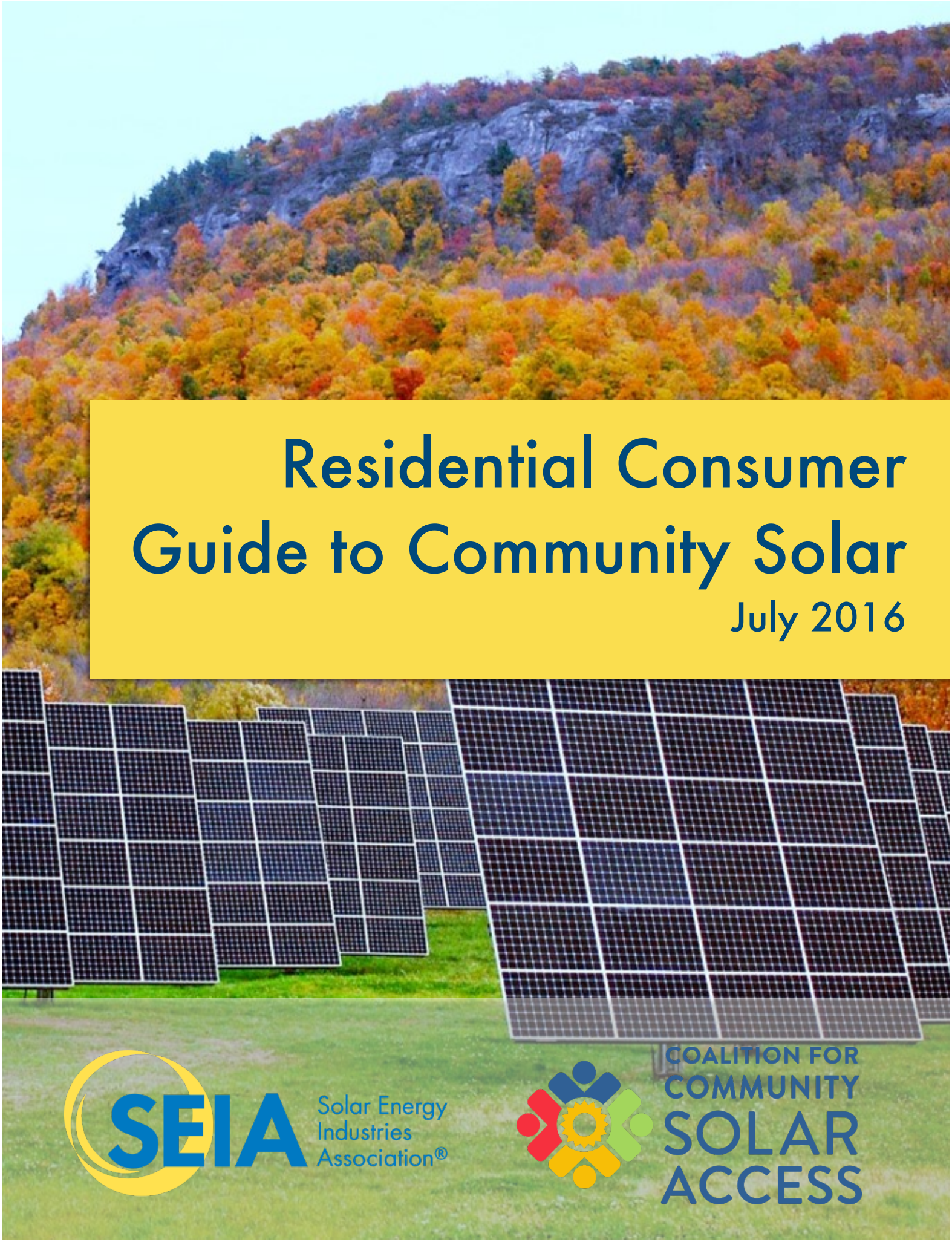

Residential Consumer Guide to Community Solar

July 2016

SEIA Solar Energy Industries Association®

COALITION FOR COMMUNITY SOLAR ACCESS

Introduction

Deployment of solar energy systems in the U.S. has grown rapidly over the past decade. Costs have dropped, and new ownership and financing models allow more Americans than ever to choose solar. Solar is now available as a power choice in all states. The solar industry is creating even more solutions that allow all consumers to produce their own electricity by going solar.

Consumers who rent their homes, live in an apartment, do not have unshaded or otherwise well-oriented roof space, or may not qualify for a lease now have the ability to choose solar in an increasing number of states. Even for consumers who have the roof and property to install a solar system, community solar offers an alternative option for going solar. Some community solar projects allow subscribers to purchase or lease as little as one panel or a small fraction of the power generated from the project. Subscribers' interest can also typically stay with them if they move to a new address within the same utility service territory. Community solar brings more choice to consumers interested in solar.

Entering into a community solar agreement is a significant decision, similar to signing up for a cell phone, and consumers should understand the basics of solar energy, where community solar is available, key terms in agreements, and the right questions to ask solar professionals.

What is Community Solar?

While no single model for community solar exists, community solar here is defined as a solar photovoltaic (PV) project with multiple subscribers that receive credits on their utility bill for their portion of the energy produced by the community solar system. It allows individuals, businesses, and/or other organizations to participate in solar development and receive direct benefits, similar to on-site solar installations.

Community solar is currently enabled by legislation in over a dozen states, but each state program is unique. In addition, some electric cooperatives, municipal utilities, and/or investor-owned utilities offer their own community solar programs. Community solar is growing fast and is anticipated to be a major source of distributed generation over the coming years.

Be an Informed Consumer

When evaluating your options to go with community solar, you should always do your homework, talk to friends and neighbors who have chosen solar, use common sense, and be active and engaged in dealing with solar companies. Below are some suggestions on how to become an informed consumer.

KNOW YOUR SITUATION

- ***Know your electricity usage***. You should understand how much electricity you use. Your utility bill will show your electricity usage in kilowatt-hours (kWh) and the amount you pay for that electricity. Most American's power bills change throughout the year with the seasons. Also, you should think about if you are you planning any changes that will affect your electricity use such as buying an electric vehicle, planning an addition to your home, or improving your home's energy efficiency. Discuss your usage with the solar companies you interview to get a community solar subscription sized for your needs.

DO YOUR HOMEWORK

- ***Get the best deal***. As with any major purchase, make sure to get multiple offers (if possible) before subscribing to a community solar program. Use this guide and other resources, and compare costs and subscription agreement terms. Remember that the lowest cost offer is not always the best offer.
- ***Not all non-rooftop solar programs are community solar programs.*** In a number of states, utilities offer a green tariff or green pricing program. Green tariff programs can be easily confused for community solar programs. In a green tariff program, a utility will sell you "renewable" electricity at an **extra cost** in addition to your current electricity rates, but you may not necessarily own part of or be directly participating in a specific system. That is very different from a community solar program.
- ***Research your solar company.*** Before entering an agreement with a solar company, do your homework. Ask for references and call them. Ask if the company is a member of the Solar Energy Industries Association (SEIA), the national trade association for solar that requires all its members to abide by the *SEIA Solar Business Code*, a national code of conduct. You can also ask if they are a member of the Coalition for Community Solar Access, the national trade association specifically for community solar providers, all of which commit to abide by a set of core principles including responsible long-term operation and maintenance of projects for the benefit of participants. Check with the local Better Business Bureau and other consumer guides.
- ***Understand how much you will be credited and/or charged on your electricity bill.*** Community solar projects typically authorize subscribers to receive credits on their electricity bill for their portion of solar electricity generated by a community solar system. The amount of the credit can vary widely across states because of differences in state law. Before you sign a subscriber agreement, ensure that you understand how much your electricity bill will be credited for energy created by the community solar system, and how much you will continue to pay your utility.
- ***Understand any tax credits or other incentives***. There is a 30 percent federal tax credit available through 2019 on the total cost of all solar systems. (The federal credit drops to 26 percent for 2020, and 22 percent for 2021). If you own a portion of the community solar system, then you may be eligible to claim a federal tax credit directly based on your portion of the system. If you do not own but rather simply subscribe to a portion of the system, the tax credit could be claimed by the system owner and help reduce the cost of your subscription. Other state and local incentives may also be available, as well as programs from your local utility. Talk with the community solar company about how incentives may apply to you and the company. Many incentives can be found on the Database of State Incentives for Renewable Energy (see *Additional Resources*, below). You should consult a tax professional with any questions about tax incentives. Remember, only a CPA can give tax advice and only an attorney can give legal advice. When consulting such professionals, choose ones who are experienced with solar.
- ***Understand renewable energy certificates (RECs).*** RECs or "Green Tags" are tradable tags representing the renewable qualities of the electricity your solar system generates. RECs were created to encourage and expand the overall growth of renewable energy. In some states, if you own RECs, you can claim you use "green" or "solar" power. Selling or transferring your RECs can help lower the cost of your system, but you may lose the ability to make "green" or similar claims about your own energy usage. It's a complicated topic and solar companies should explain RECs and REC ownership to you.

UNDERSTAND THE AGREEMENT

- ***Understand the terms***. Contracts are legally binding and should be read carefully. Make sure you understand what you are receiving from the solar company and how much you are paying for it. Remember: make sure terms that are important to you are included in the official signed contract documents.
- ***Look for key terms in your subscriber agreement***. Key terms that should be included in any community solar agreement include:
  - clear disclosures of all one-time and recurring charges;
  - whether any charges could increase over the course of the agreement, and if so, the amount of the increase and how much advance notice of an increase is provided;
  - terms and conditions for early termination;
  - the process for unsubscribing and associated costs;
  - the process for transferring subscriptions;
  - the method for notifying subscribers about outages;
  - a description of any warranties;
  - a definition for system underperformance and a description of any compensation for underperformance;
  - community solar project operator contact information for questions and complaints; and
  - the process for subscriber notification in the event that system ownership changes hands.
- ***Don't hesitate to ask questions***. The best transactions are ones where the consumer and the community solar company both fully understand the deal. Asking questions upfront can avoid misunderstandings later in the process. Below are some of the top questions that consumers should ask when entering into a solar transaction.
- ***Understand the basis for savings estimates***. Consumers can experience substantial savings by subscribing to community solar systems, but savings will depend on the cost of your community solar subscription compared to the value of the credit you will receive from your utility. If a solar company promises savings, or states that electricity costs from your utility will increase in the future by a certain amount, ask them to explain the basis for their estimates. According to the U.S. Department of Energy, national residential electricity rates increased on average by 3.4 percent annually between 2004 and 2014. However, there is no guarantee that utility rates will rise in specific increments over a period of time. Make sure that solar companies explain the basis for any savings estimates and that estimated rate increases are reasonable and based on reliable evidence.
- ***Fully understand warranties, maintenance, and/or production guarantees***. Like any other major product or service, a community solar system requires maintenance over time to keep performing well. Your subscription may guarantee a certain level of performance over time. If you own your portion of the system, it may be covered by warranties or a maintenance agreement. Ask your solar company to explain if any warranties, maintenance, or production guarantees are in place, what they cover, for how long, and who stands behind them.

Key Questions to Ask Before Entering an Agreement

- Is there a minimum amount of the project that I have to buy? Is there a maximum amount?
- Do I have to buy solar in certain increments?
- What is the total cost?

- Do you offer different payment plans?
- What is the length of the agreement? Is there a minimum or maximum length?
- How much do I pay upfront, each month, for how long, and in total? If the project is not built, how much of my upfront payment do I get back?
- Who receives solar tax incentives and how are they factored into the cost? What about other rebates or incentives?
- Will my payments increase over time? How does the rate of increase compare to the expected/historic utility rate increases?
- What am I actually purchasing: an ownership in the system; an interest in generation from the system; and/or some other product or service?
- Does the project need a minimum number of subscribers before it is built?
- Is there a waitlist to subscribe to the project?
- Can I increase my portion of the project? If not, can I subscribe to another project in addition to my current portion?
- Do you have the necessary permits/approvals to build the project?
- Is the project on a waitlist to go online? If so, when should I expect the system to be operational?
- What is the total system size and my portion of the system?
- How much electricity will the system generate each month and in each year? Do you guarantee a minimum amount (a production guarantee)? What happens if there is an unplanned outage for maintenance? Are these generation estimates based on actual installation details of the system?
- Can I monitor the output of the system and my portion of the system? How will I be compensated for my portion of the system's output?
- Can I expect to save money with this system? If so, how much? Based on what assumptions?
- Is the solar company in good standing and does it have a good business reputation?
- What type of solar equipment will be used for the project and are the equipment's manufacturers in good financial standing?
- Who should I contact if I have a question about the system following the installation?
- What are my options if I plan to move? Can I keep my subscription if I stay in the same utility territory?
- Can I sell or transfer my subscription to the solar project?
- What happens if I wish to end the agreement early?
- Does your company follow the SEIA Solar Business Code? Do you agree to abide by SEIA's Complaint Resolution Process?
- What are all the recurring and nonrecurring charges? Have all nonrecurring and recurring charges been clearly disclosed?
- Can you explain how RECs apply to my transaction/situation?
- I want to sell or transfer my subscription and don't own the RECs, how can I describe my interest to interested persons?

Working Out Differences

As with any other service or product, consumers may encounter issues in dealing with a solar company. In general, solar companies want satisfied customers and are willing to resolve any problems that arise. SEIA and the solar industry are strongly committed to consumer satisfaction and protection.

- First, try to resolve problems directly with your solar company.

- Your contract or lease may have a dispute resolution section and process.
- If you choose a SEIA solar company to work with, SEIA may be able to assist you in resolving your issue.
- If you are still having issues, note that SEIA member companies are bound by the SEIA Solar Business Code. If you believe a company has violated the SEIA Solar Business Code, you may submit a complaint to SEIA, which can help resolve certain issues. Visit the SEIA Consumer Protection Portal listed below.
- You can contact private consumer organizations (e.g., your local Better Business Bureau) about your issue.
- In addition, state and local governments have resources to promote consumer protection. See below for more information.

Additional Resources

- *SEIA Consumer Protection Portal – www.seia.org/consumers*
- *Official SEIA State Chapters – www.seia.org/about/seia/official-state-chapters*
- *Coalition for Community Solar Access – www.communitysolaraccess.org*
- *Better Business Bureau (BBB) – www.bbb.org*
- *Database of State Incentives for Renewable Energy (DSIRE) – www.dsireusa.org*
- *Interstate Renewable Energy Council – www.irecusa.org*
- *National Renewable Energy Laboratory (NREL) – www.nrel.gov*
- *U.S. Department of Energy (DOE) – www.energy.gov*
- *Your state or local consumer agency– www.usa.gov/directory/stateconsumer/*
- *Your state attorney general – www.naag.org*

Email SEIA with any questions at consumer@seia.org