

Solar Energy Contractor Discussion

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Consumer Complaints

- Solar contractor complaints received by CSLB
 - From January 1, 2010 through September 2016, CSLB received 1,125 solar-related complaints (467 complaints received January 2015 to July 2016)
 - 335% increase between 2010 and 2016

Buyer's Remorse

- Savings Promised not Realized
- Inability to refinance or sell property



Consumer Solar Complaint Type

- 53% Contractor or Business Related. Consumer is complaining about the license status of the contractor, contract terms, or alleged misrepresentation
- 27% Workmanship. Consumer is complaining the solar installation was not complete or to trade standards

Power Purchase Agreement

- Kilowatt hour (kWh) charged is greater than charged by utility
- Escalating kWh charge
- Contractors require payment for energy produced rather than used
- Multi-year agreements sometimes include possible property lien if a term of agreement is breached
- Consumer cannot sell home without approval from solar energy contractor

Summer SMUD Utility Sample

System Infrastructure Fixed Charge Per Month	\$18.00
Energy Charge: Base Usage Quantities Per Month Base-Plus Quantities Per Month	\$0.1177 per kWh \$0.1928 per kWh

Power Purchase Example

DocuSign Envelope ID: 23457795-851B-4C3F-ACA [REDACTED]



Power Purchase Agreement

Here are the key terms of your [REDACTED] Power Purchase Agreement

Date: 1/26/2015

\$0

System installation cost

15.00¢

Electricity rate per kWh

20 years

Agreement term

Solar Lease Agreement Concerns

- Lease agreements are used as an inducement to convince homeowners to install solar systems they cannot afford
- Leases typically include escalating costs
- Lease kWh charges often exceed the public utility kWh charge
- Homeowner cannot sell the home during the term of the lease without the approval of the leasing company

Leasing Agreements

- Many leasing companies are unlicensed, and salespersons unregistered
- Multi-year agreements secured by property lien that do not provide for refinancing or selling of property
- Lease payments are typically escalating and may exceed what the consumer previously paid to the public utility
- Excessive termination fees (contractor typically established the value of the system)

Financed Contracts

- Consumers are NOT afforded time to read voluminous contract
- Contracts are signed electronically and emailed to consumer who may not receive it
- Contractors often receive 100% in advance of work performed in violation of state law
- Interest rates vary and often exceed 10%
- Property may be secured by tax lien (PACE funding)

