



January 8, 2020

Ms. Carolyn Grube Lybarker
Consumer Advocate
South Carolina Department of Consumer Affairs
293 Greystone Boulevard, Ste 400
Columbia, SC 29210

Ms. Nannette S. Edwards
Executive Director
South Carolina Office of Regulatory Staff
1401 Main Street, Suite 900
Columbia, S.C. 29201

Dear Ms. Lybarker and Ms. Edwards,

On behalf of the Electric Cooperatives of South Carolina and the nearly one and half million consumers whose interests we are tasked with representing, I want to thank you for the opportunity to participate in the important process of identifying and solving issues of consumer protection surrounding the solar market in South Carolina.

While cooperatives have had excellent experience with many solar vendors across this state, cooperatives and their member-consumers have also had bad experiences with some solar vendors. Frequently, when a cooperative member has a bad experience with a solar vendor, they reach out to their cooperative for help. Our employees often feel powerless to help their members in the aftermath of some of these transactions. Our hope is that through the submission of these comments, we can provide the Department of Consumer Affairs and the Office of Regulatory Staff useful information and useful suggestions that will help our members have positive interactions with solar vendors in the future and provide some recourse for cooperative members who have been harmed in the past.

The goal of our submission is to advance this conversation in a positive and collaborative manner and not to unfairly impugn the honest solar vendors in our state. Accordingly, we have not provided you numerous anecdotes about bad behavior. Instead, we have concentrated on providing you general categories that attempt to summarize the type of bad behavior we have observed between our members and some solar vendors. We sincerely hope that the power of these stories, and the interests of the individuals who have been harmed along the way, is not lost in our attempt to be even-handed. We are happy to share details with you if that would help you accomplish your mission. In addition to, and following, the general categories of issues we have

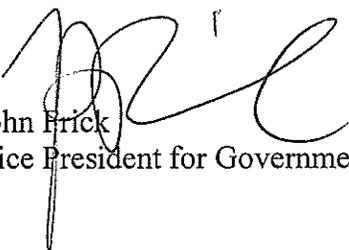


observed and noted in our submission, we have included some suggestions about steps the Department of Consumer Affairs and the Office of Regulatory Staff might take in order to address these issues in the interest of our state's consumers.

I hope that both the Department of Consumer Affairs and the Office of Regulatory Staff view the state's cooperatives as allies in your effort to make sure that consumers in the state are protected and given adequate opportunity to redress grievances when unfortunate situations arise. We know that there are numerous honest and upstanding solar vendors in our state who share that goal and we appreciate the support they are giving to this process as well.

If we can be of any assistance to you in that effort, please let me know. You can reach me by e-mail at john.frick@ecsc.org or by telephone at (803) 739-3064.

Sincerely,



John Frick
Vice President for Government Relations

Comments from The Electric Cooperatives of South Carolina in Response to the Department of Consumer Affairs and Office of Regulatory Staff Invitation for Comment on Consumer Protections for Renewable Energy Generation Facilities

General Categories of Issues Observed by Electric Cooperatives

1. Misrepresentation by some solar vendors
 - a. Vendors stating that their systems will eliminate energy bills.
 - b. Vendors overstating the potential savings or the return on investment to the consumer.
 - c. Vendors overstating the performance capability of the systems they are selling or leasing.
 - d. Vendors misstating existing rates or rate structures at cooperatives.
 - e. Vendors making inflated projections about future cooperative rates.
 - f. Vendors pretending to be (or to be affiliated with) the electric cooperative.
 - g. Vendors pretending to be (or to be affiliated with) the state or federal government.
 - h. Vendors discussing state or federal government programs that don't exist.
 - i. Vendors discussing state or federal mandates that don't exist.
 - j. Vendors discussing tax advantages that may not apply to consumers.
2. Solar vendors taking advantage of vulnerable populations such as the elderly.
3. Solar vendors connecting to the electrical system without cooperative knowledge.
4. Solar vendors selling or leasing systems at prices that are well above market.
5. Solar vendors failing to deliver on service or maintenance promised at the time of sale/lease.
6. Solar systems failing to perform as promised at the time of sale/lease.
7. Solar vendors improperly installing solar systems.
8. A lack of attention to safety from solar vendors.
9. Solar vendors improperly sizing systems (both over-sizing and under-sizing).
10. Solar vendors improperly locating systems in shaded areas or facing the wrong direction.

Potential Solutions for DCA and ORS to consider:

1. Create a standard disclosure form (including affirmative response from consumers such as initials) modeled on a Truth in Lending Act/Regulation Z approach detailing the terms of each sale or leasing agreement which should include, but not be limited to:
 - a. Financial projections including return on investment or payback period (and underlying assumptions)
 - b. Financial terms
 - c. System performance projections based on PVSyst analysis of actual data from the potential consumer

- d. Simple explanation of refundable/nonrefundable tax credits and advice to check with tax professional for any questions.
 - e. The consumer's ability (or inability) to redress any grievances that they may have, including the ability to cancel the agreement if that right exists
 - f. Potential for affects on roof warranties in the case of rooftop solar transactions
 - g. Information about who bears responsibility for obtaining architectural review or other authorizations (above and beyond local zoning rules)
 - h. Information about when consumers' systems will operate or not operate (during power outages, for example)
2. Create a standardized reporting system for complaints/problems (including forms or informational templates outlining how to collect and preserve documents). Ensure that complaints may be made by:
 - a. Consumers
 - b. Electric providers
 - c. Others in the solar industry
 3. Provide for penalties including the potential to rescind contracts for misrepresentation or failure to comply with disclosure requirements and including license revocation for vendors who have shown repeated tendency to act in bad faith, in a predatory manner or who do not interact appropriately with the electric provider during interconnection.
 4. Provide a grace period for sales or leases of solar systems in which consumers can verify or investigate the claims made in their sales or lease agreements (perhaps modeled on a Regulation Z approach).
 5. Create some standardized contracts that are simple and easily understood by consumers.
 6. Provide for enhanced procedures for leasing or selling to vulnerable communities and consider who might be considered as a member of a vulnerable community (for example: the elderly, people with special needs, people with a disability or other health issues, etc.)
 7. Provide modeling resources for comparative purposes on the solar.sc.gov website that educate consumers and encourage them to use actual data from their electricity provider.
 8. Collect information on actual solar system performance compared to promised performance (on a statewide or individual company basis) and include that information on the solar.sc.gov website.
 9. Collect information on customer satisfaction (on a state wide or individual company basis) and include that information on the solar.sc.gov website.
 10. Track and provide information about solar vendor complaints made/satisfied on the solar.sc.gov website.
 11. Expand/enhance consumer guide and information available through the solar.sc.gov website, including (note: please see the solar.sc.gov website to provide further feedback):
 - a. Explaining how complaints can be made
 - b. Explaining how tax credits work

- c. System performance basics
- d. How to perform a basic break-even calculation (guide or actual)
- e. Proper sizing
- f. Proper mounting location (roof v. ground)
- g. Proper mounting direction
- h. How to avoid shade issues
- i. Information on maintenance
- j. Information on system life expectancy
- k. Information on how to consider roof conditions (such as age)
- l. State information on average pricing