

PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

Executive Division

San Francisco, California

Date: August 23, 2018

Resolution M-4836

R E S O L U T I O N

PROPOSED OUTCOME: THIS RESOLUTION ENDORSES COMMISSION STAFF'S COLLABORATION WITH THE CALIFORNIA STATE LICENSE BOARD TO DRAFT THE SOLAR CONSUMER DISCLOSURES DOCUMENT REQUIRED BY ASSEMBLY BILL ("AB") 1070 (2017), AND APPROVES THE SOLAR ENERGY SYSTEM DISCLOSURE DOCUMENT LOCATED ON THE CA CONTRACTORS STATE LICENSE BOARD'S ("CSLB") WEBSITE.

SAFETY IMPACTS: THIS RESOLUTION WILL HAVE A POSITIVE SAFETY OUTCOME BECAUSE THE CONSUMER PROTECTIONS MEASURES ADOPTED IN THIS RESOLUTION PROTECT CONSUMERS FROM FRAUD AND UNSCRUPULOUS PRACTICES OF SOLAR ENERGY SYSTEM PROVIDERS.

SUMMARY

This Resolution demonstrates the Commission's compliance with the statutory requirement to collaborate with the Contractors State License Board ("CSLB") on a "solar energy system disclosure document" to be published on CSLB's website by July 1, 2018.

BACKGROUND

AB 1070, signed by Governor Brown on October 11, 2017, requires the CSLB, in collaboration with the Commission, on or before July 1, 2018, to develop and make available on its internet website a disclosure document that provides a consumer with accurate, clear, and concise information regarding the installation of solar energy systems. Solar energy system providers must print this document on the front page of every solar contract prior to the completion of a sale, financing or lease of a solar energy system. At a minimum, the document must include clear information on the total costs of installation of the solar energy system, anticipated savings, the assumptions and inputs used to estimate the savings, and the implications of various financing options.

AB 1070 requires the CSLB to review consumer complaints and questions, and complaints from state agencies, regarding solar energy systems companies and solar contractors. Beginning on July 1, 2019, the CSLB must annually compile a report documenting complaints it received relating to solar contractors; the report will be publicly available on the CSLB's and the Commission's websites.

AB 1070 requires the Commission, on or before July 1, 2019, to develop standardized inputs and assumptions to be used in the calculation and presentation of electric utility bill savings to a consumer that can be expected by using a solar energy system by vendors, installers, or financing entities and to post them on the CPUC website.

To meet the July 1, 2018, statutory deadline for posting the solar energy system disclosure document, the CSLB published the document with the following caveat: "PUC has not yet taken action on the Solar Energy System Disclosure Document but is expected to do so before the end of 2018. CSLB will post notification on its website when that occurs and when CSLB expects contractors to comply with this requirement."

The document can be found here:

<http://www.cslb.ca.gov/Resources/Contractors/SolarDisclosureDoc.pdf>

CPUC staff and the CSLB staff took the following actions to develop the solar energy systems disclosure document:

- CSLB staff provided CPUC staff with background materials on home improvement contract provisions and contractor outreach materials relevant to solar providers.
- CPUC staff and the CSLB staff discussed the relationship between the CSLB solar disclosure document and issues related to net energy metering (NEM) consumer protections in CPUC proceeding R.14-07-002.
<https://apps.cpuc.ca.gov/apex/f?p=401:56:0::NO>
- CSLB provided data and thorough background information on its Solar Task Force to CPUC staff.
- CPUC staff and the CSLB discussed technical elements of the solar disclosure document, including the possible inclusion of an expected performance based buydown (EPBB) calculator.
- CSLB staff drafted the first version of the solar disclosure document and forwarded it to CPUC staff for review.

- CPUC staff provided extensive feedback to the CSLB on the draft solar disclosure document. The CSLB incorporated nearly all the feedback into a revised version of the document.
- CSLB's Chief Technology Officer participated on a call with CPUC staff to discuss website coordination.

This solar energy system disclosure document currently published on the CSLB website reflects CPUC staff's collaboration with the CSLB. The Commission endorses the solar energy systems disclosure document as being compliant with AB 1070. CPUC staff should continue to coordinate with CSLB to fully implement the consumer protection measures of AB 1070.

Separately, the Commission is addressing consumer protections for solar customers in Rulemaking (R.) 14-07-002 (*Order Instituting Rulemaking to Develop a Successor to Existing Net Energy Metering Tariffs Pursuant to Public Utilities Code Section 2827.1, and to Address Other Issues Related to Net Energy Metering*). The Commission will coordinate efforts with R.14-07-002 as appropriate. For example, to the extent appropriate, formal Commission approvals of solar customer protections will be addressed in R.14-07-002; invitations for parties to make informal comments shall be made to the service list of R.14-07-002; and notice of workshops related to these efforts shall be made to the service list in R.14-07-002 or its successor.

DISCUSSION

This Resolution satisfies the Commission's duty to collaborate with the CSLB to develop a disclosure document to protect customers of solar energy systems. The Commission endorses the collaborative efforts of our respective staffs. The Commission approves the solar energy systems disclosure document on the CSLB's website, which accurately reflects coordination between CPUC staff and CSLB staff, and satisfies the requirements of AB 1070.

COMMENTS

Public Utilities Code section 311(g)(1) provides that this resolution must be served on all parties and subject to at least 30 days public review and comment prior to a vote of the Commission. Although there are no parties or service list directly connected to this Resolution, we have served the draft resolution to the service list of R.14-07-002. The 30-day comment period for the draft of this resolution was neither waived nor reduced. Accordingly, this draft resolution was mailed on July 20, 2018, for comments. No comments were received.

FINDINGS OF FACT

1. CPUC staff collaborated with the CSLB as required by AB 1070.
2. The solar energy system disclosure document posted on the CSLB website should be approved.
3. CPUC staff should continue coordinating with CSLB to ensure all the consumer protection measures contained in AB 1070 are fully implemented.
4. To the extent appropriate, future coordination efforts should be noticed to or occur in proceeding R.14-07-002 or its successor.

ORDER

1. The Commission approves the solar energy systems disclosure document on the CA Contractors State License Board's website, which accurately reflects collaboration with the CPUC.
2. Future coordination efforts with CA Contractors State License Board to implement consumer protection measures contained in Assembly Bill 1070 shall be noticed to the service list of Rulemaking 14-07-002 or its successor.
3. This Resolution is effective today.

I certify that the foregoing resolution was duly introduced, passed and adopted at a conference of the Public Utilities Commission of the State of California held on August 23, 2018; the following Commissioners voting favorably thereon:

ALICE STEBBINS
Executive Director