FILED
1-24-17
04:59 PM

BEFORE THE
PUBLIC UTILITIES COMMISSION
OF THE STATE OF CALIFORNIA

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	Rulemaking 14-07-002 (Filed July 10, 2014)

PACIFIC GAS AND ELECTRIC COMPANY'S (U 39 E) OPENING COMMENTS ON ADMINISTRATIVE LAW JUDGE'S RULING SEEKING COMMENT ON CONSUMER PROTECTION AND RELATED ISSUES

RANDALL J. LITTENEKER
STACY W. WALTER

Pacific Gas and Electric Company
77 Beale Street, B30A
San Francisco, CA 94105
Telephone: (415) 973-6611
Facsimile: (415) 973-5520
E-Mail: sww9@pge.com

Attorneys for
PACIFIC GAS AND ELECTRIC COMPANY

Dated: January 24, 2017

TABLE OF CONTENTS

Page

BEFORE THE
PUBLIC UTILITIES COMMISSION
OF THE STATE OF CALIFORNIA

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	Rulemaking 14-07-002 (Filed July 10, 2014)

PACIFIC GAS AND ELECTRIC COMPANY'S (U 39 E) OPENING COMMENTS ON ADMINISTRATIVE LAW JUDGE'S RULING SEEKING COMMENT ON CONSUMER PROTECTION AND RELATED ISSUES

I. INTRODUCTION

Pacific Gas and Electric Company (PG&E) provides these opening comments on the *Administrative Law Judge's Ruling Seeking Comment on Consumer Protection and Related Issues*, issued on December 8, 2016 (Ruling). PG&E appreciates the opportunity to provide these opening comments. In the section that follows, each question in the Ruling is listed, along with PG&E's response.

II. DISCUSSION

1. What are the most important consumer protection issues that NEM successor tariff customers face now, or are likely to face in the near future?

a. For each issue, describe what makes the issue important (e.g., disproportionate impact on vulnerable customer group; widespread occurrence).

PG&E is contacted about solar consumer protection issues, primarily through customer calls or complaints to our Solar Customer Call Center. The major set of issues is listed below.

1. Aggressive sales tactics: Customers have complained that they are repeatedly contacted by "robocall" type organizations, pressing their sales pitch, even after repeated refusals. Many customers report several calls a week, or even repeated calls in the same day.

2. Misrepresentation: Some vendors say they are "partnering" with PG&E. This lends undeserved credibility to their sales presentation

3. Misleading Sales Tactics: Some vendors rely on unrealistic assumptions when they estimate customer savings (e.g., forecasts of utility rate increases that are unlikely). Some vendors over-simplify interconnection, billing, and tariff

requirements. Customers can end up disappointed in the performance of their solar system or the actual bill reductions.

4. Confusing information: Customers have no easy way to compare offers that are structurally different. Even offers that are structurally the same (such as leases or power purchase agreements) can be difficult to compare when they have different escalators.

5. Failure to follow through: Some installers fail to return phone calls, experience resource constraints, and even have gone out of business. Customers with problem installations, or installations owned by the vendor that need maintenance, cannot get their needs addressed. Some installers refer the customer to PG&E for all system issues even though almost all performance issues are not related to PG&E service.

b. For each issue, provide any available evidence to support your assertion that this is an important issue. If evidence is not available, please identify ways that such information could be developed or found.

One source of information about consumer protection issues for PG&E has been complaints received through its solar hot line. Approximately half of these calls refer to an organization misrepresenting itself as PG&E or claiming to be PG&E affiliated. The use of "aggressive sales tactics" and "misleading sales tactics" make up the additional consumer protection complaints.

In addition, PG&E has reviewed sales offerings provided by its customers and reviewed vendor on-line sales materials. Finally, these comments relied on presentations by other participants at the Consumer Protection Workshop held in October of 2016.

c. For each issue, identify any existing regulations, rules, standards, or guidelines that address the issue. For each regulation, rule, standard, or guideline, please include:

i. The agency or organization responsible for the regulation, rule, standard, or guideline;

ii. Internet-accessible citation to the regulation, rule, standard, or guideline. If no accessible citation is available, attach a copy to the comments;

iii. Explanation of how the regulation, rule, standard, or guideline applies to the issue you have identified.

In addition to California statutory and common law governing fraud and unfair business practices, there are three sources of institutional regulation.[1] First, the California Contractors State Licensing Board (CSLB) hears customer complaints about licensed contractors, and prevents unlicensed contractors from imposing liens on customers' property, among other things. Second, the California Public Utilities Commission (CPUC or Commission) has jurisdiction over and authority to regulate solar contractors participating in the net energy metering (NEM) program, despite the fact they are not utilities or Energy Service Providers (ESPs). Third, Public Utilities Code section 2869[2] expressly requires certain disclosures, and permits the CPUC to impose additional disclosure requirements.

The California Business and Professions Code and Code of Regulations define a solar contractor as one who "installs, modifies, maintains, and repairs thermal and photovoltaic solar energy systems." A licensee classified under this section "shall not undertake or perform building or construction trades, crafts, or skills, except when required to install a thermal or photovoltaic solar energy system."[3]

The CPUC has similar jurisdiction over contractors participating in the NEM program. The Commission should use that authority to include in the NEM tariff a customer protection framework that governs unfair and fraudulent business practices by contractors and salespeople. Under Decision (D.)10-12-060, the CPUC may impose consumer protection regulations upon entities that are neither utilities nor energy service providers (ESPs) if those entities' business activities arise out of their participation in programs administered by the CPUC.[4] Interconnected solar customers and companies selling solar leases and power purchase agreements to utility customers depend upon investor owned utility (IOU) implemented and CPUC regulated

---

1 PG&E does not include discussion of various agencies that have only a peripheral interest in solar contractors (such as FTC, FCC, OSHA, etc.)

2 All statutory references are to the CA Public Utilities Code unless otherwise specifically referenced.

3 Cal. Business & Professions Code sections 7058-7059; California Code of Regulations, Title 16, Division 8, Article 3, at http://www.cslb.ca.gov/About_Us/Library/Licensing_Classifications/C-46_-_Solar.aspx . See also http://www.cslb.ca.gov/Media_Room/Industry_Bulletins/2010/June_30.aspx.

4 See D.10-12-060, p. 11.

programs funded with ratepayer dollars in the form of subsidies. D.10-12-060 provides that even assuming the CPUC's authority rests solely on its broad Section 701 authority, the CPUC has the power to: (1) accept and resolve customer complaints against the entity; (2) establish financial responsibility standards; (3) establish safety standards; (4) provide adequate notice to customers about the implications of their leases and PPAs. On July 2, 2010, third party aggregators petitioned for writ of review of D.10-12-060 in the First Appellate District, Division Four. The Court denied the petition for writ of review on March 17, 2011, solidifying D.10-12-060's precedent.

The CPUC also has authority to require disclosures under Section 2869, which states in part:

> 2869. (a) (1) An independent solar energy producer contracting for the use or sale of electricity or the lease of a solar energy system, to an entity or person, for use in a residence shall include a disclosure to the buyer or lessee that, at a minimum, includes all of the following:
>
> (A) A good faith estimate of the kilowatthours to be delivered by the solar energy system.
>
> (B) A plain language explanation of the terms under which the pricing will be calculated over the life of the contract and a good faith estimate of the price per kilowatthour.
>
> (C) A plain language explanation of operation and maintenance responsibilities of the contract parties.
>
> (D) A plain language explanation of the contract provisions regulating the disposition or transfer of the contract in the event of a transfer of ownership of the residence, as well as the costs or potential costs associated with the disposition or transfer of the contract.
>
> (E) A plain language explanation of the disposition of the solar energy system at the end of the term of the contract.
>
> (2) ***The commission may require, as a condition of receiving ratepayer funded incentives, that an independent solar energy producer provide additional disclosure to the buyer or lessee, the commission, or both.*** (emphasis added)

///

///

///

NEM is a "ratepayer funded incentive," giving the CPUC power to require additional disclosures.[5]

While the CPUC cannot award damages, under D.10-12-060 it has the power to resolve consumer, IOU, and staff complaints about contractors. Complaints would be for violation of the NEM tariff customer protection provisions. PG&E recommends that the CPUC utilize the existing procedure for resolving complaints. Specifically, a customer may file an informal complaint with the CPUC's Consumer Affairs Branch. If the customer and the contractor/salesperson cannot arrive at a resolution using that process, the customer may file a formal complaint. PG&E also recommends that Energy Division staff or the IOUs also be permitted to initiate a formal complaint against an entity. The remedy would be removal from the CPUC-approved list of contractors discussed below.

The CPUC should also create a list of approved contractors who satisfy certain financial soundness standards, have demonstrated compliance with the CSLB regulations, and have a track record clear of customer consumer protection complaints in any state civil or criminal court or before any state contractor licensing board that have resulted in an adverse outcome. To remain on the list, the CPUC should require that all salespersons and contractors provide their registration or licensing number to the customer upon the first interaction and that the number continue to be conspicuously displayed on all written and electronic correspondence with the customer. If after obtaining a place on the CPUC list, a contractor or salesperson receives a judgment against it in court relating to any type of improper business practice, a criminal conviction relating to consumer protection, a suspension of its license by the CSLB, bankruptcy

---

5 The CPUC stated that "the analysis suggests that NEM generation currently results in a net cost of $79 to $252 million, with these additional net costs subsidized by other ratepayers (i.e., those not participating in NEM), reaching costs of $370 million to $1 billion per year … with a complete build out of systems to the 5 percent NEM program transition trigger level. " D.14-03-041, p. 6. The NEM successor tariff decisions did not reverse those findings. Instead, the CPUC only concluded that "it is impossible to reach any **definitive conclusion** regarding the extent or amount of any cost-shifting under NEM based on the record in this proceeding…. But the evidence itself was insufficient to estimate the amount of any cost-shift with any measure of **certainty**." D.16-09-036, p. 5 (emphasis added).

or any adverse finding by any state licensing board, the entity should be immediately removed from the CPUC-approved list.

__Information Packet__

2. Which issues identified in Question 1 could most effectively be addressed through an information packet for potential NEM customers? Why?

First, to address the idea of a "packet" of information: PG&E proposes that solar vendors provide all customers with a "consumer protection checklist," before customers sign up for solar, and that customers verify they have received this package as part of the interconnection process. Giving the customer a copious amount of information is unlikely to be effective, partially because many customers are unlikely to read lengthy legal jargon and technical information. To be most effective, the information must be brief, easy to digest, help customers compare installers in a consistent way, and put the onus on the installer to walk through the information with the customer. Instead of overloading the customer, easily digestible information should empower them. For example, in order to compare contractor pricing under Power Purchase Agreements, the customer doesn't need to know every detail of how pricing works, but will benefit if there is a requirement that pricing be shown to them in a standard way that can be compared across installers.

A consumer protection checklist would help address installer marketing and sales tactics, misrepresentation, and to a lesser degree understanding utility tariffs and regulation of the industry.

The goal would be to get the consumer protection checklist to customers early in their exploration process so that they can go over it with all of their prospective installers; so it would be both used as customer education and at interconnection as a way to commit the installers to having answers to the required checklist items and going over them with the customers.

3. Which issues identified in Question 1 do not lend themselves to being effectively addressed through an information packet for potential NEM customers? Why not? (These issues will be followed up in Questions 11- 13, below.)

As explained above, a consumer protection checklist could help address installer marketing and sales tactics, misrepresentation, and to a lesser degree understanding of utility tariffs and regulation of the industry. A checklist does not effectively address the issues of customer service and many aspects of regulation of the industry. Customer service concerns often develop after the installation and interconnection process and the IOUs have little to no power to address customer concerns at that point since it is usually a matter between the installer and the customer. Understanding of contractor regulation is helped marginally by providing the customer with the contractor license number on the checklist, however, there are many other regulation issues unaddressed.

While a checklist would improve some issues derived from installer marketing and sales tactics and can help with a few of the issues associated with understanding of tariffs and interconnection practices and misrepresentation, there are also additional ways that these efforts can be aided. See response to question 11 below.

4. What entity or entities should be responsible for preparing an information packet? Please explain why that entity is appropriate for this task.

A recommended sample checklist is attached as Attachment A. It includes all the items required by Public Utilities Code section 2869(a)(1), but adds a number of new disclosures. Currently, under this section, the disclosures are only required when solar vendors contract for the "use or sale of electricity," or the "lease of a solar energy system." It also applies only to such contracts with residential customers. PG&E recommends that a disclosure package be required when contracting with non-residential customers as well and that the checklist be required even when the equipment is sold to the end user. Many of the items on the checklist would not be relevant for an equipment sale to a contractor, but many of them would be relevant and useful if the sale were directly to the end use customer.

PG&E recommends that the final version of the checklist should be prepared by a working group that includes the IOUs, solar vendors, Energy Division, consumer protection organizations, and others, subject to Commission approval. PG&E looks forward to working with interested parties to word a checklist appropriately. In the finalization of this document, PG&E would welcome constructive input on how best to protect the customer.

5. What entity or entities should be responsible for providing any information packet to potential NEM customers? Please explain why that entity is appropriate for this task.

Solar contractors should be required to provide and educate the customer regarding the items on the checklist prior to the signing of a contract. Solar contractors are the only parties that can ensure this pertinent educational information is delivered to customers prior to their determination to go solar as many other parties, including the IOUs, are unaware of the customer's decision to go solar until the interconnection application is submitted, and at this point a contract has been signed. If the information were to be delivered at any time after the contract is signed, the information no longer serves as a tool to protect the customer and does not enable an educated decision; instead it merely informs them of what just happened.

To ensure solar contractors are appropriately sharing this information with customers, utilities should require confirmation that the information packet was received by the customer as part of the interconnection application, similar to the process used to confirm compliance with warranty and service contract requirements for NEM applicants.

6. For each issue identified in your response to Question 2, please provide a proposal or a mock-up of how the issue might be presented in an information packet. Please provide any copies of contracts, contract disclosure forms, or other documents that could be used to inform the development of this language and/or visual presentation. This may be done by providing a link to those documents that are accessible online, or by attaching a copy.

See Attachment A: Draft Solar Customer Disclosure and Disclaimer Statement, which is a proposed "check list" for solar customers that would be a required document supplied by solar contractors or equipment sellers to customers prior to purchase or contract, receipt of which would need to be verified by the customer in order to proceed with interconnection under NEM. It contains critical information for customers addressing, to the extent possible, the major consumer protection issues. The disclaimer section should include statements regarding the inherently temporary nature of residential rates; possible future actions the CPUC might undertake; and an explanation of renewable energy credits (RECs) and the consequences of vendor retention of RECs. The disclosure section should include a simple presentation of the lifetime cost and production anticipated from the solar installation. The very simple presentation should be in a format that can be used by the customer to compare different vendor offers.

PG&E believes this "check list" approach addresses those critical consumer protection issues that can be covered in a brief, clear statement. More complex issues, as discussed below, would more appropriately be addressed on PG&E's solar website.

7. In what format(s) should any information packet be made available? For example, paper copies, electronic copies, both? Please describe the advantages and disadvantages of all formats you identify.

The information packet should be shown to customers in electronic or paper format by the third party installer before the signing of any contract.

PG&E believes the checklist as well as the majority of any other forms supporting consumer protection should be made available primarily in electronic formats. Electronic formats include webpages, web tools, apps and e-mail communications. We would attempt to direct prospective customers to our website and other online resources and use the checklist to help educate customers as to what they should expect from contractors and how to use this document to compare vendors or make sure they are protected to the extent possible. PG&E believes these electronic resources are the best and most ubiquitous methods of sustainable communications delivery. This targets education for customers in the format they are currently using, reduces costs to educate customers and minimizes impact to the environment from paper-waste.

8. Should any information packet be made available in any language other than English? Why or why not? If your answer is that information packets should be made available in other languages:

a. How should the languages be chosen?

We recommend that the document be provided in English but also available on the website or upon request in Spanish, Mandarin, Cantonese, Tagalog (a standardized national language of the Philippines), and Vietnamese. From our customer data, we know that these are the main languages spoken by PG&E customers aside from English and the most requested for translation. The document in English would have a sentence on the bottom in each language that's says something to the effect of "For assistance in <language> please call <phone number>"

and would provide a number for translator services. Translator services would benefit customers wanting to have a more detailed conversation with their contractor present and also address languages not included in those listed.

b. What entity should be responsible for making such choices?

The CPUC can tell the solar providers what disclosures they need to make under Public Utilities Code section 2869(a)(2). It makes sense to create the document in additional languages used by customers that are widely targeted by the solar community to align customer educational opportunities with those customers who are directly targeted. PG&E supports working with its Communities of Color Advisory Council, consisting of external stakeholders from community based organizations, to get feedback from the communities we serve.

c. What entity should be responsible for preparing the presentation of the information in languages other than English?

The solar vendors should be responsible for preparing translations of the information packages. The IOUs can provide information regarding vendors, as we have existing relationships with translation services that can support translation as decided upon for the checklist.

9. At what point or points in the customer's consideration of installing a NEM-eligible system should any information packet be presented to the customer? Please describe the advantages and disadvantages of the point(s) you have identified, and compare it to other possible points during the customer's consideration and decision-making process.

Solar contractors would be required to present this checklist to customers prior to the customer signing a contract. The document, signed by the customer, would then be a required document to be included or confirmed as part of the customers' interconnection application. In an ideal world, the customer would be informed of the issues flagged herein prior to the sales process when they are learning about their options or during the sales process so they can make a truly informed decision, not just prior to signing a contract when it may be presented as an additional "legalese" page that may not be fully read or understood. PG&E would support encouraging customers through its website to review and educate themselves on the matters in the checklist as early in the process as possible and to help customers be aware of other helpful resources such as the solar calculator.

However, including checklist receipt as a mandatory part of the interconnection application is the only way the IOUs can require that all customers have received the information needed to be properly informed by third parties of financing terms, warranties, licenses, future potential rate changes, the billing process and timing for interconnection. If a customer is presented this information after signing a contract with a vendor, it is too late for the information in the checklist to assist them in making an informed decision as to whether solar is a smart investment decision for them.

10. What process should be used to verify that a potential customer received an information packet? Consider:

- **a. Should receipt be verified, or should some additional customer action (e.g., actual review) be verified, or both? Why or why not?**
- **b. Who should provide any verification? Why is that person or entity appropriate for this task?**
- **c. Who, if anyone, should check on the verification of receipt or other action provided? Why or why not?**

PG&E believes that the verification that a potential customer received any information packet or checklist should be the responsibility of the solar contractor. As explained above in the responses to question 3 and 5, the information should be presented to customers early in their purchasing and evaluative process, prior to signing a contract. As the solar contractor is often the first point of contact for many customers looking to go solar, it should be their responsibility to ensure that their customers have received and understood the information. This will also protect the solar contractor in cases where a customer may complain, as the solar contractor will be able to demonstrate that the consumer understood and was aware of the solar installation process, contracts and other key information on the checklist. The solar contractor would require that customers sign off and acknowledge review and receipt of the checklist. This is not an onerous requirement; other entities regularly require their customers to sign forms acknowledging they have read and reviewed a consumer protection document (e.g. HIIPA forms).

At this time, PG&E proposes that the vendor be required to affirm, at the time of interconnection, that the customer has received the checklist, reviewed it with their vendor, and signed it prior to signing any contract with the vendor. Similar to the requirements to collect Contractors State License Board (CSLB) numbers[6] and installation contracts[7] with NEM applications, the IOUs should not be required to verify that the customer did indeed review or receive the information.

Other Consumer Protection Issues

11. For issues identified in your response to Question 3 that could not most effectively be addressed through an information packet, what requirements, if any, should the Commission put in place? If you think no additional requirements should be in place, please explain why. If you have a proposal for additional consumer protection measures, please describe your proposal in detail and address for each measure:

There are three stages in a customer's decision to install solar. First, the customer is exploring options, or perhaps isn't even thinking about solar at all. Second, the customers is actively engaged with a specific vendor (or a short list of vendors), analyzing their choices, and working towards installation and interconnection. Third, the customer has rooftop solar. The "check list" can most effectively address customers' needs in the second stage.

First stage consumer protection issues such as aggressive sales tactics, misrepresentations about "partnership" with an IOU, etc. cannot effectively be addressed by a requirement that in many cases does not reach the customer until they are at, or near, the end of their decision

6 Resolution E-4760 did not require the IOUs to verify the CSLB number: "…the utilities are not responsible for validating the CSLB #." (Page 4)

7 Conclusion of Law 5 of Decision 14-11-001 found that "[a]lthough a detailed review of contracts for the purchase or lease of a solar PV system would ensure a more accurate database the potential deterrent to NEM participation of requiring financial information coupled with the additional work and cost involved outweigh these advantages." Pages 9 and 10 of the same decision also states "While a detailed review of contracts will likely ensure a more accurate database, we find that there are several reasons not to require the submission of contracts by the applicants or the validation of data by the utilities. First, it may present a deterrent to NEM participation, as host customers may object and third-party owners who do not wish to share this detailed financial information with the utility may also object. Second, the IOUs will object to the significant extra work and cost involved in reviewing contracts. We find that these factors outweigh the advantages of requiring the submission of contracts and the validation of data, and so we will not require them."

making process. Some sales tactics (overstating savings) can be expected to be tempered because the solar vendor knows that, prior to signing any contract, the disclaimers and disclosures will be reviewed by the customer and the vendor will have to answer any questions that are raised. In the best case scenario the checklist is effective in protecting the customer in the first stage as the experience for installers is easier if they have good clear answers to provide the customer on the required checklist and can answer the hard questions first, rather than face a disgruntled or confused customer who was nearing a commitment or had already signed a contract. But it does not guarantee or regulate what happens in this first stage.

The third stage is the other area that cannot be addressed with the check list and mostly relates to regulation of the industry and customer service. Here the issues are likely to be representative of the more classic forms of consumer protection issues: failure to respond, going out of business, enforcement of a contract for O&M, etc. These issues can more readily be addressed through the Contractor's Licensing Board.

Solutions for consumer protection issues for customers in the first stage can best be implemented with education and information through targeted marketing driving people exploring solar to the education and resources including the checklist, website, and solar calculator. Consequences for bad actors among the vendor community are trickier, however. The CPUC could explore maintaining a list of approved vendors (those with no complaints) or a list of vendors with a less-than-perfect record. The CPUC could also maintain a list of vendors who are not allowed to install NEM systems in California.

a. Why each measure is necessary, or, if not necessary, desirable;

PG&E has no further measure to propose at this time, but looks forward to working with the CPUC and other Stakeholders to identify and implement further consumer protection measures, such as increased oversight of vendors by the CPUC (see response to Question 13).

b. Source(s) of the Commission's authority to require that measure;

c. The entity or entities that would be responsible for implementing the measure;

d. Source(s) of that entity's authority to implement the measure;

e. Methods of enforcing the measure, including the entity that would be responsible for enforcement;

f. Sources of funding, if any are required, for each of your proposed measures.

12. What, if anything, does your organization (if the party is an organization) or you (if an individual) currently do to promote consumer protection and responsible business practices, including but not limited to customer and contractor education and awareness, dispute resolution, and publication of best practices? Please provide examples of literature or information on web sites, if relevant.

PG&E uses the following tools and resources to assist with solar customer consumer protection.

- Interconnection ombudsman to help with any interconnection timeline dispute resolution.[8]
- Informative web pages[9] to give customers tips and tricks in shopping for solar.
  1. Preparing your home and looking at energy efficiency first.
  2. Finding a Contractor tips.
  3. Doing the math to see your potential savings.
  4. Potential for incentives (low-income).
- A solar calculator tool that educates customers on their potential savings by "going solar"
- A Consumer Alert document related to solar scams[10] linked from the solar webpages.
- Educational marketing campaigns sent to customers who have shown interest in "going solar" on the process and tips.
- Cross-cutting campaigns with energy efficiency to ensure customers are informed of their various ways to save energy and money.
- Solar Call Service Center to handle customer inquiries via phone.

---

8 Per Electric Rule 21 F.1.d.

9 The Ruling requested links to materials available on a website. This is the link for this content: https://www.pge.com/en_US/residential/solar-and-vehicles/options/option-overview/how-to-get-started/how-to-get-started.page.

10 The Ruling requested links to material available on a website. This is the link for this content: http://www.pge.com/includes/docs/pdfs/myhome/saveenergymoney/solarenergy/Solar_ConsumerAlert.pdf

- Account representatives that support large customers in making an informed decision about going solar.
- Solar Contractor outreach workshops to inform contractors of rules and regulations, interconnection best practices, and future potential program modifications including rate changes, incentive programs and tariff education.
- Solar Contractor communications to inform them of changes to rates, tariffs or other interconnection practices.

PG&E continues to work on improving the webpages and helping customers locate helpful material.

13. In comments filed March 16, 2015, the Office of Ratepayer Advocates suggested that the Commission authorize an independent consumer advocate to serve as the primary resource for customer-sited renewable DG consumer complaints and questions. In light of your responses to the other questions in this ruling:

- **a. Is there a need for such an independent consumer advocate? Why or why not?**
- **b. If you believe there is a need, what kind of entity or individual should fill this role? What are the benefits and drawbacks of your proposal?**
- **c. What responsibilities should such an advocate have? Please be specific.**
- **d. How should such an advocate be selected?**
- **e. How should this role be funded?**

PG&E does not believe there is a need for an independent consumer advocate outside the CPUC and the Contractors State Licensing Board at this time. As explained above in response to Question 1, PG&E does encourage the CPUC to take on that role, perhaps expanding its current role of entertaining formal and informal complaints. PG&E appreciates the suggestion by the Office of Ratepayer Advocates.[11] In light of the abuses reported by customers, it is possible that

[11] *Comments of the Office of Ratepayer Advocates on Administrative Law Judge's Ruling Seeking Comment on Policy Issues Associated with Development of Net Energy Metering Successor Standard Contract or Tariff*, filed March 16, 2015 at p.29.

the consumer advocate at the CPUC would need new staff to collect and address customer complaints.

Should the CPUC decide to pursue establishment of an independent consumer advocate outside the CPUC, legislative action may be needed. Any proposed legislation should include specific actions that are the responsibility of the consumer advocate and specific authorization should be created to enable the advocate to enforce the consumer protection measures. This could include the behaviors that are to be eliminated and the resulting penalties if they are not. In addition, the legislation should indicate how the agency would be funded, either by establishing a state agency funded by taxpayers or by explicitly requiring participating customers or licensed solar vendors to contribute to the funding through interconnection application fees or state licensing fees. PG&E does not support this potentially expensive, complex and duplicative step at this time.

Additional Issues: Measurement, Evaluation, Marketing, Outreach

14. What measurement and evaluation requirements should be put in place for the NEM successor tariff generally? E.g., ongoing maintenance of the public reporting site, www.californiadgstats.ca.gov? Other reporting activities? Studies? Please provide specific suggestions and examples of how your suggestions could be implemented, including budget and funding sources, if required.

Measurement and evaluation (M&E) has as its primary objectives: capturing in a statistically or quantitatively meaningful way the benefits and costs of a program. This includes various definitions and segmentations of these benefits and costs; identifying ways to improve these programs; and supporting energy demand forecasting and resource planning. To achieve these objectives with regard to the NEM successor tariff, a number of studies should be required. At a minimum, M&E should include a study of the cost effectiveness of this program in general and in relation to other customer distributed energy choices. Key elements of this cost-effective study should include calculation of a Participant Cost Test, Ratepayer Impact Measure, Program Administrator Cost Test, Total Resource Cost Test, and a Societal Cost Test along with the explicit call-out of the avoided costs and the locational impact of distributed generation under the NEM successor tariff, including the impact on transmission and distribution (T&D) investments (both increases in T&D costs and avoidance of T&D costs). Additional subjects to be studied include an assessment of customer pricing (i.e., by requiring accurate documentation of actual transaction prices to enable greater transparency into the marketplace); adoption patterns, including demographics of those taking service under the NEM successor tariff; study of how customer-side generation fits into the Integrated Resource Planning (IRP) process; an investigation into usage patterns and generation, including whether and how customer usage patterns change, production by location, time of day and month, and details of the interplay between installation details and generation; and other studies as determined during a more protracted discussion amongst stakeholders. Regarding the investigation into usage patterns and generation data, this information should be made publically available in an aggregated form and should be provided to the utilities at the installation level for those sites within the utility's own service territory.

Regarding implementation, such studies should be conducted by a consultant under the direction of a group consisting of the IOUs, the Energy Division and other key stakeholders. Reporting of the aggregate data should be made available through existing public reporting sites such as www.californiadgstats.ca.gov, which should be maintained. To ensure protection of customer privacy, generation data from the individual installations should be provided to the IOUs through a single, secure portal, the development of which will be determined as part of a joint IOU working group. To ensure the M&E does not create an additional cost-shift, the required studies and reporting could be funded through an increase in the interconnection fee.

15. What measurement and evaluation requirements should be put in place for consumer protection measures specifically? E.g., Reporting activities? Studies? Please provide specific suggestions and examples of how your suggestions could be implemented, including budget and funding sources, if required.

To ensure that the proposals put forth herein are achieving their stated objective, including but not limited to the checklist and other requirements to protect consumers, measurements and evaluation should be required to assess the value to customers of the consumer protection measures. This could be done through a survey of a sample of customers and could include, among others, questions around the usefulness of the information, the extent to which the installer reviewed the information with the individual, whether the installer adequately answered their questions, and whether there were additional details or information the customer would have liked to see on the checklist or from their installer. Surveys of the contractors should also be conducted and could include the ease in completing the information along with the review process with customers, as well as complications or pain points in complying. The results of these surveys should be presented in a consolidated report and should include recommendations, where necessary, on changes or improvements that would further inform and protect the customer or streamline or simplify the process. Metrics on the extent to which the new consumer protection requirements delay the interconnection process should be gathered as should an audit of the completeness of the information checklist.

Consistent with our response to Question 14, such surveys, metrics and audits should be conducted by a consultant under the direction of a group consisting of the IOUs, the Energy Division and other key stakeholders. To ensure the M&E does not cause additional cost-shifting, the required studies and reporting could be funded through an increase in the interconnection fee.

16. What marketing and outreach efforts, if any, should be undertaken for the NEM successor tariff in general? Please specify how these activities would be helpful to potential NEM successor tariff customers. If no such activities should be undertaken, explain why not.

a. What entity or entities should be responsible for conducting the marketing and outreach efforts you have identified?

b. How should such marketing and outreach efforts be funded?

c. What is a reasonable budget estimate for the efforts you have identified?

PG&E recommends continuing marketing and outreach efforts to support new NEM customers. PG&E currently conducts outreach to support new NEM customers by sending out a Welcome Kit within two weeks after interconnection. In addition, PG&E sends four email or direct mail communications throughout the customer's first year on NEM to help customers better understand their bill, ways to be energy efficient, and monitor their energy use in order to maximize their solar investment. Within these materials, updates reflecting NEM successor tariff changes are incorporated.

a. PG&E should be responsible for continuing to conduct the marketing and outreach effort identified above.

b. If not funded through the General Rate Case process, the Commission could provide funding for the marketing and outreach effort identified above through the interconnection fee.

c. PG&E does not have an estimate of the necessary marketing and outreach budget at this time.

17. What marketing and outreach efforts, not already addressed in a previous response, should be undertaken for consumer protection measures specifically? Please specify how these activities would be helpful to potential and actual NEM successor tariff customers. If no such activities should be undertaken, explain why not.

a. What entity or entities should be responsible for conducting the marketing and outreach efforts you have identified?

b. How should such marketing and outreach efforts be funded?

c. What is a reasonable budget estimate for the efforts you have identified?

PG&E recommends continuing active customer outreach to promote online resources to help customers who may be considering going solar and are currently in the research phase of the process. PG&E currently targets (and would continue to do so) prospective NEM customers by identifying customers who have searched for solar related terms and serving up display digital advertisements that drive customers to PG&E's website for resources that will help the customers make informed decisions. The online resources on pge.com include an alert warning potential solar customers about solar scams as well as a solar checklist of key steps to be taken to guide solar prospects through the process of going solar. Both of these documents can continue to be augmented and improved as part of the consumer protection process. For instance, the checklist could potentially be repurposed to focus more on consumer protection details and incorporated as a requirement to proceed with interconnection as discussed in more detail above.

a. PG&E should be responsible for conducting the marketing and outreach efforts identified above.

b. If not funded through the General Rate Case process, the Commission could provide funding for the marketing and outreach effort identified above through the interconnection fee.

c. PG&E has no estimate for the marketing and outreach efforts at this time.

III. CONCLUSION

PG&E appreciates this opportunity to address the issues in the Ruling.

Respectfully submitted,

RANDALL J. LITTENEKER
STACY W. WALTER

By: */s/ Stacy W. Walter*
STACY W. WALTER

Pacific Gas and Electric Company
77 Beale Street, B30A
San Francisco, CA 94105
Telephone: (415) 973-6611
Facsimile: (415) 973-5520
E-Mail: sww9@pge.com

Attorneys for
PACIFIC GAS AND ELECTRIC COMPANY

Dated: January 24, 2017

Attachment A

DRAFT SOLAR CUSTOMER DISCLOSURE AND DISCLAIMER STATEMENT

SOLAR CUSTOMER*: Your signature below signifies that you have carefully read and understand the DISCLAIMERS and also signifies that your solar company has provided the information in the DISCLOSURES and explained them to your satisfaction.*

DISCLOSURES

My solar generator is ___ kW (CECac) and is expected to generate electricity for __ years.

The generator will produce ____ kWh during its first year of operation.

The inverter will last approximately __ years and will need to be replaced __ times.

Inverter replacement will cost approximately $___ each time.

Over the life of the system, the kWh will cost me ___ cents per kWh.

> The cents per kWh must be calculated using the total cost of the generator, including inverter replacements.
>
> If the customer owns the generator, then the total cost to the customer need not include financing costs.
>
> If the customer has a PPA or lease arrangement and ownership remains with the solar vendor, then the total cost of the PPA or lease for the life of the system must be used, including any inflation factors for the PPA price. If the customer is expected to purchase the equipment at the end of the PPA or lease, then the purchase price must be included.

My warranty is good for ____ years and covers the following: ____

My installer has a state-issued contractor license number: ______.

If my installer is bought out by another company or goes bankrupt, Operations and Maintenance of my solar installation is the responsibility of the following party: ____

For power purchase agreements, the plain language explanation of the terms under which pricing will be calculated over the life of the contract:

Initial price per kWh: ____;
Escalation in price per kWh per year: _____;
Term of the Power Purchase Agreement: ____;
Key terms upon expiration of PPA: ____________.

A plain language explanation of operation and maintenance responsibilities of the contract parties.

A plain language explanation of the contract provisions regulating the disposition or transfer of the contract in the event of a transfer of ownership of the residence, as well as the costs or potential costs associated with the disposition or transfer of the contract:
____

A plain language explanation of the disposition of the solar energy system at the end of the term of the contract:
____

If the solar vendor has provided a comparison of the expected savings vs. utility bills, a plain language explanation for the key assumptions behind that estimate, including the expected utility increase in rates each year:
______________________________.

DISCLAIMERS

I understand that my solar installer is a separate entity than PG&E and not sponsored by PG&E or the CPUC.

If I do now own my system (e.g., if I have a power purchase agreement (PPA) or lease), my solar vendor has explained whether I own the renewable energy credits (RECs) from the generator or whether the solar vendor retained the RECs.

If the solar vendor retained the RECs from my solar generator, I understand that the power I receive is not renewable and I may not claim that it is for financial benefit. I may say it is solar power.

I understand that I will be enrolled in the Net Energy Metering program which means I will be billed for my electric usage once per year, paying for my usage over the year 12 months from interconnecting my system to PG&E's grid. On a monthly basis I will only be charged Minimum Delivery Charges, taxes, and gas charges where applicable.

I understand that the interconnection process for residential customers usually takes 1-3 days once the complete interconnection application is received by PG&E from your installer, and that larger systems may take considerably longer. If I experience delays I will follow up with my installer to understand when they submitted the application and the cause for delay.

I understand that the CPUC may change my current rate during the time my solar generator operates.

I understand that the CPUC may determine such changes could include increased or decreased rates; changes to my time of use periods – including having the summer peak period occur in the evening; and modifications that could include increased monthly charges that cannot be offset with credits from my solar generator.

I understand that the CPUC may determine that my rate could include customer or demand charges.

My chosen installer has walked through the items above with me and answered any questions that I have related to my system, warranties, and rights.

Signed:___________________________________ ***Date:________________***
(Must be Customer of Record)