



# CITIZENS UTILITY BOARD

## Fighting for Illinois Consumers

**Comments of the Citizens Utility Board On the Illinois  
Power Agency's Request for Stakeholder Feedback -  
Consumer Protection**  
**June 22, 2023**

### **TOPIC 1: Community Solar Providers Directly Managing Customer Utility Accounts**

#### Questions

1. What other consumer protection concerns are presented by the model of having Community Solar Providers take over management of customer's utility accounts?

CUB is very concerned by the lack of transparency we've seen in bills from CS providers who take over management of their customers' utility accounts. Although the regulated electric utilities' bills can be challenging for consumers to decipher, they still contain a great deal of info that can be of use to the consumer such as usage, meter read date, utility price to compare, and # of kWh generated by the consumer's share of the community solar project. Without this information readily available, it can be difficult for the customer to determine whether the community solar deal is beneficial to them, or whether there has been a spike in their usage or other red flags they should know about.

We have also seen cases of oversubscription and the rapid build up of excess CS credits for customers whose CS provider has taken over management of their bills. Without regular access to their utility bills, consumers are not able to spot the issue and have it rectified in a timely manner. This has resulted in customer overpayment, increased consumer distrust in the program, and canceled subscriptions.

Finally, in cases where a CS provider takes over management of the customer's electric account, the customer is implicitly trusting that provider to pay the utility on their behalf consistently and on-time. CUB is very concerned about problems (such as disconnections, late payment fees, and damage to customers' credit scores) that may arise in the event a CS provider goes out of business, suffers a glitch, or otherwise fails to make a payment to the utility on time on the customer's behalf.

2. Are there concerns around billing transparency that may be particularly acute in ILSFA, where there are required minimum savings levels?

All of the concerns we lay out above apply as well to ILSFA customers— plus the additional fact that the lack of transparency can make it difficult to determine whether a CS provider is meeting the program’s savings requirements.

3. What are the benefits and/or drawbacks of prohibiting this model based on consumer protection concerns?

CUB believes that a successful program should be compatible with multiple business models and that Illinoisans should have choices when it comes to tapping into renewable energy. At this point, however, we have not seen the model of having a consumer sign over management of their electric bill over to a community solar provider to be of particular value, either to individual consumers or to the Illinois solar market overall. In fact, in the case of individual consumers, this model has the potential to do great harm.

At this time there are a number of CS providers in Illinois that allow their customers to maintain control over their own utility bills while connecting them to community solar savings (indeed, they do so while achieving higher levels of per-kWh savings than the one company we are aware of that *does* take control of utility billing). We acknowledge that in the future it may be possible for this model to allow providers to combine incentives from multiple sources in order to offer a more holistic approach to energy savings—coupling, for example, community solar with electrification measures in a package that guarantees bill savings for the consumer.

However, given the issues listed above, we urge the IPA to consider imposing a temporary prohibition on this billing model for a period of time until the issue can be reassessed. See below.

4. What restrictions or requirements, if any, could ameliorate consumer protection concerns? (For example, would requiring the Community Solar Provider to provide the utility bill, utility notices, or other information to the customer; requiring separate explicit permission to change utility account credentials; or requiring the Community Solar Provider to share updated/new utility account credentials with the customer, address consumer protection concerns?)

While having the CS provider present the utility bill to the consumer could be a relatively simple way to ensure that the consumer receives all pertinent billing information, we fear that doing so may increase confusion for the consumer in that they would then receive two bills, of which only one should be paid.

Given the existence and success of other models, CUB has not seen evidence that the model of having a CS provider assume management of customers’ electric bills provides any value to

individual consumers or to the Illinois solar market as a whole. If, however, CS providers are allowed to continue with the model of assuming management of customers' electric bills, they must at a minimum be required to include key information— such as kWh used, kWh produced, and price/credit per kWh in both categories— in the bills they present to their customers. They should also be required to obtain explicit permission from their customers before changing the customers' utility account credentials and share the updated account credentials with the customer.

## **TOPIC 2: Restitution Fund for Harmed Customers**

### Questions:

1. What are the advantages and disadvantages of developing a restitution fund for Illinois Shines and Illinois Solar for All?

The development of a restitution fund for solar customers who have been financially harmed is very appealing from a consumer protection point of view. We also believe the idea to have value for installers and those who want to see the solar market in our state grow and not suffer setbacks as a result of bad press/word-of-mouth. While these benefits must of course be balanced against the cost to fund and administer such a program, we believe them to be significant enough to merit serious consideration.

2. Do other states have restitution funds related to renewable energy programs that work well and/or could be used as a model in Illinois?

The only restitution fund of this sort that we are aware of is the Solar Energy System Restitution Program (SESRP) administered by Contractors State Licensing Board of California, created to help people who were financially harmed by a solar contractor. It is our understanding that this is a one-time fund that was established less than two years ago, and that the CSLB is no longer accepting applications. The rapid exhaustion of the funds points to both a strong need for such a program and the challenge of securing enough money to meet consumer need.

## **TOPIC 5: Escrow Process for REC Incentive Payments**

### Questions

1. What are the advantages and disadvantages of developing an escrow process for the disbursement of REC incentive payments?

CUB believes this approach is worth considering as a solution to help customers who would otherwise be left facing financial harm due to vendors' failure to pass through

REC payments. Establishing an escrow process would, however, add complexity and cost to the program.

2. What considerations should be contemplated if the IPA developed an escrow process?

The cost of such a program, especially as represented by escrow agent fees, would need to be carefully considered, along with the question of how that cost would be covered. The sequence of events triggering the escrow process would also need to be established; it is not immediately clear to us how to design the program so that the escrow process is triggered and gets underway in time for the customer to benefit (i.e. before payments are made directly to the AV/Aggregator).

The very consideration of an escrow process at all leads us to wonder if this wouldn't be a better approach for routing REC payment to customers in general, than the current pass-through mechanism employed by AVs.

## **TOPIC 6: “Pass-Through” Mechanism of REC Incentive Payments**

### Questions

1. Are there inherent risks in the pass-through model?

CUB believes that with the pass-through model, there is an inherent risk of financial harm for customers. We have seen instances of customers being stranded when an AV goes out of business, or being left unable to make loan payments because of delays receiving their pass-through payment.

2. If so, what Program adjustments should the IPA consider to address these risks?

At the very least, the IPA should prioritize creating clear consumer-facing information about SRECs and how the pass-through model works. CUB has spoken with many consumers who are either completely unaware of the process, confused about how it works, or angry when they learn that their AV will be taking a cut of their incentive. We believe that the escrow process proposed in Topic 5 is worth investigating as a potential solution.

## **TOPIC 7: Claw-Back of Incentive Payments**

### Questions

1. In situations where there is a project malfunction or underperformance that is *not* due to the customer's actions, what are the advantages and disadvantages of potential

restrictions on allowing Approved Vendors to pass through the financial risks of underperformance to customers?

CUB has been concerned about this issue from the beginning of Illinois' adjustable block program. We have heard from multiple consumers who have opted against rooftop solar when presented a REC contract by their AV, rather than agree to the liability described therein. We believe that AVs should be held responsible for the system's performance and should shoulder the risk within reason. There are ways to word these contracts in such a way that the AV is not held liable in instances where the customer has removed or damaged the panels or otherwise caused the system to underperform.

## **TOPIC 8: Approval Process for IL Shines Designees**

### Questions

1. What are the advantages and disadvantages of increased requirements for Designee participation in Illinois Shines?

CUB believes that the advantages of increased requirements for Designee participation in Illinois Shines would far outweigh the disadvantages. Designee behavior accounts for the majority of the consumer complaints we have received, and we believe that bad actors in the Designee space can and have harmed consumer perceptions of Illinois' solar market. More stringent requirements are needed to ensure higher levels of designee training and accountability.

2. What additional requirements would be appropriate? What requirements would be burdensome?

Designees must be absolutely transparent with consumers about who they are and which installers they represent/sell on behalf of. The IPA should establish standards for designee training materials, scripts, and marketing materials, including prescriptive verbiage describing Illinois Shines and the state's SREC incentive, net metering, and the benefits of owning versus leasing a system.

3. What are the advantages and disadvantages of requiring explicit "approval" and/or vetting of Designees before they may participate in Illinois Shines?

Requiring explicit approval and/or vetting of Designees can help prevent bad actors from entering the market and causing financial harm to consumers and/or reputational harm to the Illinois Shines program. Such a vetting process, if it includes initial approval of scripts and marketing materials, can also force Designees-to-be to prepare to meet the program requirements and better serve Illinoisans.

## **TOPIC 9: Disciplinary Action for Violators of Program Requirements**

### Questions

1. What are the advantages and disadvantages of applying disciplinary action or other responses to violations to close affiliates of the entity being disciplined?

CUB believes that applying disciplinary action to close affiliates of the entity being disciplined will create more accountability across the program and prevent those responsible for program violations from “hiding” behind feeble divisions between entities.

3. Should common staff or management be required? Would common ownership be sufficient?

We believe that ownership should equal responsibility and that common ownership should be sufficient. Holding companies that are related by ownership accountable will prevent a gaming situation in which bad actors can circumvent disciplinary actions by operating under a different but related entity.

## **TOPIC 11: Consumer Education**

### Questions

1. In what ways can the current Program consumer education material be improved?

The current Illinois Shines website is currently not very user-friendly and would benefit from a full user experience analysis. A first step would be to reduce the jargon and specialized terminology that is prevalent on almost every page.

2. What additional educational resources should the IPA consider developing?
  - We believe the development and addition of consumer-friendly SREC resources/factsheets– for example a “guide before signing your SREC contract” in fact sheet and video form, would help Illinoisans who are considering solar.
  - Fleshing out the FAQ section on website should also be a priority.
  - The current excel spreadsheet list of available community solar projects is not consumer-friendly; we recommend listing these on the site in line with other consumer information.