



# **Illinois Power Agency Power Hour Webinar**

What Does Consumer Protection Look Like in the  
Evolving Illinois Solar Market?

# Agenda

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- **Introduction to the IPA Power Hour Webinars**
- **Background on Electricity Markets and Consumer Protection**
- **Overview on Consumer Protections**
- **Current Legislation and the IPA**
- **Consumer Protection Requirements in the IPA-Administered Incentive Programs**
- **Q&A and Conclusion**

- **Introduction and Scope**
- Power Hour is a series of educational and informative presentations on a wide range of clean energy topics and emerging issues
- Today's Power Hour:
  - We'll discuss the history of customer choice and protection in the electric sector of Illinois. We will review changes in the law governing Illinois solar programs and how and why the IPA monitors and enforces consumer protection standards
  - This webinar is intended for general education and for CLE purposes only
  - We will not be answering questions about the draft Long-Term Plan or proposals the agency made in the draft, as is currently under development
- Future IPA Power Hour Webinars will cover other topics related to the clean energy economy in Illinois

## Upcoming Webinar

**IPA Power Hour Webinar 3:** *Net Metering Updates and Implications for Distributed Generation in Illinois*

April 29, 2022, 12pm-1pm CDT

Registration Link: [https://zoom.us/meeting/register/tJlode-trT0tEtVDGbr432J\\_eRHF49NAzaNn](https://zoom.us/join/https://zoom.us/meeting/register/tJlode-trT0tEtVDGbr432J_eRHF49NAzaNn)

- **Independent State Agency created in 2007**
- **Agency duties include**
  - Development and implementation of procurement plans for electricity supply for utility customers
  - Development and implementation of other renewable energy programs
  - Implementation of the Renewable Portfolio Standard
    - Development of Long-Term Renewable Resources Procurement Plan
    - Conduct competitive procurements for utility-scale projects
    - Manage programs for community solar and solar for homes and businesses

# **Illinois Electricity Markets and Consumer Protection**

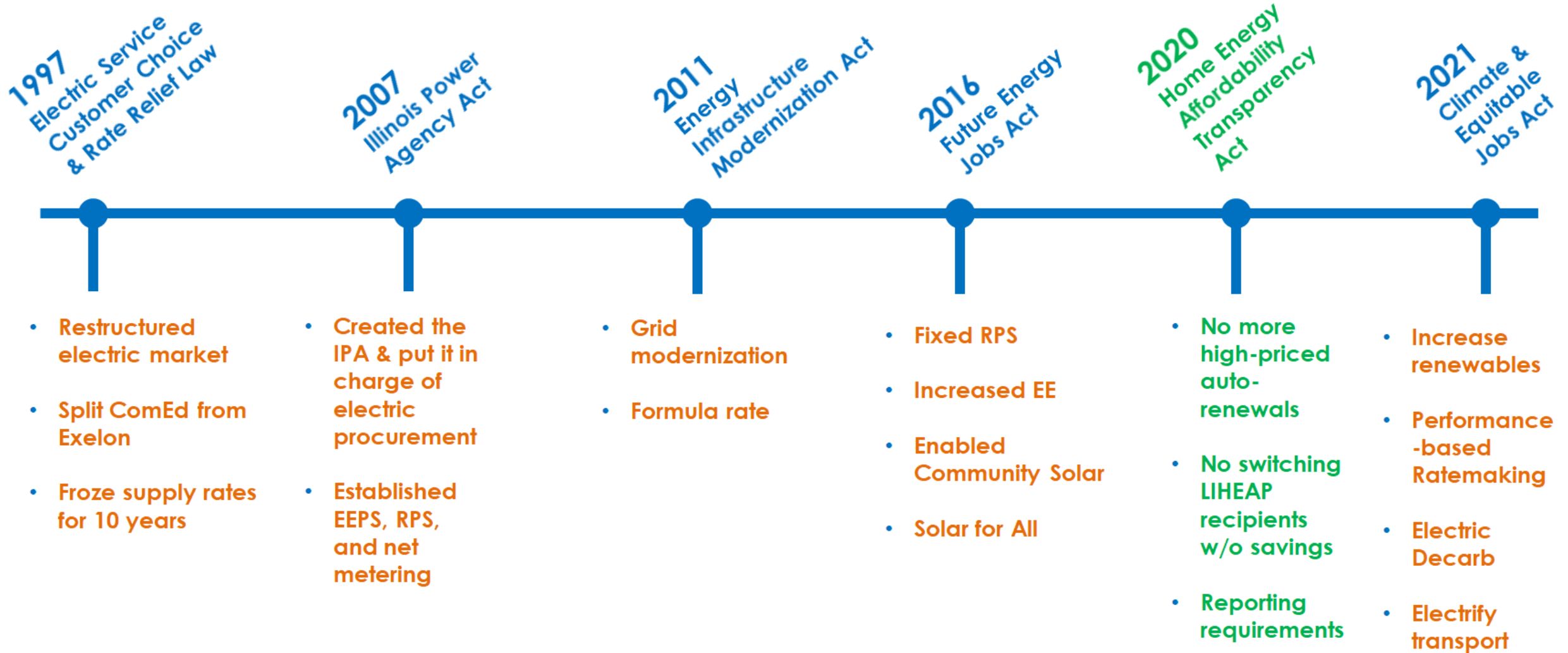




## About CUB

- Nonprofit, nonpartisan utility watchdog
- Created by the IL General Assembly in 1984
- Represents utility ratepayers:
  - Illinois Commerce Commission, General Assembly, Courts
- Helps individuals:
  - 1-800-669-5556; CitizensUtilityBoard.org
- Conducts Consumer Education
  - Outreach events; media & publications
- Research
- Disclaimer

# The History Lesson





# Illinois = Restructured State

In **vertically-integrated** states, one company owns electric generation, transmission, and distribution assets.



In Illinois' **restructured** (or deregulated) electric market, the investor-owned utilities (IOUs) (ComEd and Ameren being the largest) cannot own generation. When restructuring happened, ComEd had to spin off its power plants.

- Alternative retail electric suppliers (ARES)
- Municipal Aggregation (Muni Agg)

# Alternative Retail Electricity Suppliers

- **Consolidated billing/purchase of receivables** = the fuel that makes the alternative energy supplier industry go
  - Utility takes over billing & collections for the supplier
- Residential enrollment in ARES peaked in 2013, at over **3 million residential customers** signed up (many of these through municipal aggregation)
- Since then, electric IOU rates have gone down, are more competitive.
- Rampant **confusion & fraud**

# Home Energy Affordability & Transparency “HEAT” Act

Went into effect January, 2020

Requires customer signature on contract auto-renewals that switch from fixed to variable

Ends early-termination fees for residential and small business customers

Utility’s price-to-compare included in supplier marketing materials & on utility bills of all customers

LIHEAP customers can only be enrolled if plan is guaranteed-savings

Suppliers must report actual prices to ICC (previously only had to report “average” price charged)

# Even after the HEAT Act

**...More work needs to be done.** The most recent ICC Office of Retail Market Development report shows \$431 million in overpayments on electric bills in 5/2020-5/2021 (up from \$145 million the year before)

	Annual Savings compared to ComEd PTC (in million)	Annual Savings inclusive of the PEA Impact (in million)
June 2011 – May 2012	\$17.2	\$24.2
June 2012 – May 2013	\$250.8	\$257.5
June 2013 – May 2014	(\$40.2)	\$38.7
June 2014 – May 2015	(\$12.3)	(\$73.4)
June 2015 – May 2016	(\$79.7)	(\$115.2)
June 2016 – May 2017	(\$131.4)	(\$152.1)
June 2017 – May 2018	(\$123.3)	(\$138.2)
June 2018 – May 2019	(\$97.5)	(\$124.2)
June 2019 - May 2020	(\$136.7)	(\$144.5)
June 2020 - May 2021	(\$233.3)	(\$240.2)
Ten-year Total	(\$586.5)	(\$667.5)

ComEd Residential Savings Estimates (yearly)  
Source: ICC ORMD

# Avoiding negative outcomes for IL solar customers

The solar market has the potential to be even more fraught for consumers

Some of the issues we've seen:

- To lease or purchase your system?
- Marketer overpromising
  - “Free solar panels!”
  - “Your bill will be zero!”
  - Overstating SREC payment
- Marketers using utility branding w/o permission



# Thank you

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# **Overview on Consumer Protections**

# Overview on Consumer Protections



## 2017 – FEJA Implementation: Long Term Renewable Resources Procurement Plan

- Adjustable Block Program – 20 ILCS 3855 1-75(c)(1)(K)
- Illinois Solar for All Program – 20 ILCS 2855 1-56(b)
- Agency charged with overseeing these State incentive programs
- The IPA does not have plenary regulatory authority over solar developers/marketers
  - Agency has discretion in developing program requirements, including consumer protections
  - Agency authority likewise limited to participants in these programs, no authority over private contractual disputes
- Differs from the ICC's regulatory authority over alternative energy suppliers under the Public Utilities Act

# Overview on Consumer Protections



## Development of Consumer Protections for the IPA-Administered Incentive Programs

- Recognized that the purchase of a PV system is a significant financial commitment for system host; especially acute consideration for residential customers
- Community solar subscriptions may appear to customers to be similar to alternative supply offers when viewed from a purely transactional standpoint
- When viewed in the context of the alternative energy supply market in Illinois, raised concerns
  - Customer misunderstanding
  - Possible confusion of community solar subscriptions with “green” ARES products
  - May negatively impact the development of a robust solar market in Illinois
- The combination of these factors led to the inclusion of consumer protections in the Agency’s first Long-Term Renewable Resources Plan developed in 2017

# Overview on Consumer Protections



## Goals of Consumer Protections for the IPA-Administered Incentive Programs

- Better serve Illinois consumers and to ensure that state-administered incentive funding supports only entities responsibly serving the public
- Protect the interests of consumers and businesses interested in solar power
- Empower customers to make informed decisions about going solar with confidence in the rapidly evolving solar market
- Create a robust, viable solar market in Illinois

# Overview on Consumer Protections



## Development of Consumer Protections under Initial Long-Term Plan

- Commission found that the IPA has the authority to develop consumer protection terms for program participation based upon the language in 20 ILCS 3855/1-75(c)(1)(N):  
*The Agency shall establish the terms, conditions, and program requirements for community renewable generation projects with a goal to expand renewable energy generating facility access to a broader group of energy consumers, to ensure robust participation opportunities for residential and small commercial customers and those who cannot install renewable energy on their own properties.*
- Commission also found that the details of the consumer protection requirements could be developed outside of the Plan approval process. *Final Order, ICC Docket No. 17-0838 at 106-107 (Apr. 3, 2018)*
- Agency utilized a stakeholder process to develop marketing guidelines, minimum contract terms, standard disclosure forms, and informational brochures for both programs
- Modeled after the Commission's rules for alternative energy suppliers 83 Ill. Adm. Code 412

# Overview on Consumer Protections



## Updates to Consumer Protections Under Revised Long-Term Plan

- Commission affirmed requirement for each individual community solar customer to sign disclosure forms – *Final Order, ICC Docket No. 19-0995* at 7-8 (Feb. 20, 2020)
- Agency updated guidelines through stakeholder process in 2020 following ICC approval of Docket No. 19-0995
- Updates to marketing guidelines included adapting relevant portions of the HEAT Act (P.A. 101-0590)
- Development of Community Solar Minimum Contract Terms
- Commission affirmed customer disclosure form requirements – cannot muni agg community solar subscriptions



# **Legislative Changes Surrounding Consumer Protections**

## Changes in law under P.A. 102-0662

- Omnibus energy legislation signed into law on September 15, 2021, known as the Climate and Equitable Jobs Act
- Among its many provisions, P.A. 102-0662 revises and expands the Illinois Renewable Portfolio Standard under 1-75(c) of the IPA Act
- Explicit authority for the Agency to develop “program terms, conditions, and requirements ... applicable to participating entities and project applications” in coordination with its Program Administrators. 20 ILCS 3855/1-75(c)(1)(M)

## Approved Vendor Registration

- Section 1-75(c)(1)(M)(i)

*The Agency shall establish a registration process for entities seeking to qualify for program-administered incentive funding and establish baseline qualifications for vendor approval. The Agency must maintain a list of approved entities on each program's website, and may revoke a vendor's ability to receive program-administered incentive funding status upon a determination that the vendor failed to comply with contract terms, the law, or other program requirements.*

## Program Requirements and Compliance

- Section 1-75(c)(1)(M)(ii)

*The Agency shall establish program requirements and minimum contract terms to ensure projects are properly installed and produce their expected amounts of energy. Program requirements may include on-site inspections and photo documentation of projects under construction. The Agency may require repairs, alterations, or additions to remedy any material deficiencies discovered. Vendors who have a disproportionately high number of deficient systems may lose their eligibility to continue to receive State-administered incentive funding through Agency programs and procurements.*

## Standardized Disclosures

- Section 1-75(c)(1)(M)(iii)

*To discourage deceptive marketing or other bad faith business practices, the Agency may require direct program participants, including agents operating on their behalf, to provide standardized disclosure to a customer prior to that customer's execution of a contract for the development of a distributed generation system or a subscription to a community solar project.*

## Consumer Complaint Centers and Annual Reports

- Section 1-75(c)(1)(M)(iv)

*The Agency shall establish one or multiple Consumer Complaints Centers to accept complaints regarding businesses that participate in, or otherwise benefit from, State-administered incentive funding through Agency-administered programs. The Agency shall maintain a public database of complaints with any confidential or particularly sensitive information redacted from public entries.*

- Section 1-75(c)(1)(M)(v)

*Through a filing in the proceeding for the approval of its long-term renewable energy resources procurement plan, the Agency shall provide an annual written report to the Illinois Commerce Commission documenting the frequency and nature of complaints and any enforcement actions taken in response to those complaints.*



## Coordination with AG, ICC, Stakeholders and Law Enforcement

- Section 1-75(c)(1)(M)(vi)

*The Agency shall schedule regular meetings with representatives of the Office of the Attorney General, the Illinois Commerce Commission, consumer protection groups, and other interested stakeholders to share relevant information about consumer protection, project compliance, and complaints received.*

- Section 1-75(c)(1)(M)(vii)

*To the extent that complaints received implicate the jurisdiction of the Office of the Attorney General, the Illinois Commerce Commission, or local, State, or federal law enforcement, the Agency shall also refer complaints to those entities as appropriate.*

# **Consumer Protection Requirements in the IPA-Administered Incentive Programs**

# Consumer Protection Requirements for Adjustable Block Program and Illinois Solar for All



## Registration for Companies

- **Approved Vendors** – entities that submit project applications into the Program and receives the REC incentive payment
- **Designees** – entities that work with Approved Vendors to do things like market offers, enroll customers, install projects, etc.
- Lengthy applications require information about organizational structure, financial information, complaints against the entity, examples of marketing materials, and an attestation agreeing to comply with Program requirements

Vendor Contact Information

[Use my contact information >](#)

Legal Business Entity Name REQUIRED

The Approved Vendor name must match the entity's legal name as reflected on its W-9 form

Any Doing Business As ("DBA") Name

Principal Place of Business

Street REQUIRED

Apartment or Suite

City REQUIRED

State REQUIRED

-- Select One --

Zip REQUIRED

Enter five digit zip code (12345) or five digit code with four digit extension (12345-6789)

Company Phone REQUIRED

Enter 123-123-1234 with no extensions allowed

Primary Point of Contact Responsible for the Company's Day to Day Interaction with the Program

Name REQUIRED

Phone REQUIRED

Enter 123-123-1234 with no extensions allowed

Email REQUIRED

[Save and Continue](#)

# Consumer Protection Requirements for Adjustable Block Program and Illinois Solar for All



## Information Provided to Customers

- **Informational Brochures** – explanation of how the Program works, what a customer should consider in deciding on an offer, and how to report complaints




# Consumer Protection Requirements for Adjustable Block Program and Illinois Solar for All



## Information Provided to Customers

- **Disclosure Forms** – standardized templates that provide key information about each offer in a consistent format that allows customers to easily compare offers

 Last Updated December 1, 2021

### Standard Disclosure Form

#### Distributed Generation PV System Purchase Option

Before You Sign a Binding Contract

The proposed agreement described in this disclosure represents the terms for purchasing a solar photovoltaic (PV) system that will be installed on your property. Because Illinois Solar for All requires that all participants see no upfront costs, your system may be financed through an installment agreement and paid for over time. Details about this agreement are contained in this Disclosure Form.

The purpose of this form is to provide you with clear and accurate information about the system being designed for you and the terms of the installation and delivery of the system. This form is not a substitute for your contract. You should read your PV purchase contract closely before you sign it. The Illinois Solar for All program requires that you are presented with this disclosure at least seven days before signing your contract. You may want to discuss the information presented here with an accountant or financial professional during those seven days. You will have another seven days after signing the contract to terminate that contract.

Please print and save this document for your records.

Your Property	Your Seller	Your Approved Vendor
Name:	Name:	Name:
Street:	Street:	Street:
Apartment/Suite:	Apartment/Suite:	Apartment/Suite:
City:	City:	City:
State:	State:	State:
Zip:	Zip:	Zip:
Phone:	Phone:	Phone:
Email:	Email:	Email:

If you have questions after reviewing this Disclosure Form, contact your Approved Vendor or Seller (these may be different companies). You can also contact the Illinois Solar for All Program Administrator via email at [info@IllinoisSFA.com](mailto:info@IllinoisSFA.com) or via phone at 1-888-970-ISFA (4732).

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## Information Provided to Customers

- **Minimum Contract Terms** – set of required terms and information about an offer that must be included in the customer's contract, including information about pricing/costs/fees, warranties/guaranties, what happens at the end of a contract, etc.



# Consumer Protection Requirements for Adjustable Block Program and Illinois Solar for All

## Additional Consumer Education

- **Websites**

- General information
- Program updates
- How to participate
- Project status tool
- FAQs
- Contact info / complaints

- **ILSFA Grassroots Education** – up to \$1.5 million/year for organizations to conduct grassroots outreach campaigns



# Consumer Protection Requirements for Adjustable Block Program and Illinois Solar for All



## Marketing Guidelines / Consumer Protection Guidelines

- Detailed information about when, where, & how companies can market to customers, what claims they can and cannot make, how they can describe the Program and offers
- Requirements for providing Disclosure Forms and Informational Brochures to customers
- Requirements for training sales agents, keeping records, doing background checks
- A lot of these were initially modeled after Part 412/512 rules on electric and gas retail supply marketing
- Updated during COVID to provide standards for how companies could market during the pandemic

# Consumer Protection Requirements for Adjustable Block Program and Illinois Solar for All



## Requirements Specific to Illinois Solar for All

- Additional procedural and substantive protections
- Higher REC prices
- No upfront costs
- Costs and fees cannot be more than 50% of the value of the electricity generated by the system
  - Example: customer signs up for community solar subscription and receives bill credits of \$20/month – the subscription price that the customer pays the community solar provider cannot be more than \$10



# Consumer Protection Requirements for Adjustable Block Program and Illinois Solar for All



## Consumer Complaints

- Multiple methods for reporting complaints
- Public database of complaints (no customer information published)
- Annual report on ABP complaints and disciplinary actions filed with the Illinois Commerce Commission
- Program Administrator investigates complaints and takes appropriate disciplinary action

Print Excel CSV Copy					
Show	All	entries	Search:		
Type ^	Date ^	Company ^	Role ^	Subject ^	Status ^
Complaint - DG	Feb-22	Smart Energy Solutions	Designee	Delay submitting ABP app / issues with ABP application	Under Investigation
Complaint - DG	Feb-22	Power Home Solar, LLC	Designee	Delay submitting ABP app / issues with ABP application	Under Investigation
Complaint - CS	Feb-22	Arcadia	Designee	System Underperforming or higher than expected utility bills	Under Investigation
Complaint - CS	Jan-22	Arcadia	Designee	Miscellaneous	Under Investigation
Complaint - DG	Jan-22	Windsoleil Inc.	Designee	Delay submitting ABP app / issues with ABP application	Under Investigation
Complaint - DG	Jan-22	Windsoleil Inc.	Designee	Delay submitting ABP app / issues with ABP application	Under Investigation
Complaint - DG	Jan-22	Solgen Power LLC	Approved Vendor	Failed mechanical components or issues with installation	Under Investigation
Complaint - DG	Jan-22	Windsoleil Inc.	Designee	Failed mechanical components or issues with installation	Under Investigation

# Consumer Protection Requirements for Adjustable Block Program and Illinois Solar for All



## Disciplinary Actions

- Program Administrator monitors marketing materials and practices on an ongoing basis
- Can take various disciplinary actions as appropriate, including warning letter, probation or suspension
- Example: companies that violated the ban on in-person marketing announced in March 2020

MAR  
20  
2020

### [IPA COVID-19 Announcement](#)

[COVID-19, Latest Updates](#)

The IPA has released this statement regarding COVID-19. All Program participants are requested to read this announcement as it, among other factors: Includes a change in Program requirements and the Marketing Guidelines Establishes new requirements around face-to-face interaction Provides updates on planned workshops Gives guidance on system inspections going forward

[Read More](#)

**Questions?**



**For more information, visit the IPA Website**

[www2.illinois.gov/sites/ipa/Pages/default.aspx](http://www2.illinois.gov/sites/ipa/Pages/default.aspx)