

# NEM Consumer Protection Workshop

## D.18.09.044 – SCE Implementation

## D.18.09.044 Requirements (R.14-07-002 & R.12.-11-005)

Sets forth several requirements designed to protect consumers installing solar PV systems and participating in the NEM program.

- Requires contractors to provide additional documents when submitting an NEM application for retro-fit, residential customers.
- Requires IOUs to build additional functionality to online portals to validate solar contractor licenses.
- Establishes new compliance / audit guidelines that will provide visibility and clearer paths of action to protect consumers from potential predatory practices.

# NEM Consumer Protection Document Requirement

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# Required Documentation

## Starting September 30<sup>th</sup>\*

Interconnection requests (IR) for developer installed, retro-fit, residential NEM customers will be required to include the following documents to be deemed valid:

- Executed Agreement of Solar System Purchase / Installation
- California Solar Consumer Protection Guide
- CSLB Solar Energy System Disclosure Statement

*\*= IRs with signed agreements prior to Sept. 30 will be required to include executed agreement only*

# Executed Agreement of Solar System Purchase

- Complete copy of Executed Agreement of Purchase / Installation Contract between customer and developer.
- Required for IRs that meet the following criteria:
  - Residential installations performed by solar developer / contractors (self-installs are exempt).
  - Retro-fit installations (new housing development / home construction solar projects are exempt).

# California Solar Consumer Protection Guide + CSLB Disclosure Statement

## California Consumer Protection Guide

- Available in various languages
- Signature and initial pages:
  - Customer & Installer signatures on Page 23.
  - Pages 1 – 4 contain required customer initials section.


## CSLB Solar Energy System Disclosure Statement

- One page document; lists total installation price.

Consumer Protection Packet and CSLB Disclosure not required if:

- Executed Agreement is not required or;
- Executed Agreement signed prior to 9/30/19.

# Uploading Documents

Purchase Agreement Execution Date \* ⓘ  
 

Executed Purchase Agreement \* ⓘ

As part of California Public Utilities Commission (CPUC) [Decision D.18-09-044](#), solar net energy metering interconnection applications submitted on behalf of existing residential single-family-home customers are required to include via upload a copy of the executed contract for the installation of the solar system.

California Solar Consumer Protection Packet \* ⓘ

Allowed file types: .docx, .xlsx, .csv, .pdf

As part of California Public Utilities Commission (CPUC) [Decision D.18-09-044](#), solar net energy metering interconnection applications submitted on behalf of existing residential single-family-home customers on or after September 30, 2019, are required to include via upload customer-initialed and customer-signed pages of the [California Solar Consumer Protection Guide](#).

CSLB Solar Disclosure Document \* ⓘ

Allowed file types: .docx, .xlsx, .csv, .pdf

As part of California Public Utilities Commission (CPUC) [Decision D.18-09-044](#), solar net energy metering interconnection applications submitted on behalf of existing residential single-family-home customers on or after September 30, 2019, are required to include via upload a completed Contractors State License Board (CSLB) Solar Energy System Disclosure Document.

# Licensing Verification Requirements

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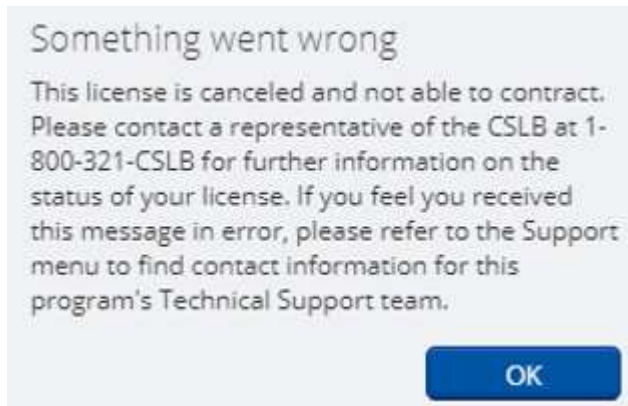




# Verifying Contractor Licenses

Contractors will be required to maintain a valid (and in good standing) license to submit an NEM application.

If license is invalid or inactive, the following error message will appear.



Are you a Self-installer? (i.e., Homeowner, Service Account Holder, etc.) \* ⓘ  
No

Who is the main PROJECT contact for this application? \* ⓘ  
Select...

CSLB Number \* ⓘ  
[Text Input] ← License # entered here

Click here to auto-populate information below Search CSLB

Contractor / Installer Contact Name \*  
First [Text Input] Last [Text Input]

Contractor / Installer Company  
[Text Input] ← Successful hit will populate this section

Contractor / Installer Address  
[Text Input]  
[Text Input]  
[Text Input] [Dropdown] [Text Input]

# Compliance & Auditing Requirement

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# Compliance & Auditing

- IOUs must collect these documents to process NEM interconnection requests.
- IOUs must perform a semi-annual audit of 100 randomly selected applications to ensure documentation is valid. Findings will be relayed to CPUC and the CSLB.
- IOUs must provide CPUC with data for projects submitted as “self-installs”. This data is readily available on:

<https://www.californiadgstats.ca.gov/>

# Monthly Billing Option (MBO)

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## Monthly Billing Option

The most frequent NEM Customer Inquiry for residential customers is around billing with respect to the settlement bill at the end of the 12 month billing period.

**FALSE**

You will never pay an electricity bill ever again after a solar system is installed.



After going solar, you will typically pay a small electricity bill every month and a larger electricity bill at the end of the 12-month cycle. See page 17 for an example.

- Customers who take out a solar loan or sign a lease or power purchase agreement will also receive a monthly bill from a loan company or solar provider.
- If you use PACE (Property Assessed Clean Energy) financing, you will also make a payment once or twice a year with your property taxes or monthly with your mortgage payment.

MBO – Customer receives bill that is due payable every month. At end of 12 month billing period, if customer has generation credits, Net Surplus Compensation (NSC) will be offered as applicable.

# Signing Up for MBO

Customers can request the MBO when first signing up for NEM by initialing Section 3.2. of the Interconnection Agreement.

## 3.2 MONTHLY BILLING ELECTION:

By default, Residential and Small Commercial NEM Customers are billed (i.e., required to pay)

Customers on monthly billing will receive monthly bill statements showing both the energy and non- energy related billing components and corresponding charges, and will be required to pay any positive energy charges monthly.

Having considered billing options that are available, I hereby request for monthly billing for the Customer Service Account Number listed above. \_\_\_\_\_ (initial here)

Customers can also request this change post-PTO by:

- 1) Contacting the call center.
- 2) Completing Form 16-345.

Please note that post-PTO billing option changes are only allowed once per 12 month billing period. Requested changes will not take effect until the end of the current 12 month billing period.

# Q&A

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# Appendix - FAQ

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# Signature Requirements

- *Who can sign and initial the Consumer Protection Guide?*

The Service Account holder should sign and initial the Consumer Protection Guide. If the name on the contract, consumer guide and NEM agreement are not the same across all three documents, SCE will require an explanation of the relationship between the parties signing each document uploaded with the consumer guide.

- *The Consumer Protection Guide requires a company representative to provide a signature on Page 23. Who qualifies as a company representative?*

Anyone authorized to sign on behalf of your company qualifies as a company representative. Consult an attorney if you have any questions.

## Signature Requirements (cont'd.)

- *Are wet signatures/ initials required?*

At this time, electronic signatures by the customer are allowed. The solar installer's Company Representative's signature can also be electronically signed.

- *Who signs the Consumer Protection Guide in the event that the agreement is not with a natural person but with an entity such as a trust or an LLC?*

Any authorized signatory for such entities can sign the Consumer Protection Guide.

# Clarification of Requirements

- *What pages of the California Solar Consumer Protection Guide are required for upload?*

Only pages with signature / initial sections are required. This includes pages 1-4 (customer initials) and page 23 (customer / solar provider signatures).

- *What file formats are compatible with the interconnection portal requirements?*

The acceptable formats for attachment uploads have not changed. The .docx, .xlsx, .csv, and .pdf files are accepted; .jpg format is not. While a clear picture of any of the newly required documents is acceptable for upload, the file containing the picture must be in .pdf format.

## Clarification of Requirements (cont'd.)

- *Is the CSLB Disclosure Statement required to be submitted as a stand alone document even if I have already included it as the front page or cover page in the Purchase / Installation agreement to comply with the requirements of AB1070?*

Yes. The CSLB Disclosure must be uploaded in its assigned file slot. Doing so will meet the decision's requirement. This also allows SCE to readily confirm, categorize and report its receipt in the event that the project is selected as part of the random audit.

- *Our purchase agreement was signed by the customer before 9/30/2019 but the installation of the system has since changed. Do we need to upload a revised agreement?*

A revised agreement is not required in this scenario, but SCE does recommend uploading the revised agreement when updating your interconnection request. This can help avoid any issues if the project is selected for audit.

## Clarification of Requirements (cont'd.)

- *What is required when the contract is with a general contractor and the solar installation is sub-contracted out to another party? Are these documents still required?*

Unless the entire project is for a new construction property, these documents are still required. There should be a solar installation agreement between these parties which should then be uploaded to the interconnection portal when applying for NEM.

The general contractor is the initial and principal point of contact for the customer. Therefore, the general contractor should present the Consumer Protection Guide and CSLB Disclosure to the customer for signatures / initials and retain the documents for application submittal.

SCE also recognizes that in such cases, the general contractor may not be the party submitting the project to the application portal. If the name on the contract, consumer guide and NEM agreement are not the same across all three documents, SCE will require an explanation of the relationship between the parties signing each document uploaded with the consumer guide.

# Spot Audits

- *What is SCE looking for in spot audits?*

SCE has not yet determined the full scope of spot audits. At minimum, SCE will confirm that documents conform with the guidelines provided to contractors. We will also verify that documents are clear and legible. SCE will be required to provide its findings, including any discrepancies, to the CPUC and CSLB along with a separate periodic report on self-install application volume.

- *Will the signatures between the required documents need to match?  
Will an e-signature on the installation agreement be acceptable?*

SCE understands that the signature criteria on installation agreements differs from one solar installer to the next. Therefore, a matching signature type between the required documents is not required. As mentioned earlier, e-signatures by all parties are acceptable at this time.

## Spot Audits (cont'd.)

- *How long must I retain these documents?*

The Consumer Protection Decision does not include language requiring a document retention schedule. SCE recommends storing documents according to your company's respective retention schedule or according to the standards in the [Business and Professions Code \(BPC\) 7111\(a\)](#). For more information, please contact the CSLB.