

## Novel Energy Solutions, LLC Comments:

### Overall comments:

- 1) Customers want short and sweet paperwork.
  - a. In MN, much of the paperwork became duplicative and frustrated the customers rather than made them comfortable.
    - i. i.e. To close out an incentive project with the State Of MN, several documents which showed the same thing were required.
      - 1) a signed interconnection agreement (which can only be obtained once the project is going live, and it requires the customer's signature)
      - 2) Notice Of Completion, signed by the customer and installer, which confirmed the project was interconnected.
  - b. In our experience, less paperwork is valued by the customers, rather than more.
- 2) The Brochure and all marketing materials should have a caveat that not all situations can be included in the materials, as individual installers, Approved Vendors etc. may have unique situations that are addressed in their individual contracts.
- 3) Our financing model is confidential and proprietary. Although the program managers may guard this, in the past we have been the recipients of a rogue Government employee sharing our confidential information. Once it is out, we cannot protect it.
  - a. We understand the customer must be protected, and therefore suggest that a letter from our tax/accounting consultants, which state the consumer is protected in our contracts, should suffice.
- 4) Many of the PPA, PV and Lease have similar language, if we comment on one, we believe it should be on all.
  - a. You may rescind your purchase within 10 calendar days
    - i. Unless this is in statues, we suggest using the MN model of 3-day elective requirement. This has been vetted and is successful.
  - b. Complaint procedures:
    - i. We believe the first complain or concern should go to the persons with whom the customer has a contract. The program managers will not know every project. Therefore, we suggest adding:
      1. "If you have a complaint related to the system or sales process, first contact your solar representative that worked with you when you signed the contract. If that does not work, then reach out to the hotlines."
  - c. Other Parties' Contact Information
    - i. *We need to include language that allows for updating these entities, without negating the ability to enter and remain in the program.*
    - ii. *In MN, warranties on equipment are from the individual manufacturer. This is working in MN and can be duplicated in IL.*
  - d. Total Fee cost including interest, installation, service

- i. **We believe customers should be provided an accurate cash flow projections statement for their system. This should align with the contract (assuming expected system performance). This is the easiest way to ensure customers are being shown the financial impact of their system, and it simplifies the process (i.e. it makes it incumbent on the vendors to disclose accurate information). We feel extremely strong on this point. Additionally, we have seen other installers now show the tax impact of savings on electricity (i.e. you lose a deduction your tax bill will go up), and we think that should be a required disclosure.**
- ii. *Costing and financing is a key competitive advantage and this would require trade secret disclosure. As stated earlier, we have had our proprietary information shared via a rogue government employee and then we could not protect it. Anything other than a cash flow sheet is duplicative, and it shouldn't be required to be shared with the program manager. It should be required to get a sign off from the customer that they have received a financial analysis. Then IF there is a problem with misrepresentation the document will have been in two hands (the customer and the installer) and the manager can then go through the documents (as opposed to going through it on every system).*
- iii. We suggest having a statement that states the customer understands the Approved Vendor ID is receiving \$ \_\_\_ in RECs.
  - 1. This could be done similar to the way MN runs the Made In MN incentive approval. The Dept of Commerce sends out a letter that goes to the customer, with the incentive amount, and they sign it. This would ensure the customer understands there are RECs being sold on the project, and how much they are worth.

### **Marketing Materials and Marketing Behavior**

- 1. Section 8. Customer Disclosure Timing
  - a. IPA Informational Brochure – states must be shared at first customer contact, may be branded with utility logo
    - i. *Presenting this utility branded info sheet as generic program FAQs in tandem with our NES branded materials could help show an amicable working relationship, but may bring up additional customer questions objections*
  - b. IPA Disclosure Form – requesting execution prior to contract completion, may be branded with utility logo
    - i. *The contract to build process does not allow for execution of Disclosure, which requires application submitted design specs. This is unreasonable as material orders are completed following final contract signing, and can vary based on availability. Materials and vendors are not procured on a project that does not have a signed contract. The size of the system is known, but not necessarily what modules, inverters etc. will be used. Additionally, the sizing may change slightly, but that is unknown until the final design stage, which comes after the contract signing.*
      - 1. *We can add a blank Disclosure as an amendment to the contract and review draft during contract signing. Since the customer has to sign off on final engineering designs, we could add signing the final disclosure with actual build's production to this step. We could include a cover*

*letter to explain the added final disclosure and include sales person's contact for additional questions.*

2. Section 13. Conduct and Training of Agents
  - a. Section 13.d. "No Approved Vendor shall make a record of a customer's account number until a contract as been signed"
    - i. *This is not possible and should be stricken. We will need to evaluate customer utility account information and usage during proposal system sizing and to populate the contract for signature.*
  - b. Section 13.e. All Approved Vendor agents shall complete a training program, provide certification for agent's completion to Program Administrator. Upon Program Administrator request, Approved Vendor must provide training materials and training records within 7 days
    - i. This is redundant, as it is addressed in the IPA brochure, and should be stricken.
3. Section 17. Identification of Sales People
  - a. States ID badge requirement (including photo, name, agent # and logo)
    - i. A business card, with photo, should fulfill this ID Badge requirement.

### **PV System Disclosure**

1. Page 2
  - a. You may rescind your purchase within 10 calendar days
    - i. Unless this is in statues, we suggest using the MN model of 3 day elective requirement. This has been vetted and is successful.
2. Page 2-3
  - a. Other Parties' Contact Information
    - i. *We need to include language that allows for updating these entities, without negating the ability to enter the program.*
    - ii. *In MN, warranties on equipment are from the individual manufacturer. This is working in MN and can be duplicated in IL.*
3. Page 4
  - a. Non-connection to internet fee
    - i. Confirm an NA option exists, as this cost is not necessarily included.
  - b. Total Fee cost including interest, installation, service
    - i. *Costing and financing is a key competitive advantage and this would require trade secret disclosure. As stated earlier, we have had our proprietary information shared via a rogue government employee and then we could not protect it.*
    - ii. *As mentioned earlier, a sign off that a thorough and accurate financial analysis has been provided to the customer should suffice. Again, the goal is to ensure the customers know what they are buying, and providing a financial analysis does just that.*
    - iii. We suggest having a statement that states the customer understands the Approved Vendor ID is receiving \$ \_\_\_\_ in RECs.  
This could be done similar to the way MN runs the Made In MN incentive approval. The Dept of Commerce sends out a letter that goes to the customer, with the incentive amount, and they sign it. This would ensure the customer understands there are RECs being sold on the project, and how much they are. Many of these systems will be dependent on the RECs, and our customers know that.

- c. Providing a lien waiver
  - i. *This should only be provided at interconnection.*
- d. System Installation Timing
  - i. *There is a significant dependency on utility processing. If this disclosure is required prior to contract signing and application submission, these will be estimates. Given that these will be such rough estimates with significant utility dependent scheduling, it is not valuable information to include in the disclosure.*
- 4. Page 5
  - a. System Design Specifications – Expected life of the system in years and expected overall percentage degradation over the lifetime of the system
    - i. *This can change from time of contract signing to installation due available materials and vendors.*
- 5. Page 6
  - a. Relocation of the system:
    - i. If the customer wishes to re-roof or add onto their building, this restriction may negatively impact their ability to do that.
      - 1. This can be alleviated by a statement that confirms if the system is moved do to construction, that it is still connected to the original site. However, if the utility updates existing infrastructure, due to their work, or the customer’s updating of their site, the meter numbers and account numbers may change.
      - 2. This happened on our farm. We had to upgrade our existing utility service, which changed our meter number and account number.
- 6. Page 7
  - a. Estimated PV Savings – auto calculated with 3 variables of rate escalation, with and without federal income tax credit
    - i. *We need to know what numbers they expect to feed into this formula. This may precipitate request from customer for 3 updated cashflow models.*
    - ii. *Won’t the potential tax credits be variable based on an individual’s situation? If so this is also an inaccurate estimate that is unnecessarily disclosed.*
    - iii. **Again, we feel a financial analysis disclosed to the customer meets all these goals in a simple and easy way. Plus, it puts the responsibility on the installer to ensure they are accurately representing their product.**
- 7. Items mentioned we may need to add to our process or training
  - a. *If disclosure sheet is required, we could include as an Exhibit. See Marketing Materials 1.b. above*

**PPA System Disclosure**

- 1. Page 4
  - a. List state or federal Incentives or Rebates
    - i. *A Buyer participating in a PPA has often selected this because they are unable to take advantage of tax benefits of ownership or not interested in the cost of maintaining a system. If a Buyer has selected to participate in a PPA, it is the Owner’s responsibility to develop, construct, and insure the project. The job build costs and associated rebates effectively constitute a project valuation which is irrelevant is unnecessary for the developer to the PPA Buyer. **Customers should see a financial analysis of their savings, that is what they want to know.***

2. Page 5
  - a. Installation Timelines
    - i. *See PV System Disclosure 3.d above*
3. Page 6
  - a. System Design Specifications – Expected life of the system in years and expected overall percentage degradation over the lifetime of the system
    - i. *See PV System Disclosure 4.a. above*
4. Page 8
  - a. Net Cashflow estimate – auto calculated with 3 variables of rate escalation
    - i. *We need to know what numbers they expect to feed into this formula. This may precipitate request from customer for 3 updated cashflow models.*
    - ii. **Again, we feel a financial analysis disclosed to the customer meets all these goals in a simple and easy way. Plus, it puts the responsibility on the installer to ensure they are accurately representing their product.**

#### **PPA System Disclosure**

1. Page 3
  - a. PV System should be installed directly south facing or it will generate less electricity and be less valuable
    - i. *There are many variables involved with site design. The final site design and production estimates must already be disclosed and approved by customers purchasing their own system. In a PPA, the production risk is shouldered by the owner and does not impact the Buyer. The financial value will vary by offer type and tax appetite. There is no distinction between offers on this handout. Might be worth noting that there is also significant community value associated with supporting clean, renewable energy.*

#### **ABP Brochure**

Page 4 – Complaint procedures:

We believe the first complain or concern should go to the persons with whom the customer has a contract. The program managers will not know every project.

Therefore, we suggest adding:

“If you have a complaint related to the system or sales process, first contact your solar representative that worked with you when you signed the contract. If that does not work, then reach out to the hotlines.”