CanSIA
CANADIAN SOLAR INDUSTRIES ASSOCIATION | L'ASSOCIATION DES INDUSTRIES SOLAIRES DU CANADA

Protecting Consumers and the GOF Solar Programs

1. Introduction

The Canadian Solar Industries Association (CanSIA) is a national trade association that represents the solar energy industry throughout Canada. Since 1992, CanSIA has worked to develop a strong, efficient, ethical and professional Canadian solar energy industry with capacity to provide innovative solar energy solutions and to play a major role in the global transition to a sustainable, clean-energy future.

The Green Ontario Fund (GOF), as part of Ontario's Climate Change Action Plan, will strengthen Ontario's role as a global innovation and technology leader while enabling cost-savings and GHG emission reductions for Ontarians. With a total of $2.4 billion expected to be invested by 2020, the GOF will be a game changer in growing Ontario's economy and attracting new market entrants to the energy efficiency and renewable energy sectors. Solar electricity, heating and cooling technologies are expected to be part of a suite of programs launched through the GOF this autumn.

The design and installation of solar technologies on residential, commercial, industrial, or institutional buildings requires very specific and technical experience and expertise. The solar industry has grown and matured substantially over the last five to ten years in Ontario due in large part to the government's grounding breaking Solar FIT program. As to be expected and encouraged, new market entrants are likely to emerge within the solar technologies sectors due to the newly introduced solar programs and incentives being offered through the GOF.

With any new landmark program, regardless of new or existing industry participants, there is bound to be conflicts that arise between consumers and vendors. Whether due to reasons such as unethical practices or poor workmanship, or simply misunderstandings between parties, it is inevitable that issues will surface. Ensuring that consumers are protected should be one of the Ontario government's key priorities. To do this, consumers should be directed to work with vendors who have agreed to abide by a strict code of conduct while also giving consumers the option to go through a robust and well-resourced complaint resolution and disciplinary process to deal with any vendor issues should they arise. As such, it begs the following questions:

- Does the Ministry of Environment and Climate Change (MOECC) or the Independent Electricity System Operator (IESO) have appropriate practices and protocols set up to protect consumers and regularly deal with vendor conflicts?
- Does the IESO have dedicated staff allocated to dealing with consumer complaints and working through solutions?
- Does it make sense to leverage already existing industry specific consumer protection programs?

In this submission, CanSIA will provide an overview of the lessons learned in Ontario through the microFIT program, as well as provide our case for why CanSIA's Consumer Protection program is best suited to protect Ontarians participating in the GOF solar programs.

2. Lessons Learned in Ontario

When the microFIT program was first launched in 2009 it generated a tremendous amount of excitement in the marketplace. It led to the emergence of numerous solar start-up companies and new market participants resulting in the creation of thousands of jobs and a growing economy. Since then more than 35,000 solar systems have been installed on homes across Ontario helping consumers save money while protecting the environment.

Due to the sheer number of new market entrants, there was bound to be a few bad apples within the solar industry. Unfortunately, there were instances where some solar companies demanded large upfront cash deposits from homeowners but the systems were never installed and the homeowners lost their deposits. These types of stories were highlighted in numerous media stories[i]. In many of these cases, the companies in question were not members of CanSIA which often handcuffed CanSIA from taking further action. Furthermore, there was no obligation on the part of the microFIT program to require CanSIA membership and to ensure that solar companies were abiding by industry's Solar Business Code of Conduct. Thus, there was nothing stopping many companies from targeting new Ontarians even after initial complaints.

As other issues arose and were brought to the attention of stakeholders, CanSIA led an initiative to strengthen the CanSIA Consumer Protection program, tailoring it to the microFIT program, while collaborating closely with the IESO. Although, CanSIA membership was not added as a requirement of the microFIT program, it was clear to all stakeholders that more had to be done to protect consumers.

3. CanSIA Consumer Protection Program

Working with the IESO and the US Solar Energy Industry Association (SEIA), CanSIA developed an updated, robust and comprehensive Solar Business Code of Conduct, Complaint Resolution and Disciplinary Process, and a Going Solar Guide for consumers, that was tailored to the microFIT program. To learn more about the CanSIA Consumer Protection program see the sections below or visit www.cansia.ca/consumer-protection.html.

The *Solar Business Code of Conduct* contains provisions for how CanSIA members shall conduct themselves in their interactions with consumers, what information they need to make available, and best practices for advertising and marketing. The *Solar Business Code of Conduct* has been implemented as a required condition of membership within CanSIA to ensure that consumers can rely on the same standards of service from all CanSIA members. As mentioned, the Solar Business Code of Conduct was developed with reference to similar consumer protection resources utilized by SEIA.

Protecting Consumers and the GOF Solar Programs

The *Complaint Resolution and Disciplinary Process* sets out the process for how CanSIA will handle complaints and information regarding members that may lead to disciplinary action. A standard form has also been created that consumers can use to identify alleged non-compliance with the *Solar Business Code of Conduct* to CanSIA. CanSIA then utilizes this submission to engage directly with our member companies. The *Complaint Resolution and Disciplinary Process* is intended to allow CanSIA, our members, and consumers to reach a mutually satisfactory resolution for any complaints that may arise. However, if a mutually satisfactory resolution is unattainable, CanSIA, in the form of non-renewal, suspension or expulsion of a member, can exercise disciplinary authority over a member related to non-adherence to the *Solar Business Code of Conduct*.

Going Solar: A Guide for Consumers is intended to help consumers navigate various solar options and help identify the right solutions for their particular circumstances. Whether a consumer is buying a solar system outright or entering a long-term agreement with a solar company, this guide aims to help consumers understand the basics of solar energy, investigate important considerations for items such as home insurance, and identify what questions to ask their solar professionals.

4. Recommendation

CanSIA recommends that the GOF solar programs leverage CanSIA's already existing and functioning Consumer Protection program. Based on CanSIA's current understanding, the GOF solar program is expected to have a list of pre-approved vendors. To enable the MOECC and the IESO to properly leverage the CanSIA Consumer Protection program, the GOF should require all solar companies be a member of CanSIA, and agreeing to abide by CanSIA's *Solar Business Code of Conduct* and its *Complaint Resolution and Disciplinary Process*, to be eligible for placement on the GOF solar program pre-approved vendor list.

As previously stated, in the case of a justified complaint, if a member company does not provide a mutually satisfactory resolution, CanSIA, in the form of non-renewal, suspension or expulsion of a member, can exercise disciplinary authority over that member based on their non-adherence to the *Solar Business Code of Conduct*. In turn, this would result in the applicable company losing its eligibility for placement on the GOF solar program pre-approved vendor list, leading to the protection of future consumers from the unethical practices or poor workmanship of the applicable solar company.

Implementing this type of obligation will require solar companies to pay for a relatively small membership fee to become a CanSIA member. CanSIA has affordable members fees starting at $1,000 per year while CanSIA also provides flexible payment options such as quarterly or monthly payments. This membership fee is minor in comparison to the value created in terms of protecting consumers and maintaining a professional and credible Ontario solar industry. Furthermore, any company that is not able to financially cover this relatively small fee, through various payment options, raises serious questions about the company's financial viability and its capabilities to deliver quality products and services to Ontario consumers.

5. Conclusion

An important aspect of delivering any government incentive program is ensuring a high standard of consumer protection for customers. The IESO, MOECC and the GOF will need to consider the balance between establishing their own practices and protocols versus relying on those that have already been established by government, regulators, and the private sector. An important consideration is the time, people, and resources that would be necessary to establish new standards and protocols versus relying on those that are pre-established and proven.

CanSIA recommends the GOF solar programs leverage CanSIA's already existing and functioning Consumer Protection program. To do so, the GOF should require all solar companies be a member of CanSIA, and agreeing to abide by CanSIA's *Solar Business Code of Conduct* and its *Complaint Resolution and Disciplinary Process*, to be eligible for placement on the GOF solar program pre-approved vendor list. Going forward, CanSIA would be happy to work collaboratively with the MOECC, the GOF and the IESO to review the current CanSIA Consumer Protection program and update it to ensure it is tailored to the new GOF solar programs. Furthermore, CanSIA would be happy to discuss collaborative communications strategies to ensure consumers are educated about solar technologies and making informed decisions. This can be an ongoing, evolutionary process as stakeholders may learn more about the dynamics around implementation of the GOF solar program as it proceeds.

Due the lessons learned in Ontario, similar solar incentive programs throughout Canada, including the Energy Efficiency Alberta Solar Program, and certain Requests for Proposals[ii], now require solar companies to be CanSIA members. Implementing CanSIA's recommendation, and maintaining the precedent set by other Canadian jurisdictions, will result in numerous benefits in Ontario, the most important of which is to protect consumers and provide them with a well-designed process for raising and resolving issues. Also, this approach will help to maintain credibility and professionalism within the Ontario solar industry, while safe guarding the sizable investment made by the government to help Ontarians save money, fight climate change, and grow the economy.

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[i] One story example includes the following: http://www.cbc.ca/news/canada/toronto/certified-solar-took-thousands-but-never-installed-panels-ontario-investors-say-1.3114868
[ii] One RFP example includes the following: http://vendor.purchasingconnection.ca/Opportunity.aspx?Guid=7A099F1F-B804-495F-874F-54CB3244505B