

Errors in Filling Out DG Disclosure Forms

January 3, 2024



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Errors in Filling Out DG Disclosure Forms

In reviewing completed Disclosure Forms, the Program Administrator has noticed several concerning patterns of fields being completed incorrectly or incompletely, which then provides incorrect or inadequate information to the customer. When the Program Administrator finds Disclosure Forms with errors, it may require the Approved Vendor or Designee to have the customer re-sign a corrected Disclosure Form, and patterns of erroneous Disclosure Forms may lead to pre-disciplinary and disciplinary action.

Below are several specific examples of errors that the Program Administrator commonly sees. In addition, please ensure that Disclosure Forms do not have typographical errors, such as accidentally entering the same number or text into multiple fields. Misplacing text or values can create cascading errors where one incorrect entry throws off remaining fields. It is also important to make sure that blocks of pasted text are not cut off.

Please ensure that your Disclosure Forms are filled out correctly and do not contain these or other errors.

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ALL FORMS: Referencing the Contract or Other Documents

The purpose of the Disclosure Form is to provide key information to the customer in a standardized document. **The Disclosure Form should not have any fields that simply direct the customer to an external document.** See page 21 of the Consumer Protection Handbook. For example, no Disclosure Form fields should only say “See contract for details,” “As described in the customer agreement,” or similar.

Rather, the Disclosure Form should summarize the actual relevant information. It is permissible to direct the customer to the contract or other document for *additional information, as long as an adequate summary of the information is provided in the Disclosure Form.* If the relevant information will not fit in a specific field, the Approved Vendor or Designee may use the “Additional Information” field at the end of the Disclosure Form to add additional text.

Additional details or explanatory information

Please provide any other information related to the project:
Nothing listed shall alter, amend, repeal, or supersede the disclosure requirements contained in this form.

<< use this space if needed to provide additional information that doesn't fit in an above field >>

PURCHASE – Project Payment Information

Make sure that information about payments, including amount and timing, is clear and consistent. The Disclosure Form allows Approved Vendors and Designees to enter information about an initial payment, a payment due at the beginning of the installation, a final payment, and any intermediary payments. If there is a final or intermediary payment, the amount due must be entered *as well as when the respective payment is due*. Vague answers like “depends on terms” are not adequate for disclosing when a payment is due. (For a payment at contract signing or start of project installation, the Portal will automatically fill in when those payments are due.)

If any of these payment types does not apply to the offer, enter “\$0” for the amount. If there is no intermediary payment or final payment, the time due should be answered “N/A” or “not applicable.”

Remember, payment due dates should be clearly communicated with relevant context such as “30 days from interconnection” and not just “30 days.”

| | |
|---|---|
| Deposit or amount owed to the seller at contract signing (\$) * | The amount owed to seller at the start of project installation (\$) * |
| <input type="text" value="10000.00"/> | <input type="text" value="10000.00"/> |
| The amount of the final payment due to seller (\$) * | The amount of any other intermediary payments for the project (\$) * |
| <input type="text" value="13500.00"/> | <input type="text" value="0.00"/> |
| The final payment is due * | Time any other intermediary payments are due * |
| <input type="text" value="Upon completed installation."/> | <input type="text" value="N/A"/> |

PURCHASE – Collateral Charge

In the “Fees and Total Cost” section, there is question asking whether the Approved Vendor will charge a collateral fee or withhold part of the customer's REC incentive payment as collateral. This section is intended to be used **ONLY if there is a possibility that the collateral fee may be returned to the customer** (e.g., after the end of the REC contract).

Please select “No” to the question about a collateral charge if:

- The Approved Vendor pays the REC contract collateral without specifically charging the customer for collateral
- The Approved Vendor requires the customer to pay a collateral charge but the collateral will not be returned – in this case, the fee should be disclosed in the “Fees that Will Apply” section and not in this section
- The Approved Vendor withholds part of the REC incentive payment to cover collateral and will not under any circumstances return the collateral payment to the customer – in this case, simply do not include the withheld amount in disclosing how much of the REC incentive payment is passed through to the customer

Answering “No” will toggle off the remaining questions in this section.

The “Conditions for return of collateral fee” should state what those conditions are. Terms should be clear, not vaguely described, and should not simply reference other documents. A hypothetical example is shown below.

| | |
|---|--|
| Will the Approved Vendor charge a collateral fee or withhold part of the customer's REC incentive payment? * | Collateral fee requirement type: * |
| <i>Note: The collateral fee is required of the Approved Vendor to ensure performance under the REC contract.</i> | Charge a fee |
| Yes | |
| Amount of collateral fee: (\$) * | Estimated date for return of collateral fee * |
| 1200.00 | 60 days after completion of 15-year REC contract |
| Conditions for return of collateral fee * | |
| 15-year REC contract has finished and the solar project produced as many RECs as expected, with no underperformance | |

PURCHASE – Amount of Passed-Through REC Incentive

The Disclosure Form asks for the amount of the total Illinois Shines REC incentive payment that the Approved Vendor will receive, and for the amount of that payment that will be directly passed through to the customer in a lump sum payment (if any). The amount passed through should be a portion of the total incentive payment, because an Approved Vendor cannot pass through more than it receives. Therefore, **the passed-through amount must be less than or equal to the total incentive payment.**

If an Approved Vendor *indirectly* passes through the value of the REC incentive payment, for example, through a lower purchase price, do not include that here.

Illinois Shines Incentive Payment

In Progress

The expected value of the REC incentive payment(s) that will be received by the Approved Vendor for this project if accepted into Illinois Shines program (acceptance not guaranteed) (\$): *

9850.00

† Please use the [Payment Calculator](#) to fill in the expected REC payment amount for this project.

Amount of the REC payment that the Approved Vendor will pass on to the customer (\$): *

8200.00

This field only refers to the amount that will be directly paid to the customer. Do not include amounts withheld as collateral or value indirectly passed through via reduced project price.

PURCHASE – Project Guarantee

In the section that addresses the solar project’s “Operations, Maintenance, Warranties and Guarantees” there is a question asking, “Is the seller providing a project guarantee?” If there is no project production guarantee, stating “N/A” or “none” is acceptable. If the offer does include a project guarantee, the Disclosure Form should provide details about the guarantee. Simply stating that there is a “power production guarantee” is not sufficient, nor should the answer simply reference the contract or other documents.

Is the seller providing a project guarantee? If so, please provide details below:

N/A, no guarantee.

Is the seller providing a project guarantee? If so, please provide details below:

The seller guarantees that the project will produce at least 85% of the estimated kWh each year for 10 years.

PURCHASE – Insurance for Project

The Disclosure Form asks if the offer includes insurance for loss or damage to the solar project. Many submitted DG purchase Disclosure Forms include the wrong information in response to this question. This section is **not asking about the company's commercial, general liability, or professional insurance**. The question is asking about insurance for **loss of or damage to the solar project**.

Only select “Included” for the question about whether loss or damage insurance is included **if the installation contract or other agreement with the Approved Vendor or Designee includes insurance**. If the only insurance is provided by the customer or the customer's homeowner insurance, select “Not Included” for the question about whether loss or damage insurance is included. Do not select “Included” and then type “none” or “N/A” in the field for insurance coverage details.

For the field for details of insurance coverage, do NOT simply enter the name of the insurance company. It is also incorrect to enter information about warranties that are already addressed in other questions. A hypothetical example with sufficient detail, and which fits in the space provided, is shown below.

Is insurance included for loss or damage to the project? *

Included

Provide details of insurance coverage, including limitations of coverage. *

Purchase includes 30-year coverage from Solar Insurance Corp - covers parts and labor for weather damage up to \$10,000 - does not cover intentional damage or gross negligence

PURCHASE – If You Move

It is important to provide adequate information on Purchase Disclosure Forms about what happens if the customer moves away and sells their house or other property. If the Approved Vendor or Designee requires the new homeowner (or property purchaser) to take on any commitments or take over any contractual requirements, this must be disclosed. For example, if the new homeowner must sign a contract agreeing to continue to sell REC's from the solar project to the Approved Vendor, the Disclosure Form should not say “none,” “N/A” or similar for this field. Likewise, an entry like “sign documents” is not enough information. Entering “contact solar company” is not adequate if there are any requirements for the original customer or new homeowner beyond notifying the solar company. **See below for a hypothetical example that provides adequate information and fits within the character limits.**

Additional Terms and Disclosures

If you move

Requirements for including the transfer of your solar project as part of a real estate transaction if you sell your home or business: *

Notify Solar Corp prior to sale. New homeowner must sign transfer contract agreeing to assume all rights and obligations of the old homeowner, including selling all REC's to Solar Corp.

LEASE – Lease Information and Payment Fields

Information about lease payments, including payment amount, frequency of payments, and payment due dates, is critical information for the customer. Approved Vendors and Designees must ensure that the information provided in this section is correct and consistent.

Make sure that the **number of payments** is consistent with the **duration of the lease** and the **lease payment frequency**.

- A 25-year lease with monthly payments would have 300 payments over the duration of the lease
- A 15-year lease with a one-time payment would only have 1 payment over the duration of the lease

The **total amount of all lease payments** (excluding down payment) should be the **sum of all of the lease payments over the duration of the lease**.

Project Lease Information In Progress

Total amount of all lease payments over the course of the lease contract. Do not include any down payment or other fees: (\$) *

Frequency of lease payments: *

Term of lease. Please enter the entire contract duration in years and the remainder in months. *

 years and months

Total number of payments over the term of the lease contract *

LEASE – Project Insurance

A significant number of submitted Lease Disclosure Forms do not have adequate or appropriate information for project insurance. Many state that insurance for loss/damage is included but then go on to state "n/a" in the details section. If loss/damage insurance is not included, select "Not Included" for the question "Will the lessor insure for loss or damage to the project" (see left image below). If loss/damage insurance is included, the Disclosure Form should summarize the coverage and state any limitations so that it is clear to the customer what is covered (see hypothetical example below on the right). Note that this question is about insurance coverage for the solar project, and is not about the company's general commercial, liability, or professional insurance.

Will the lessor insure for loss or damage to the project? *

Will the lessor insure for loss or damage to the project? *

Provide details of insurance coverage, including limitations of coverage. *

We will insure against all damage or loss unless there is gross negligence or intentional damage.

LEASE – If You Move

It is important to provide adequate information on Lease Disclosure Forms about what happens if the customer moves away and sells their house or other property. If the Approved Vendor or Designee allows lease obligations to be transferred to a new homeowner (or property purchaser), any requirements must be disclosed. For example, if the new homeowner must sign a contract agreeing to continue to sell RECs from the solar project to the Approved Vendor, the Disclosure Form should not say “none,” “N/A” or similar for this field. Likewise, an entry like “sign documents” is not enough information. Entering “contact solar company” is not adequate if there are any requirements for the original customer or new homeowner beyond notifying the solar company. **See below for a hypothetical example that provides adequate information and fits within the character limits.**

Requirements for transferring lease obligations: *

The new homeowner must sign a transfer agreement agreeing to assume all of the obligations and rights under the lease. Minimum credit score of 600 is required.

LEASE & PPA – Escalation Rate

The escalation rate should be entered as a **percentage, not as a decimal**. If the escalation rate is 3%, you must enter “3.0.” Do not enter 0.03.

Annual escalation rate % *

3.00

PPA – Price

The Initial and Final PPA price per kilowatt-hour **should be entered in dollars, not cents**. If the PPA price is 7 cents/kWh, you must enter “0.07.” Do not enter 7.0.

Initial PPA price per-kilowatt hour (\$) *

0.07

Final PPA price per-kilowatt hour (\$) *

0.09