

Common Errors in Filling Out ILSFA Disclosure Forms

Disclosure Forms are intended to provide clear and consistent information to customers who are considering an offer through the Illinois Solar for All (ILSFA) program. There are several different Disclosure Forms for different types of offers. ILSFA has a Disclosure Form for community solar subscriptions, and three separate Disclosure Forms for distributed generation projects: Purchase, Lease, and Power Purchase Agreement. Every Approved Vendor or Designee must present the customer with a Disclosure Form and provide the opportunity for the customer to review, ask questions, and sign the Disclosure Form, before signing their contract. This required process allows the customer to make an informed decision on going solar.

In reviewing completed Disclosure Forms for clarity, accuracy, and adequacy of information being provided to ILSFA customers, the Program Administrator has noticed several concerning patterns of fields being completed incorrectly or incompletely. This provides inadequate or insufficient information to the customer. When the Program Administrator finds Disclosure Forms with errors, it may require the Approved Vendor or Designee to get a corrected Disclosure Form re-signed by the customer. Patterns of erroneous Disclosure Forms submitted by an Approved Vendor or Designee may lead to pre-disciplinary and disciplinary action, as outlined in the Consumer Protection Handbook.

The below are examples of common errors that the Program Administrator is seeing.

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

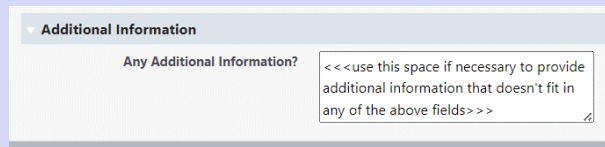
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ALL FORMS – Referencing the Contract or Other Documents

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.** For example, no Disclosure Form fields should only say “See contract for details,” and no Disclosure Form fields should contain responses with a circular reference directing the customer to “See Disclosure Form.”

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.** In addition, 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 Information

Any Additional Information? <<<use this space if necessary to provide additional information that doesn't fit in any of the above fields>>>

ALL FORMS – Typographical Errors

Make sure that Disclosure Forms do not have typographical errors, such as accidentally entering a number or text into a field where it does not belong or entering the same number or text into multiple fields. Watch out for misplaced text or values that can create cascading errors where one incorrect entry throws off remaining fields. It is also important to make sure blocks of pasted text are not cut off.

Typographical errors do not provide accurate information to the customer and can be confusing rather than clarifying.

For example, in Community Solar Disclosure Forms, the “Fees and Other Costs” section, typo errors for the “Total of unavoidable fees charged over the contract term” and “Total of first year unavoidable fees charged” questions can impact calculations and subsequently provide erroneous total cost and savings information to the customer.

ALL FORMS – Inadequate and/or Insufficient Information

In reviewing completed Disclosure Forms, the Agency found Disclosure Forms that contain fields with inadequate information. For example, some Purchase Disclosure Forms simply state “Yes” in response to the questions asking for timing to “Furnish a mechanic’s lien waiver” and “Details of System Performance Warranty.” These responses need further explanation to make sense to the customer. (Note that if there is no system performance warranty it is appropriate to state “None,” or “no performance warranty.”)

Details of System Performance Warranty No reduction of electrical output of more than 15% over the first 15 years.	OR	Details of System Performance Warranty N/A, there is no guarantee
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In distributed generation (DG) Disclosure Forms, the field “Furnish a mechanic’s lien waiver” should be completed with a date or explanation of when a lien waiver will be provided, if applicable. A response such as “Yes, installer” is inadequate and fails to provide clear information for the customer.

Furnish a mechanic's lien waiver 11/1/2039	OR	Furnish a mechanic's lien waiver 30 days after final payer
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ALL FORMS – Contracts with Ongoing Payments Must Include Forbearance

All Distributed Generation and Community Solar ILSFA contracts with any ongoing payments must offer terms that include forbearance as described in the Residential Solar and Non-Profit and Public Facilities Contract Requirements and Community Solar Contract Requirements.

Responding with “N/A” to the question “What are the terms of forbearance?” is not allowed unless there no ongoing costs to the customer.

What are the terms of forbearance? Customers that show good cause have a choice of at least one of the following options: a) suspension of total payments for up to three months, b) a suspension of interest payments for up to six months, or c) a reduction in interest rates for up to twelve months. No interest will be applied to the missed payments during the approved time.

OR

What are the terms of forbearance? N/A. No ongoing payments, forbearance does not apply.

PURCHASE, PPA, and LEASE – Incorrect Response about Insurance for Project

The Disclosure Form requires Approved Vendors and Designees to enter information about insurance for loss or damage to the solar project, including any limitations to coverage. This question is **not asking about the company’s commercial, general liability, or professional insurance**. The question is asking about insurance for the loss of or damage to **the solar project**. Make sure that information about the insurance coverage for loss or damage to the solar project is accurate and pertains to the question.

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. Answers such as "yes," or "participant provides insurance after ownership transfer" do not answer the question, which is to provide the current insurance circumstances.

If loss/damage insurance is not included, the Approved Vendor may enter “N/A” or “none.”

Customers need to be able to understand if some types of damage may not be covered, so they can consider whether to purchase any additional insurance coverage.

Details of Insurance for Loss or Damage[®]

Solar Company insures against all loss or damage unless due to gross negligence or intentional damage.

OR

Details of Insurance for Loss or Damage[®]

N/A, loss or damage insurance is not included.

PURCHASE, PPA, and LEASE – Incorrect Response to “If You Move” Fields

It is important to provide relevant information that is clear and accurate about what happens if the customer moves away and sells their house or other property.

Answering “none” or “no requirements” in the fields for “Conditions for transfer” and “Conditions for buy-out” (for PPA/lease) or in the fields “Conditions for loan re-assignment” or “Conditions for early pay-off” (for Purchase) do not provide enough information to the customer and are not appropriate unless there are truly no requirements of any kind. Responses like “Will not move” are not appropriate and are not consistent with the ILSFA program Contract Requirements for on-site distributed generation (DG) solar projects.

The relevant conditions for transfer, buy-out or early pay-off should be **summarized in the Disclosure Form** to provide the customer with an understanding of what is to be expected. The fields should be populated with information applicable **if the customer sells the property**.

Below are hypothetical examples, relevant for the specific type of Disclosure Form, that provide adequate information and fit within the character limits.

ILSFA DG Contract Requirements state that if a customer with a leased project or a PPA moves, they must be able to either buy out or transfer the contract to the new property owner.

If You Move	
<p>Conditions for Transfer</p> <p>Customer may transfer this agreement to new property owner subject to new property owner's credit approval and agreement in writing to assume the obligations of this Agreement, or Customer may opt to buy the solar installation outright. Customer agrees to give Solar Company at least thirty (30) days prior written notice.</p>	<p>Conditions for buy-out</p> <p>Customer can buy out the solar installation at any time in connection with the sale of their property; the buy-out requires payment of remaining balance. Customer may buy out the solar installation at the end of the Agreement term for a fair market value.</p>

For all ILSFA residential **purchase** contracts, the customer must be allowed to pay off the loan with no pre-payment penalties if they move. If loan reassignment is allowed, those terms should be summarized.

If You Move	
<p>Conditions for loan re-assignment</p> <p>Notify Solar Company prior to sale. New homeowner must sign transfer contract agreeing to assume all rights and obligations of the old homeowner, including selling all RECs to Solar Company.</p>	<p>Conditions for early pay-off</p> <p>There are no penalties for early pay-off. Customer can pay-off the loan early and purchase the solar installation by paying off the remaining balance at any time in connection with the sale of their property.</p>

It is important to note that this "If You Move" section is **not** for information about **energy sovereignty or general early buy-out terms (not related to a move)**. Energy sovereignty and general early buy-out information should be entered in the "Early Termination or Completion of Contract" section under "Terms for buy-out" or in the "Additional Information" field.

PPA and LEASE – Short Duration Contracts

In the PPA Information or Project Lease Information section, the Disclosure Form presents a question, “What is the length of contract in years?” and provides another field for any additional months. ILSFA distributed generation (DG) contracts must be for a minimum of fifteen (15) years, except that “Energy Sovereignty” PPA and lease offers must incorporate a customer buy-out within the first seven years.

Contracts that are less than fifteen years that are not for Energy Sovereignty projects may violate ILSFA program requirements.

PPA Information	Project Lease Information
What is the length of contract in years? <input type="text"/>	What is the length of contract in years? <input type="text"/>
Contract length - additional months? <input type="text"/>	Contract length - additional months? <input type="text"/>