



April 11, 2016

Honorable Commissioners, Chairman Joshua Epel, Glenn Vaad, Francis Koncilja
Colorado Public Utilities Commission
Department of Regulatory Agencies
1560 Broadway, Suite 110
Denver, CO 80202

To the PUC Commissioners:

We are writing to draw your attention to the major problems that Colorado solar installers are experiencing with the administration of the Solar*Rewards application process by Xcel Energy and to seek your help in remedying the situation. Simultaneously with this letter, we have used the online Complaint Form posted at the PUC website to register this informal complaint using your system and have alerted the Director of the Energy Division.

Problems with the Company's Solar*Rewards online system have been increasing for months, and we have discussed these issues with Solar*Rewards personnel during biweekly phone calls. The online system crashes, issues error reports and kicks applicants out during the extremely brief period that applications are accepted each month. Because the capacity that is made available each month is so much smaller than the demand by Colorado customers, the Solar*Rewards program opens and closes in a matter of minutes each month. Installers who are unable to get in the queue must make customers wait another month to try again (in the case of the small program) or three months (in the case of the medium program).

The problems with the software running the program are such that the ability of our members to continue to do business is threatened as they have little ability to forecast for customers when their solar systems might be eligible for acceptance into the program. They are trying to sell a product with no ability to let customers know when it might be delivered.

The experiences of our members when both the small and medium programs opened on April 1 were especially difficult. Member companies told us that applications submitted at exactly 8 a.m. when the medium program opened were rejected, for example. We believe that in the interests of fairness and transparency, an inquiry needs to be conducted to determine what happened and if all applicants were treated fairly. We would like a full understanding of what went wrong and an assurance that corrective actions are in place for future program releases. If this inquiry determines that the April 1 process was flawed, the program awards should be nullified and another program opening scheduled.

In addition, we believe the following changes are needed:

- A. The program openings for the small and medium programs should be held on different days to reduce the chances of the system crashing due to high demand.
- B. Because of the difficulties of using this system, many of our members have chosen to bypass Solar*Rewards entirely and seek interconnection and net metering outside the program. At an Xcel training in December, industry representatives were promised that an automated system would be in place for this process by the first quarter of 2016 replacing the cumbersome manual process they now must use. However, Xcel told us last week there is now no schedule for implementing this system. We think it needs to be a priority.
- C. Xcel officials should study and report, in coordination with the industry, how their system interacts with multiple simultaneous inputs. These may occur from extra manpower or more sophisticated software and other means by operators reserving the bulk of the capacity immediately.
- D. The system needs to have much more transparency, both in terms of the process through which applications are accepted or denied, and in the handling of complaints.
- E. This situation highlights the need for a third party administrator who can manage renewable energy programs in a more independent and transparent manner.
- F. In the short term, we believe the PUC needs to immediately appoint a Renewable Energy Ombudsperson¹ or similar temporary or permanent position from existing staff or as an outside resource to review complaints of this nature and communicate with authority to Xcel about such issues and report to the industry.

To provide greater detail and flavor about the experiences of our members, we are sharing some of the feedback we received from individual member companies and an end customer.

¹ Renewable Energy Ombudsperson positions have recently been installed in NY and are believed to be present in other markets.

Here is a summary of an account from Bryan Holden, project manager of Independent Power Systems, which illustrates his and other companies' experiences on April 1:

Although we have had many issues over the last couple months, I want to focus our last experience as it has been the most demonstrative and devastating. We submitted three medium sized applications the second it turned 8am (we were looking at the NIST clock), however all three were rejected from the program. The first issue is that they took five days (unlike the 24 hours they promised) to let us know the application had been cancelled. The next and perhaps most troubling is that they are claiming by cancelling our applications, that at least (6) 500MW (totaling 3MW) projects were submitted less than a second before us. The fact they took five days to go through these applications is highly suspect. Unless the allocation is being filled up in less than a second and they found a way to go to the at least 1/10 of a second timestamp reporting on the applications, they could not differentiate and give allocation

*Regardless of the mode of error, the fact that all our applications (which I am currently contesting) were rejected has been devastating to our business. Our next three commercial jobs have effectively been put on hold for three months due to our customers being sold on the Solar*Rewards program. The worst part of this new system as well is that we are still not guaranteed, even when we submit perfectly, that we will be accepted next quarter. The whole new system has been riddled with errors, discrepancies, poor communication from Xcel, and overall shady happenings. We need to push Xcel to disclose the entirety of the application process and be more overly transparent.*

Another major installer, Namaste Solar, reports:

"We had many applications stamped right at 8:00am that were rejected. For those rejections to be properly processed, we estimate that the program would have had to fill up within 30 seconds or less."

Buglet Solar points out the following additional issues with the administration of the program:

- There is a limit of 10 logins for each company, and companies with greater resources have several people logged into the system under each login--allowing them to compete unfairly for the limited capacity.

*-The Solar*Rewards online system continues to allow a large number of applications to be submitted after the monthly capacity cap is met, which is problematic in many ways. For example, the system also is set up by Xcel to automatically generate a "Welcome" message to each customer for whom an application is submitted--even though many of these folks will not be accepted into the program, because their application was allowed even after the cap was met.*

-In the midst of a chaotic 15-minute period that deeply affects our ability to do business, with the system crashing and issuing repeated error messages, Xcel Energy suggests that we take screen

*shots of the problematic applications and spend some portion of the 15 minutes setting aside our applications and instead sending email messages to the Solar*Rewards staff with our screen shots. This is not a realistic request, and reflects a lack of understanding about the importance of this process to our industry's ability to do business.*

In a letter of complaint to the PUC, individual customer Gary Reser writes in part:

*"... On March 1, I elected to enter into the lottery myself although the installer told me he was going to enter for us. ... I was successful in that I entered my initial application at 8:02 and was approved. **Our installer told us this was the first system they had gained Solar Rewards approval in over a year.** Actually, I did it and not him. If I had been reliant on him, we would have had to wait another month or more. This whole lottery scheme seems odd. Why is it a game to get approved for a state approved rebate program?"*

No doubt the Colorado-based Solar*Rewards staff is doing its best with the technical weaknesses of this system, and they certainly are not fully responsible for writing the Sales Force programming. But the program caps are being improperly administrated given the inability of Xcel's system to manage the application window in a fair and reasonable manner.

We look forward to discussing how these problems can be remedied for the sake of Colorado consumers and the solar installers who serve them.

Sincerely,



Rebecca Cantwell, Executive Director



John Bringenberg, President of the Board

Colorado Solar Energy Industries Association

CC: PUC Energy Section Staff
Xcel Energy
Colorado Energy Office
Office of Consumer Counsel