

Is TASC splintering the rooftop solar industry?

A leading solar advocacy group is drawing criticism from its own industry

By [Herman K. Trabish](#) | December 3, 2015

Just as the utility sector begins to embrace solar, the solar industry itself appears to be splintering, with once-allied companies being divided by contentious electricity policy issues on both the national and state level.

Earlier this month, Sunnova, a leading residential installer, sent a letter to congressional leaders advocating for the expiration of the current 30% investment tax credit (ITC) for solar projects, putting it at odds with the Solar Electric Industries Association (SEIA), the main national solar trade group that has launched an aggressive campaign for ITC renewal.

That divide in the industry was widely reported in national business press, but many of the issues at the state level regarding utilities and solar valuation have driven wedges into the industry just as deep as the ITC disagreement. The behavior of one national advocacy group – The Alliance for Solar Choice – has come under special scrutiny lately.

While the new contention is a sign the industry is maturing, internal divides could weaken the sector's ability to win favorable public policies – a capability crucial for a sector that still only supplies about 1% of U.S. electricity generating capacity.

TASC and distributed solar split

From Maine to Hawaii, dozens of states have regulatory proceedings open that concern the value of solar, whether it be a net metering docket or an attempt to find a more comprehensive valuation mechanism.

The Alliance for Solar Choice (TASC) has been a major intervenor in a number of such proceedings since its founding in April 2013, aggressively lobbying for the preservation of retail rate net metering and other pro-solar policies.

TASC's backers say its tactics get results, but others decry its behavior in regulatory dockets as counterproductive to utility-solar dialogue.

TASC did not reply to repeated requests for comment from Utility Dive on the allegations raised throughout this piece.

The tension engulfing solar is widely thought to have begun in the 2013 [Arizona Corporation Commission \(http://www.azcc.gov/\)](http://www.azcc.gov/) (ACC) debate over a fixed charge for solar owners.

“TASC was instrumental in that debate and all the efforts after 2013,” observed Nancy LaPlaca, who was an ACC Policy Advisor at the time and is working for the North Carolina clean energy advocacy group NC WARN.

“Their participation helped pull together people and create a movement. But the movement is at a fracture point now, especially with [reversion of the ITC \(http://www.utilitydive.com/news/to-itc-or-not-to-itc-what-happens-if-solars-federal-tax-incentives-arent/406304/\)](http://www.utilitydive.com/news/to-itc-or-not-to-itc-what-happens-if-solars-federal-tax-incentives-arent/406304/), and nobody knows what is going happen,” she said.

During 2013, Commissioner Bob Stump was the swing vote in the ACC, and was the “reason solar was saved in Arizona,” according to Meghan Nutting, vice president of Sunnova policy and government affairs, and who also worked with TASC during that debate.

“He was the entire reason we got a \$0.70/kWh solar fee instead of a \$3/kWh fee,” Nutting said.

But Stump now believes the work of “rooftop solar interests” is driving “green [McCarthyism \(http://www.ushistory.org/us/53a.asp\)](http://www.ushistory.org/us/53a.asp),” he told Utility Dive.

Though he did not mention TASC by name, Stump described efforts by “out-of-state third-party installers” participating in the policy debate in a way “that does not contribute to a constructive outcome.”

He said that “dark money fringe groups like the Checks and Balances Project” are being used to attack those who “so much as suggest that utility ownership of rooftop solar might be a fruitful idea worth investigating.”

The Checks and Balances Project is a nonprofit that bills itself as a watchdog for consumer and environmental protection regarding energy and electricity issues. For months, it has pressured Arizona authorities to [seize Stump’s cell phone \(http://checksandbalancesproject.org/can-chairman-stump-have-it-both-ways-only-the-records-will-tell/\)](http://checksandbalancesproject.org/can-chairman-stump-have-it-both-ways-only-the-records-will-tell/) as part of an investigation into alleged improper conduct between the commissioner and officials at Arizona Public Service, a major utility in the state.

Sunrun, a major U.S. solar installer, is a leading member of TASC. While the advocacy group itself would not provide any comments for this story, Sunrun filed an affidavit with the State of California on Wednesday stating that it “has not made any contributions, monetary or non-monetary, directly, or indirectly, to the Checks & Balances Project, or any other ‘dark money’ group.”

The filing came a day after Utility Dive requested comment from Sunrun on Stump's allegations of it and TASC funding Checks and Balances.

TASC, for its part, has argued since 2013 that dark-money groups such as 60-Plus are used by utility Arizona Public Service to undermine efforts in the state on behalf of solar. [Reports have confirmed \(http://www.motherjones.com/mojo/2013/10/arizona-solar-dark-money-aps-net-metering-sean-noble\)](http://www.motherjones.com/mojo/2013/10/arizona-solar-dark-money-aps-net-metering-sean-noble) some of its claims, including that APS helped fund anti-solar ads that ran in Arizona in 2013 when regulators were looking at net metering issues.

Regardless of those allegations, Stump asserted that “free, open, honest debate” is being shut down by the solar group.

The “diverse energy portfolio” he wants is “under constant threat from acolytes who believe that their energy source is the magic bullet,” he said. “Innovation is wonderful and must never be squelched, but a healthy skepticism on behalf of ratepayers is just as essential.”

TASC goes to Maine

House Rep. Sara Gideon (D), the Maine House of Representatives [Assistant Majority Leader \(http://legislature.maine.gov/housedems/gideons/index.html\)](http://legislature.maine.gov/housedems/gideons/index.html), has a similar criticism.

“TASC launched a Facebook campaign, which they still run periodically, designed to take apart what we are trying to do,” she explained.

With retail rate net energy metering (NEM) facing strong political opposition in the state, Gideon worked with Democrats and Republicans in Maine's legislature to pass [LD 1263 \(http://legislature.maine.gov/legis/bills/display_ps.asp?LD=1263&snum=127\)](http://legislature.maine.gov/legis/bills/display_ps.asp?LD=1263&snum=127), legislation that directs regulators to devise a more comprehensive solar remuneration scheme than net metering offers.

The proposal, now being developed in a regulatory proceeding, is backed by Maine's ratepayer advocate, the state's leading environmental groups, and most local solar installers.

TASC opposed the proposal, initiating a campaign to stop it even though the group had no members in Maine.

“All of us are trying, for different reasons, to [increase the amount of solar energy \(http://www.utilitydive.com/news/maine-lawmakers-propose-groundbreaking-way-out-of-net-metering-wars/400074/\)](http://www.utilitydive.com/news/maine-lawmakers-propose-groundbreaking-way-out-of-net-metering-wars/400074/) produced in this state. TASC is only trying to protect their members' interests,” Gideon told Utility Dive. “But TASC does not have a single member in the state of Maine.”

While retail rate NEM – considered essential to the third party ownership financing plans offered by TASC members – faced political rejection, Gideon’s bill would replace it with what backers say is a more comprehensive valuation scheme that is also more politically viable.

TASC, however, was hearing none of it. The organization took to social media in an effort to gather more support against the Maine legislation.

“Maine needs to save net metering, the critical billing arrangement that allows rooftop solar to be competitive with monopoly utilities,” [TASC’s Facebook ads \(https://www.facebook.com/alliance4solar/\)](https://www.facebook.com/alliance4solar/) about LD 1263 told the state’s solar supporters. “...[A] thriving solar industry and hundreds of jobs are on the line!”

TASC’s Facebook ads made it seem the bill would take solar away from consumers, Gideon said. “What we are doing is very complex. I welcome participation and the public should have the right to weigh in but I take issue with Facebook ads that mislead people who have limited information.”

TASC in Hawaii

TASC’s efforts in defense of NEM in Hawaii have incurred a similar response. The Public Utilities Commission recently culminated Phase 1 of its landmark [DER proceeding \(http://dms.puc.hawaii.gov/dms/DocketSearch\)](http://dms.puc.hawaii.gov/dms/DocketSearch) by terminating NEM in favor of a new set of solar support policies and tariffs.

Hawaii’s solar industry is still reeling from the announcement.

“The decision was like an earthquake in Hawaii solar,” said [Hawaii Island Energy Cooperative Director \(http://www.hiec.coop/about.html\)](http://www.hiec.coop/about.html) and ProVision Solar President Marco Mangelsdorf at the time. “Over time, consumers will come around to believe that though the value proposition is diminished, it still makes sense.”

The PUC’s proposals represent a “good overall package of changes that needed to happen,” said Chris DeBone, [Hawaii Energy Connection \(http://www.hawaiienergyconnection.com/hawaii/\)](http://www.hawaiienergyconnection.com/hawaii/) CEO and former president of the Hawaii Solar Energy Association. “Nobody likes change, but this is in the best interests of Hawaii.”

But TASC filed suit against the Hawaii PUC, requesting an injunction in an attempt to defend net metering. The commission’s ruling “goes far beyond anything proposed by even notoriously anti-solar Hawaiian Electric,” TASC spokesperson Bryan Miller told Pacific Business News.

Mangelsdorf, a 30-year veteran of Hawaii’s solar installation business, told Utility Dive [the decision \(http://www.utilitydive.com/news/what-comes-after-net-metering-\)](http://www.utilitydive.com/news/what-comes-after-net-metering-)

[hawaii-latest-postcard-from-the-future/407753/](http://www.utilitydive.com/news/hawaii-latest-postcard-from-the-future/407753/) led to “over-heated incendiary rhetoric and even the filing of a lawsuit against the state of Hawaii demanding that NEM be continued seemingly in perpetuity.”

Demonizing the opposition and presupposing guilt “leads us nowhere,” Mangelsdorf said.

“Unfortunately, some organizations and individuals here see such a scorched earth approach as conducive to trying to get what they want as they put on a populist cloak while pursuing a guarantee of certain sales levels and market share for their companies.”

At least one former Hawaii utility regulator appears to agree.

TASC’s lawsuit demonstrates a “lack of a basic understanding” of ratemaking, of administrative law, and of “the PUC’s sole role over the regulated electric utility,” [wrote former Hawaii PUC Chair Mina Morita](http://www.minamoritaenergydynamics.com/2015/10/tasc-follows-thru-whines-away-with.html) (<http://www.minamoritaenergydynamics.com/2015/10/tasc-follows-thru-whines-away-with.html>). “TASC’s arguments make it appear that it is the PUC’s duty to guarantee TASC’s non-regulated members a profit.”

TASC “continues to run a campaign and use tactics akin to negative political campaigning,” [Morita added](http://www.minamoritaenergydynamics.com/2015/10/ahana-koko-lele-hana-hou-hawaii-puc.html) (<http://www.minamoritaenergydynamics.com/2015/10/ahana-koko-lele-hana-hou-hawaii-puc.html>).

Transitioning to an electrical system that can handle “a high penetration of cost-effective renewables affordably and reliably through a sustainable market for all customers,” she wrote, “will not come from a political decision based on push polls rooted in negative campaigning which Mr. Miller seems to rely on.”

It would be wiser, according to Mangelsdorf, to eschew “attack politics and lawsuits” and “adapt to [the brave new post-NEM world](http://www.utilitydive.com/news/the-day-after-how-solar-can-thrive-in-the-post-net-metering-era/408357/) (<http://www.utilitydive.com/news/the-day-after-how-solar-can-thrive-in-the-post-net-metering-era/408357/>).”

SolarCity pulls out

While it denied any disagreement with TASC’s tactics, SolarCity, the leading U.S. residential solar installer, announced late last month that it would end its membership in the advocacy group

“[SolarCity](http://www.solarcity.com/) (<http://www.solarcity.com/>) is no longer involved with TASC advocacy on new matters,” Communications Director Will Craven told Utility Dive. “We appreciated the opportunity to be a member of TASC and wish TASC the best of luck.”

[Sunrun \(http://www.sunrun.com/\)](http://www.sunrun.com/), now the largest member of TASC, had little to say about the split. The company "has appreciated working with SolarCity as part of TASC," according to Spokesperson Kim Sanders. "We wish it the best of luck."

SolarCity was unwilling to comment on reports of TASC's aggressive tactics, but has shifted its backing to the [Energy Freedom Coalition of America \(EFCA\)](https://trademarks.justia.com/867/68/energy-freedom-coalition-of-86768025.html) (<https://trademarks.justia.com/867/68/energy-freedom-coalition-of-86768025.html>).

EFCA, Craven said, represents a broader range of distributed energy resources such as battery storage, microgrids, utility-scale energy solutions, and other demand response applications as well as rooftop solar.

As SolarCity evolves into a multi-sector distributed energy resources provider, the company will be participating in proceedings on a broader range of issues, Craven said. The EFCA "captures more of our interest."

Already, it appears as if EFCA is stepping up its solar advocacy. Usually the realm of TASC, EFCA is backing NC WARN's landmark [third party ownership solar test case](http://www.utilitydive.com/news/tpo-showdown-duke-faces-off-against-greens-over-nc-churchs-solar-array/408799/) (<http://www.utilitydive.com/news/tpo-showdown-duke-faces-off-against-greens-over-nc-churchs-solar-array/408799/>) in North Carolina, which challenges the state's prohibition on TPO solar.

"It will be up to the members of TASC to decide if they want to intervene in North Carolina," Craven said.

Value of solar: The bridge to compromise

While debates continue to rage inside the solar industry and in conversations with utilities, experts say the development of more comprehensive value of solar packages could help resolve issues in the long run.

[Solar valuation \(http://www.utilitydive.com/news/how-solar-will-grow-through-the-itc-sunset-and-beyond/409220/\)](http://www.utilitydive.com/news/how-solar-will-grow-through-the-itc-sunset-and-beyond/409220/) is an "emerging trend" in regulatory proceedings, according to Policy Analyst Benjamin Inskeep, who leads [a comprehensive regulatory proceeding tracking effort](http://www.utilitydive.com/news/the-top-5-trends-in-distributed-energy-policy-and-rate-design/409639/) (<http://www.utilitydive.com/news/the-top-5-trends-in-distributed-energy-policy-and-rate-design/409639/>) by the North Carolina Clean Energy Technology Center.

"If a state isn't proposing a value of solar study or something similar to account for the costs and benefits, it is probably studying it," Inskeep said. "If not, it is a matter of when, not if."

[Value of solar \(VOS\) studies \(http://www.utilitydive.com/news/is-solar-worth-033-per-kwh-inside-maines-valuation-debate/376364/\)](http://www.utilitydive.com/news/is-solar-worth-033-per-kwh-inside-maines-valuation-debate/376364/) date to at least 2006, according to Pace Energy and Climate Center Executive Director Karl Rabago who, as an Austin Energy

executive, led one of the earliest value of solar implementations.

Such studies quantify things not presently included in the cost of service valuations utilities use in rate cases. Increasingly standardized approaches and new quantification techniques make each [new public VOS study \(http://www.utilitydive.com/news/arizona-utility-regulators-to-consider-value-of-solar/407770/\)](http://www.utilitydive.com/news/arizona-utility-regulators-to-consider-value-of-solar/407770/) better at coming to terms with those values, Rabago said.

VOS is a “forward-looking approach that recognizes that the ad-hoc use of the retail rate for NEM was rough justice and analysis is more appropriate,” he explained.

“[Minnesota Commissioner Nancy Lange \(http://www.utilitydive.com/news/how-the-e21-initiative-is-building-smarter-utility-business-models-in-minne/400781/\)](http://www.utilitydive.com/news/how-the-e21-initiative-is-building-smarter-utility-business-models-in-minne/400781/) called VOS the future because it shows a way to analyze value and set rates through that analysis. That allows regulators to escape being caught between utilities and solar advocates.”

But, in defense of NEM, TASC raised doubts about VOS calculations. The advocacy group argued a VOS study produces a “[buy-all, sell-all \(http://www.utilitydive.com/news/inside-the-new-approach-to-finding-the-true-value-of-solar/381006/\)](http://www.utilitydive.com/news/inside-the-new-approach-to-finding-the-true-value-of-solar/381006/)” tariff that creates “taxable revenue” for solar owners. TASC also obtained a legal opinion that suggested using a VOS tariff in place of NEM might make system owners “ineligible” for the ITC.

Recently, those debates have quieted, and Rabago now sees them as having driven the industry toward a more accurate [valuation methodology \(http://www.nrcm.org/wp-content/uploads/2015/03/MPUCValueofSolarReport.pdf\)](http://www.nrcm.org/wp-content/uploads/2015/03/MPUCValueofSolarReport.pdf).

“A business model is not a strategy, and solar valuation is not the same as a VOS tariff,” Rabago explained.

Solar tariffs can be designed – as they were by Austin Energy and [by the Minnesota legislature \(http://www.utilitydive.com/news/can-minnesotas-value-of-solar-end-the-net-metering-debate/250451/\)](http://www.utilitydive.com/news/can-minnesotas-value-of-solar-end-the-net-metering-debate/250451/) – to avoid making solar owners sellers of electricity and to preserve their state and federal tax benefits, he said. But the need for proper tariff design shouldn’t deter stakeholders from pursuing comprehensive solar valuation.

“The ad hoc assignment of retail as the value became enshrined and allowed TASC to make poor arguments,” Rabago said. “This is complex stuff. Solutions have to be durable and able to stand up to questions.”

But [TASC is fighting for solar \(https://www.youtube.com/watch?v=gZOi-sPF6s\)](https://www.youtube.com/watch?v=gZOi-sPF6s) “with vehemence and passion,” the former Texas utility commissioner added, and that in itself will help the sector, even if some critics disagree with their tactics.

“I wish they were fighting more for solar and less for just one specific business model, but that is naïve,” he said. “They are fighting to hold a position against some pretty egregious attacks.”

Different strategy as market evolves

As solar markets evolve, TASC might have to change up its approach, Rabago suggested.

“[Markets evolve \(http://www.utilitydive.com/news/how-solar-will-grow-through-the-itc-sunset-and-beyond/409220/\)](http://www.utilitydive.com/news/how-solar-will-grow-through-the-itc-sunset-and-beyond/409220/) and mature and different talents and different approaches are needed at different stages,” Rabago said.

The TASC approach doesn’t represent a comprehensive solar policy, but it is still going to be useful because there are still groups out there attempting to attack solar.

“If TASC teaches the public that solar is worth fighting for, that is a good thing,” Rabago said.

The new question the TASC leadership has to take on is how to stay engaged in an increasingly nuanced solar market, he added. “They have to recognize the nuances because [utilities really are doing solar \(http://www.utilitydive.com/news/cps-energy-tackles-the-cost-shift-by-building-solar-on-its-own-terms/406305/\)](http://www.utilitydive.com/news/cps-energy-tackles-the-cost-shift-by-building-solar-on-its-own-terms/406305/) now.”

With the unrelenting customer demand for solar, it appears utilities, solar advocates and other stakeholders might now benefit from Benjamin Franklin’s advice to the Continental Congress: “We must all hang together or we shall surely hang separately.”

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