

**BEFORE THE PUBLIC UTILITIES COMMISSION
OF THE STATE OF CALIFORNIA**

Order Instituting Rulemaking to
Develop a Successor to Existing
Net Energy Metering Tariffs
Pursuant to Public Utilities Code
Section 2827.1, and to Address
Other Issues Related to Net Energy
Metering.

Docket R.14-07-002
(Filed July 10, 2014)

**PETITION TO CENSOR SUNRUN CORPORATION AND
SUNRUN REMOVAL FROM CPUC RULEMAKING**

1 Plead to Rulemaking Members – Please, I need a “Second” on this Petition. If
2 you think not paying your fair share of taxes is bad and gave SUNRUN an
3 unfair competitive advantage, then second this petition.

4 **INTRODUCTION**

5 The saying is “The wolf is guarding the henhouse”.

6 ABC Solar has confirmed first in 2015 and now in 2019 that SunRun is
7 underreporting its sales tax responsibility. ABC Solar alleges that SunRun is
8 cheating on paying sales tax in California via their direct sales relationship
9 with COSTCO. This is a massive Tax Fraud allegation that will impact a
10 huge number of stakeholders.

11 Mr. Andy, the manager in charge, at COSTCO Torrance was informed
12 and promised to start an internal investigation. This is based on explaining
13 to Andy the following:

14 This was emailed to me by a new client where I won the business in
15 competing with SunRun. I love beating competition, but if they are cheaters
16 it takes on a new form.

17 “Sunrun proposal estimates tax at \$587. Any idea of why it is so much
18 lower than \$\$2,082.” That Client Asks.

19 Let’s break this down. This is for a 22 LG Solar 365-Watt Solar Panels
20 with Enphase Microinverters Grid Tie Solar System. Both ABC Solar and
21 SunRun offering identical equipment. ABC Solar sale details are as follows:

**Solar Installation
Estimate(6)**

Product	QTY	Sub
LG Solar - LG365Q1C :	22	\$12,320
Mounting Hardware:		\$2,409
Grid Tie DC/AC: Inverter		\$5,586
Sub Total:		\$20,315
Tax:		\$2,082
Shipping:		\$440
Product Total:		\$22,837
Installation:		\$6,665
Grand Total:		<u>\$29,502</u>
Rebate:(2)		0
Federal Tax Credit:(3)		\$8,851

After Rebate Cash Total: \$20,652

22

23 So, SunRun Via COSTCO sets the Solar Product Price for a 8,030 watt
24 system at \$5,726 and only pays \$587 in California Sales Tax. This violates so
25 many laws it is hard to comprehend. But, I will try and highlight the
26 government agencies that will be asked to investigate and take punitive and
27 corrective action should my allegations prove correct. At \$5,726 this 8,030
28 DC Watt system the COSTCO product retail price is (\$0.71 per watt)
29 Seventy-One Cents a DC Watt. \$0.71 is far below cost of equipment to
30 SunRun. The retail value of the equipment has been vastly underestimated
31 and is 4-times (400%) short of what it should be. The scale of ripping off our
32 state tax coffers is staggering. Indeed this may be happening in 20 other
33 states with COSTCO and the tax authorities of each state are CC'd.

34 Then we get to Federal Trade Commission (FTC) violations that relate
35 to dumping on the market to gain unfair advantage to get more market
36 share. SunRun owns AEE which is one of ABC Solar's wholesale solar
37 equipment suppliers. Our cost of materials from AEE is at least \$1.41 per
38 watt for LG Solar Panels, Enphase Microinverters and Enphase BOS and
39 Racking.

40 READ: SunRun tells the government and COSTCO that the cost of
41 equipment is only \$0.71 per watt DC where ABC Solar buys same equipment
42 from a Sunrun owned company and pays at least \$1.41 per watt DC. So, if
43 SunRun tells ABC Solar it can buy the same equipment from COSTCO for
44 \$5,726 and as a member I get 10% back each time, then please forget this
45 complaint and tell SunRun to meet me at COSTCO. I just wonder how AEE,
46 the SunRun Solar Distributor, is going to survive if I switch my whole
47 business to COSTCO/SunRun. (Sorry for the sarcasm here. ABC Solar would
48 not participate in such a scheme.)

49 This has been going on for a long time. The lost revenue to the state of
50 California and potentially 20 other states is staggering. The damage to
51 truthful solar companies is incalculable. The damage to truth is devastating.

52 For example, this is from 2015 my team reported this about Sunrun in
53 an email dated Fri, Aug 21, 2015, 11:06 AM:

54 Sun run is cheating.
55 Look at the bid.
56 Equipment pre price is \$8,445.00
57 Equipment whole sale cost more than that.
58 (Our equipment cost is more than \$1,1000. At least \$10,000)
59
60 Instead they are charging more than \$18,000 for labor.
61 We use licensed professional roofer. But still charge customer about \$9,000.
62
63 Sometimes we are asked by customer to make equipment cheaper to save sales tax.
64
65 I think it is because this kind of company is acting like this.

66
67

They are making sales tax smaller.

SOLAR SUMMARY

SOLAR SYSTEM OWNER	
[REDACTED]	

SOLAR SYSTEM SIZE	
System size (DC):*	7.15 kW

* System size for information purposes only

SOLAR SYSTEM INCLUDES THE FOLLOWING ITEMS	
EQUIPMENT:	Pretax equipment price: \$8,445.00
	Total tax: \$760.06
	Total equipment price with tax: \$9,205.06
Module	Model: REC275TP
	SKU: REC275, QTY: 26
Inverter	Model: SE6000 (240V) w/ -ER-US or A-US
	SKU: SE6000, QTY: 1
Racking	SnapNrack
LABOR:	Installation price: \$18,045.00
WARRANTY:	10 Year Workmanship Warranty, 15 Year Roof Penetration Warranty, Product Manufacturer Warranty

TERMS	
Total Upfront Cost	\$27,250.06
Est. Federal Tax Credit (ITC)*	30% of purchase price, or \$8,175
NET SYSTEM COST†	\$19,075

* You must file for the ITC in your next federal income tax return. Please consult a qualified tax professional for assistance and details.

† Net of any local incentives, utility rebates, and the federal investment tax credit ("ITC"), if available.

COSTCO MEMBER BENEFITS	
10% Costco Cash Card*	\$845

* Costco Cash Card amounts are an estimate only and will be verified by a Sunrun prior to system installation. The Costco Cash Card amount is based on the pre-tax price of the modules, racking and inverter(s) used for your system.

Prepared for Eric Jette, by Mo Men | Proposal ID: PK14LACVRNCN | Pricing valid until 07/25/2015

GENERAL DISCLAIMER: All quotations are valid for (30) days from the date of the quotation unless a reduction of rebate occurs within the 30 day period. The system design may change based on a detailed engineering site audit. Please note this proposal is an estimate and does not guarantee actual system production or savings. Savings and return on investment estimates assume a 4.75% utility rate increase. Actual system production and savings will vary based on the final system size, design, configuration, utility rates, applicable rebates, system location, local climate, and your family's energy usage. Design, permitting, installation, utility interconnection and rebate paperwork as detailed in the work order is included in quoted system cost. The total price paid is listed as "Total system Cost." "Net System Cost" is realized after tax returns are filed and related tax credits are applied by the IRS. TAX/FINANCIAL DISCLAIMER: The tax information on this page is intended for discussion purposes only and should not be construed as tax advice. All applicable federal tax credits are estimates. Actual tax credits will be based on customer's financial situation. We recommend that you contact an accountant or tax attorney for any specific financial advice.

68 ABC Solar won this business against Sunrun with these numbers:
69 Equipment: 28 Solar Panels @ 285 watts each Inverter, Optimizer
70 Hardware /Parts

71 -----
72 Equipment Total \$16,000
73 CA Sales Tax \$1,440
74 Installation /Admin. work \$10,560
75 (Permit and required Engineering fees for Solar included.)
76

77 Here we show SunRun only cheating a "little" by stating equipment cost at
78 half of standard retail and less than wholesale cost. Today we allege that

79 SunRun has grown its cheat to a 400% underreporting. It must be addicting
80 to make more profit margin by just underreporting true retail value.

81 This is Since 2015 we can Show SunRun Underreporting on Sales Tax and
82 thereby ripping off COSTCO MEMBERS too of their true promised 10% of
83 the retail price of the solar equipment.

84 SunRun is dumping on the market to cheat on paying sales taxes AND
85 to cheat COSTCO members. The market share gain by SunRun is not
86 because they are great managers, it is simply because they cheat.

87 The CPUC is supposed to supervise and manage players in the Solar
88 Market. This Petition is to request that SunRun Corporation be censored
89 and Sunrun removed from CPUC Rulemaking. The CPUC just put onerous
90 new disclosure document requirements for solar sales to help control bad
91 players. SunRun is that bad player. Look at their record and take
92 appropriate action.

93 It is your required by law, CA PUC Code, responsibility to protect our
94 citizens. If your English Teachers in the docket office find I missed a T or I
95 and reject for silly, silly, silly reasons, then your commission should be held
96 to account. It is not in my ability to beat English Teachers. But, it is in your
97 responsibility and charter to take this complaint and comport to allow your

98 investigation, conclusions, public notifications to warn consumers about
99 SunRun and your corrective action to be taken.

100 As I do not trust the CPUC to heed to their charter, simultaneous
101 reports are being delivered to all involved agencies in California.
102 Additionally, 20 other state tax authorities are also notified with this
103 information. This is to shame the CPUC and force your hand to actually do
104 your job.

105 The California Attorney General will be notified to identify and
106 prosecute criminal statutes that must have been violated with the alleged
107 SunRun ripping off the tax man information provided here.

108 Another government agency to be asked to investigate and prosecute is
109 the California Department of Tax and Fees Administration (CDTFA). This
110 agency will not take kindly to Sunrun stealing their money. Really, SunRun
111 is stealing "OUR" money, the collective citizen. The CDTFA investigative
112 unit may be the best and most aggressive in our state. I recommend the
113 CPUC seek the CDTFA corporation on this investigation. (Please note the
114 Franchise Tax Board (FTB) is now known as California Department of Tax
115 and Fees Administration)

116 Read: I suggest the CPUC meet its fiduciary responsibility and to not let the
117 Docket Office bury Bartz again. The validity and seriousness of SunRun Tax

118 Fraud allegations puts this in CPUC's wheelhouse. This is a serious
119 complaint and the California PUC Code mandates your involvement when
120 one of your supervised is operating in a fraudulent manner. Therefore, any
121 effort by the Docket Office to silence Bartz will be met by legal challenges at
122 the Appellate court SWIFTLY. The CPUC does not get to sleep on this one.

123 CA PUC CODE: 392.1

124 The commission shall issue public alerts about companies attempting to
125 provide electric service in the state in an unauthorized or fraudulent manner
126 as defined in subdivision (b) of Section 394.25. (3) (A)

127 NOTE: An emergency alert needs/must to be issued as a public alert to warn
128 the public against SunRun.

129 CA PUC CODE: 454.5

130 Nothing in this section alters, modifies, or amends the commission's oversight
131 of affiliate transactions under its rules and decisions or the commission's
132 existing authority to investigate and penalize an electrical corporation's
133 alleged fraudulent activities, or to disallow costs incurred as a result of gross
134 incompetence, fraud, abuse, or similar grounds. Nothing in this section
135 expands, modifies, or limits the Energy Commission's existing authority and

136 responsibilities as set forth in Sections 25216, 25216.5, and 25323 of the
137 Public Resources Code.

138 Note: ABC Solar suggests CPUC Commission seek discovery from SunRun
139 for every system sold in California and the amount of tax paid and the overall
140 booked sale price, including installation of each job. If ABC Solar could keep
141 an extra \$1,500 by cheating on sales tax, we would be incredibly large and
142 powerful company by this time. As you will see, if we could keep \$3,000 by
143 cheating COSTCO members too, ABC Solar would be large and able to
144 schmooze with politicians. It is the relations of SunRun to those in power
145 that make me the most nervous. By the way, ABC Solar is happy to give the
146 commission details on every sale and details of our sales tax paid to the state
147 of California. Just ask.

148

10.1. (Rule
10.1) Discovery
from Parties.

Without limitation to the rights of the Commission or its staff under Pub. Util. Code Sections 309.5 and 314, any party may obtain discovery from any other party regarding any matter, not privileged, that is relevant to the subject matter involved in the pending proceeding, if the matter either is itself admissible in evidence or appears reasonably

calculated to lead to the discovery of admissible evidence, unless the burden, expense, or intrusiveness of that discovery clearly outweighs the likelihood that the information sought will lead to the discovery of admissible evidence.

149

150 <https://news.energysage.com/costco-sunrun-solar-partnership-works/>

151 **Costco solar partnership with Sunrun: benefits & takeaways**

152 Sunrun is a California-based company that installs solar in 21 states
153 across the country, primarily in the Northeast and Southwest. In 2017,
154 they beat out Tesla Energy (formerly SolarCity) and installed the most
155 residential solar systems in the United States. If you're a Costco
156 member, you are eligible for some special benefits if you go solar with
157 Sunrun, including Costco cash and an enhanced roof warranty.

158 When you choose to buy a solar panel system through the Sunrun-
159 Costco partnership, you'll receive a Costco cash card worth 10 percent
160 of your solar equipment costs (before taxes). This benefit only applies if
161 you own your system – if you opt for a [solar lease or power purchase](#)
162 [agreement \(PPA\)](#) with Sunrun, you won't receive a Costco cash card.

163

164 So, Sunrun lowered the cost of equipment to \$0.71 cents per watt to
165 cheat on paying sales taxes but also cheat COSTCO members from a true
166 10% value of the solar equipment costs. I am now very sure COSTCO will
167 not all be pleased by this Petition to Censor Sunrun Corporation and Sunrun
168 Removal from CPUC Rulemaking if these allegations prove true.

169 So, if Sunrun is the largest solar installer in California the amount of
170 proper and truthful sales tax due is very large, about \$1.5 million dollars per
171 1,000 units sold. Let alone ripping off COSTCO members of the same \$1.5
172 million dollars. A \$3 million-dollar cheat per 1,000 units sold.

173 Dig deeper as Truth in Lending federal and state laws play a key role
174 here in stopping this very bad SunRun behavior.

175 COSTCO HQ will be notified and named in any and all actions
176 regarding SunRun cheating on sales tax via its distribution at COSTCO. It is
177 hoped that COSTCO was not involved or aware of SunRun's cheating ways.
178 Note: ABC Solar will only notify government agency stakeholders to act on
179 this information per their charter and laws. We will not sue in any court to
180 help the California Department Tax and Fees Administration collect what is
181 rightfully owe to them. SunRun would bury ABC Solar, legally speaking, so
182 we seek safe-haven from our government. We will request extraordinary

183 legal actions should SunRun attempt to attack ABC Solar in any way for
184 doing its civic duty. But I fear them, as David did Goliath.

185 From this moment forward ABC Solar and Bradley Bartz will evaluate
186 every legal mechanism available to bring SunRun the Cheater to heel. How
187 dare they.

188 As I Love Lucy always said, “SunRun you’ve got some explaining to do.”

189 California Department of Tax and Fee Administration Asked me a few
190 questions that I share here. They encourage this filing because tax fraud is
191 stealing from ALL of us.

192 <https://www.cdtfa.ca.gov/legal/#invest-sales-tax>

193 [Why should I file a tax evasion complaint?](#)

194 Tax evasion is a crime that hurts all of us. Tax evasion decreases the
195 revenue available to fund essential state and local services. These
196 services include funds for police and fire departments, highway
197 improvements, libraries, schools, parks, hospitals, courts and more.
198 Evasion also hurts the honest business owner as a result of unfair
199 competition by those illegally selling untaxed products.

200

201 [Is there a monetary reward for reporting a tax crime?](#)

202 No. The California Department of Tax and Fee Administration does not
203 have funds for a reward program at this time. However, by stopping tax
204 evasion you will benefit from recovered revenue available to fund your
205 public services.

206

207 NOTE: ABC Solar does not advocate to make a buck. It is without fear
208 or favor that I will continue to advocate for our solar industry. But, ABC
209 Solar will benefit by SunRun being prosecuted should my allegations prove
210 true and correct. When bad players are put down the industry breathes a
211 sigh of relief and consumers are protected.

212 You must take investigative action immediately. To not do so is a gross
213 dereliction of duty.

214 Respectfully Submitted on August 19, 2019 from Rancho Palos Verdes,
215 California.

216 Sincerely yours,

217

218 Bradley L. Bartz
219 President

220 ABC Solar Incorporated

221 24454 Hawthorne Blvd

222 Torrance, CA 90505

223 1-310-373-3169

224 Solar@ABCsolar.com

225 CCL# 914346

226

227 Singed: Bradley L. Bartz / Bradley L. Bartz (Electronic)

228

229 LEGAL REFERENCES:

230

231 <https://www.cdtfa.ca.gov/legal/#invest-sales-tax>

232

233 [**Federal Trade Commission Act**](#)

234 MISSION:

235 Competition

236 Consumer Protection

237 LAW:

238 15 U.S.C. §§ 41-58, as amended

239 LINK:

240 <http://uscode.house.gov/view.xhtml?req=granuleid%3AUSC-prelim-title15->

241 [chapter2-s...](#)

242

243 The Federal Trade Commission Act is the primary statute of the Commission.

244 Under this Act, as amended, the Commission is empowered, among other

245 things, to (a) prevent unfair methods of competition and unfair or deceptive

246 acts or practices in or affecting commerce; (b) seek monetary redress and
247 other relief for conduct injurious to consumers; (c) prescribe rules defining
248 with specificity acts or practices that are unfair or deceptive, and establishing
249 requirements designed to prevent such acts or practices; (d) gather and
250 compile information and conduct investigations relating to the organization,
251 business, practices, and management of entities engaged in commerce; and
252 (e) make reports and legislative recommendations to Congress and the public.
253 A number of other statutes listed here are enforced under the FTC Act.

254

255 [Clayton Act](#)

256 **MISSION:**

257 Competition

258 **LAW:**

259 15 U.S.C. §§ 12-27, as amended

260 **LINK:**

261 [http://uscode.house.gov/view.xhtml?req=granuleid%3AUSC-prelim-title15-
section12&...](http://uscode.house.gov/view.xhtml?req=granuleid%3AUSC-prelim-title15-
262 section12&...)

263 The Commission is charged under Sections 3, 7 and 8 of this Act with
264 preventing and eliminating unlawful tying contracts, corporate mergers and

265 acquisitions, and interlocking directorates. This Act was amended by the
266 Robinson-Patman Act, Pub. L. No. 74-692, 49 Stat. 1526, codified at 15 U.S.C.
267 §§ 13, 13b, and 21a, under which the Commission is authorized to prevent
268 certain practices involving discriminatory pricing and product promotion. The
269 Hart-Scott-Rodino Act (HSR), adding Section 7A of the Clayton Act, is listed
270 separately.

271

272 [Bankruptcy Abuse Prevention and Consumer Protection Act of 2005](#)

273 This Act amends the Truth in Lending Act in various respects, including
274 requiring certain disclosures. Some of its disclosure requirements were
275 superseded by later amendments to the Truth in Lending Act such as the
276 Credit CARD Act of 2009. This Act also includes provisions for rulemaking
277 and study involving FTC participation.

278

279 [Consumer Leasing Act](#)

280 **MISSION:**

281 Consumer Protection

282 **LAW:**

283 15 U.S.C. §§ 1667-1667f

284 **LINK:**

285 <http://uscode.house.gov/view.xhtml?req=granuleid%3AUSC-prelim-title15->
286 [chapter41-...](#)

287 This Act, amending the Truth in Lending Act, regulates personal property
288 leases that exceed four months in duration and that are made to consumers
289 for personal, family, or household purposes. The Act requires that certain
290 lease costs and terms be disclosed, imposes limitations on the size of
291 penalties for delinquency or default and on the size of residual liabilities, and
292 requires certain disclosures in lease advertising.

293

294 [Truth in Lending Act](#)

295 **MISSION:**

296 Consumer Protection

297 **LAW:**

298 15 U.S.C. §§ 1601-1667f, as amended

299 **LINK:**

300 <http://uscode.house.gov/view.xhtml?req=granuleid%3AUSC-prelim-title15->
301 [chapter41-...](#)

302 This Act (Title I of the Consumer Credit Protection Act) authorizes the
303 Commission to enforce compliance by most non-depository entities with a
304 variety of statutory provisions. Among other requirements, the Act requires
305 creditors who deal with consumers to make certain written disclosures
306 concerning finance charges and related aspects of credit transactions
307 (including disclosing an annual percentage rate) and comply with other
308 mandates, and requires advertisements to include certain disclosures. The
309 Act has been amended on numerous occasions, adding requirements for credit
310 cards and open-end credit; for mortgage credit such as ability to repay
311 standards, loan origination, anti-steering, appraisal independence, and
312 mortgage servicing; and others. A number of laws amending and enforced
313 under this Act are listed separately.

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