



## IS SOLAR AT RISK OF BECOMING AS TRUSTED AS A USED CAR SALESMAN?

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### Is solar at risk of becoming as trusted as a used car salesman?

“Solar Fred” Valenza | May 31, 2013

Just when I think we’re over negative Solyndra press, several bad solar marketing and business stories have come to my attention within the same week. If this trend continues, the entire solar industry will suffer both politically and financially...again.

**Incident #1.** Last week, my friend Deep Patel, CEO of Go Green Solar, called me and told me that his solar company’s reputation is being tainted by aggressive solar telemarketers. These are not telemarketers that he hired (he doesn’t hire telemarketers), but some other unknown firm. When the consumers get angry and ask who’s calling, the scammers insult the customer and name “Go Green Solar” as the company that’s calling.

As a result, Go Green Solar is getting complaints from the FTC for telemarketing calls it never made. Now the company must hire a private investigator to track these telemarketers down and protect its reputation.

**Incident #2.** Also within the last week, another friend told me she received an unsolicited email to go solar. She clicked “unsubscribe” at the bottom of the email, and soon realized that she had infected her computer with a virus: Every time she clicked on any email in her inbox, it went to the solar company’s website. She’s now disinfecting her computer.

**Incident #3.** Finally, on Wednesday, Todd Woody, a well known solar business reporter for the *New York Times* and *Forbes*, published “[Solar Industry Anxious Over Defective Panels.](#)” There, he described several solar projects that have received defective panels. I’ve heard about the same issues anecdotally through my installer friends, but when the issue is published in *The New York Times*? Not good.

Suddenly, the entire industry has a problem. Now, anyone considering solar — utility scale or residential — is going to question whether they're going to be ripped off with defective panels. And that lack of trust is then going to lead to more customers wanting to delay their purchase decision or to cancel it entirely.

On top of that, any oil/gas/nuke lobbyist can now print Woody's article, send it to policymakers, and say, "See? We told you solar wasn't reliable. But you can count on gas and nukes. It pollutes and it's dangerous, but hey, at least it's reliable."

What all of these incidents have in common is that they are a result of really dumb, short-sighted greed that will eventually hit their own companies, and perhaps the entire industry.



"Unethical solar salespeople are not the cigar-smoking comb-over old men that we used to think of. These are good looking, eager, young professionals who are brainwashed into believing that what they are selling will change the world", says Frank Scotti, Experience Director with Solarponics, California's oldest solar energy company. "What they're really selling is low quality product with a hefty profit margin", says Scotti.

As for my friend whose computer got infected with a virus after pressing "unsubscribe" from an unsolicited email, why would any marketer think this is an effective way to attract a solar customer? Does anyone really think this virus will make the customer trust you and want to buy solar? Worst of all, my friend wasn't ever interested in buying, so why did you even send her the email in the first place?

Finally, Todd Woody's article being published in the #1 newspaper in the U.S. is not helpful to an industry trying to get over Solyndra's bad rap. I know it's rough in the solar manufacturing world today, but pumping out defective panels isn't going to help you survive the solar shakeout. It's better to go out of business with a quality product that was a little more expensive, than to go out of business known as the Yugo of solar PV panels.

Yes, you may replace these panels under warranty, but installers talk to each other, and you can be sure they'll be searching for stable, non-defective brands, and apparently, those are becoming harder to find.

Is every solar company playing dirty like this? Of course not. Most are marketing and manufacturing ethically. However, these bad apples are going to hurt everyone's reputation, so if you're doing everything ethically, be sure to communicate to your customers about your ethical marketing practices:

- **You don't call anyone who hasn't asked to be called.**
- **You don't email anyone who hasn't asked to be emailed.**
- **You immediately remove people from marketing lists when they ask to be removed.**
- **You stand by your product warranties with reinsurance.**

- **You don't run fake contests that just collect leads for spamming. If you do hold a solar give-away contest, you do choose a winner at random on the date advertised, and you give what you promised away. (Then you promote that.)**
- **You do inform clients that solar panels (usually) last longer than string inverters, and about the potential for inverter replacement after 10 years.**
- **You don't inflate the fair market value of your leased solar systems in order to receive a higher ITC.**
- **You don't project that utility rates will rise more than an average of 4% to 5% per year for the next 20 years, skewing ROI and payback.**

I wouldn't be so alarmed about all of this if the issues hadn't happened within the same week. Can SEIA do something about this? I doubt these bad telemarketing companies are members. Even if they were, being kicked out of SEIA would be a slap on the wrist. Yelp reviews and bad BBB ratings will probably even the playing field when consumers do their research.

As for defective panels, I suppose manufacturing short cuts are all just a part of the solar PV shakeout process. Enough failures will cause even more financial pressure, as well as PR pressure, leading to a quicker end. But do you have to take the rest of the solar industry down with you?

In the end, the courts and the market will probably catch up to the bad solar industry players, and for all our sakes, I hope they do sooner than later.