

Residential Solar Panel Consumer Protection Amendments

2025 GENERAL SESSION

STATE OF UTAH

Chief Sponsor: Colin W. Jack

LONG TITLE**Committee Note:**

The Business and Labor Interim Committee recommended this bill.

Legislative Vote: 11 voting for 0 voting against 11 absent

General Description:

This bill establishes additional protections for residential solar panel customers.

Highlighted Provisions:

This bill:

- defines terms;
- creates additional disclosure language;
- mandates that a solar retailer's good faith estimate of energy production be within a specified percentage of the actual energy production;
- requires the solar retailer repair the solar panels if the actual energy production is not within a specified percentage of the good faith estimate of energy production;
- creates a registration and security requirement for a solar retailer to do business in Utah;
- requires a solar retailer sales representative be employed by the solar retailer as a W-2 employee;
- delays a customer's financial obligation on a residential solar energy system until the system is active and producing usable energy; and
- makes technical changes.

Money Appropriated in this Bill:

None

Other Special Clauses:

This bill provides a special effective date.

Utah Code Sections Affected:

AMENDS:

13-2-1 (Effective 05/07/25), as last amended by Laws of Utah 2024, Chapter 132

13-52-102 (Effective 05/07/25), as enacted by Laws of Utah 2018, Chapter 290

13-52-202 (Effective 05/07/25), as last amended by Laws of Utah 2024, Chapter 136

32 **13-52-206 (Effective 05/07/25)**, as enacted by Laws of Utah 2018, Chapter 290

33 ENACTS:

34 **13-52-302 (Effective 05/06/26)**, Utah Code Annotated 1953

35 **13-52-401 (Effective 05/07/25)**, Utah Code Annotated 1953

36 **13-52-501 (Effective 05/07/25)**, Utah Code Annotated 1953

37

38 *Be it enacted by the Legislature of the state of Utah:*

39 Section 1. Section **13-2-1** is amended to read:

40 **13-2-1 (Effective 05/07/25). Consumer protection division established --**

41 **Functions.**

42 (1) There is established within the Department of Commerce the Division of Consumer
43 Protection.

44 (2) The division shall administer and enforce the following:

45 (a) Chapter 10a, Music Licensing Practices Act;

46 (b) Chapter 11, Utah Consumer Sales Practices Act;

47 (c) Chapter 15, Business Opportunity Disclosure Act;

48 (d) Chapter 20, New Motor Vehicle Warranties Act;

49 (e) Chapter 21, Credit Services Organizations Act;

50 (f) Chapter 22, Charitable Solicitations Act;

51 (g) Chapter 23, Health Spa Services Protection Act;

52 (h) Chapter 25a, Telephone and Facsimile Solicitation Act;

53 (i) Chapter 26, Telephone Fraud Prevention Act;

54 (j) Chapter 28, Prize Notices Regulation Act;

55 (k) Chapter 32a, Pawnshop, Secondhand Merchandise, and Catalytic Converter
56 Transaction Information Act;

57 (l) Chapter 34, Utah Postsecondary School and State Authorization Act;

58 (m) Chapter 41, Price Controls During Emergencies Act;

59 (n) Chapter 42, Uniform Debt-Management Services Act;

60 (o) Chapter 49, Immigration Consultants Registration Act;

61 (p) Chapter 51, Transportation Network Company Registration Act;

62 (q) Chapter 52, Residential Solar Energy [Disclosure] Consumer Protection Act;

63 (r) Chapter 53, Residential, Vocational and Life Skills Program Act;

64 (s) Chapter 54, Ticket Website Sales Act;

65 (t) Chapter 56, Ticket Transferability Act;

- 66 (u) Chapter 57, Maintenance Funding Practices Act;
- 67 (v) Chapter 61, Utah Consumer Privacy Act; [~~w~~] Chapter 63, Utah Social Media
- 68 Regulation Act;
- 69 [~~x~~] (w) Chapter 64, Vehicle Value Protection Agreement Act;
- 70 [~~y~~] (x) Chapter 65, Utah Commercial Email Act;
- 71 [~~z~~] (y) Chapter 67, Online Dating Safety Act;
- 72 [~~aa~~] (z) Chapter 68, Lawyer Referral Consultants Registration Act;
- 73 [~~bb~~] (aa) Chapter 70, Automatic Renewal Contracts Act; and
- 74 [~~ee~~] (bb) Chapter 71, Utah Minor Protection in Social Media Act.
- 75 (3) In accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, the
- 76 division may make rules to establish:
- 77 (a) a public list that identifies a person who:
- 78 (i) violates a chapter described in Subsection (2);
- 79 (ii) without proper legal justification, fails to comply with an order, subpoena,
- 80 judgment, or other legal process issued by:
- 81 (A) the division; or
- 82 (B) a court of competent jurisdiction; or
- 83 (iii) breaches a settlement agreement, stipulation, assurance of voluntary compliance,
- 84 or similar instrument signed by the person and the division; and
- 85 (b) a process by which a person may be removed from the list the division establishes as
- 86 described in Subsection (3)(a).

87 Section 2. Section **13-52-102** is amended to read:

88 **CHAPTER 52. RESIDENTIAL SOLAR ENERGY CONSUMER PROTECTION ACT**

89 **13-52-102 (Effective 05/07/25). Definitions.**

90 As used in this chapter:

- 91 (1) "Actual energy production" means the average kilowatt-hours produced and measured by the solar energy system during the 12 consecutive months immediately following the solar energy system's activation.
- 92 (2) "Customer" means a person who, for primarily personal, family, or household purposes:
- 93 (a) purchases a residential solar energy system under a system purchase agreement;
- 94 (b) leases a residential solar energy system under a system lease agreement; or
- 95 (c) purchases electricity under a power purchase agreement.
- 96 [~~2~~] (3) "Division" means the Division of Consumer Protection, established in Section

98 13-2-1.

99 (4)(a) "Employee" means an individual whose compensation for federal income tax
100 purposes is reported, or is required to be reported, on a W-2 form issued by the
101 employer.

102 (b) "Employee" does not include an independent contractor whose manner and means of
103 work performance are not subject to direction, supervision, or instruction from the
104 person who employed the independent contractor.

105 (5) "Estimated energy production" means the solar retailer's estimate, measured by
106 kilowatt-hour, of how much energy the solar energy system will produce.

107 (6) "Participant" means an owner, officer, director, member or manager of a limited liability
108 company, principal, trustee, general or limited partner, sole proprietor, or an individual,
109 with a controlling interest in an entity.

110 [~~3~~] (7) "Power purchase agreement" means an agreement:

- 111 (a) between a customer and a solar retailer;
- 112 (b) for the customer's purchase of electricity generated by a residential solar energy
- 113 system owned by the solar retailer; and
- 114 (c) that provides for the customer to make payments over a term of at least five years.

115 [~~4~~] (8) "Residential solar energy system":

- 116 (a) means a solar energy system that:
 - 117 (i) is installed in the state;
 - 118 (ii) generates electricity primarily for on-site consumption for personal, family, or
 - 119 household purposes;
 - 120 (iii) is situated on no more than four units of residential real property; and
 - 121 (iv) has an electricity delivery capacity that exceeds one kilowatt; and
- 122 (b) does not include a generator that:
 - 123 (i) produces electricity; and
 - 124 (ii) is intended for occasional use.

125 (9) "Sales representative" means an individual who:

- 126 (a) enters into a business relationship with a solar retailer to sell or attempt to sell a solar
127 energy system through direct contact with customers and potential customers; and
- 128 (b) as part of the business relationship described in Subsection (9)(a), is compensated, in
129 whole or in part, by commission.

130 [~~5~~] (10) "Solar agreement" means a system purchase agreement, a system lease agreement,
131 or a power purchase agreement.

132 [(6)] (11) "Solar energy system" means a system or configuration of solar energy devices
 133 that collects and uses solar energy to generate electricity.

134 [(7)] (12) "Solar retailer" means a person who:

135 (a) sells or proposes to sell a residential solar energy system to a customer under a
 136 system purchase agreement;

137 (b) owns the residential solar energy system that is the subject of a system lease
 138 agreement or proposed system lease agreement; or

139 (c) sells or proposes to sell electricity to a customer under a power purchase agreement.

140 [(8)] (13) "System lease agreement" means an agreement:

141 (a) under which a customer leases a residential solar energy system from a solar retailer;
 142 and

143 (b) that provides for the customer to make payments over a term of at least five years for
 144 the lease of the residential solar energy system.

145 [(9)] (14) "System purchase agreement" means an agreement under which a customer
 146 purchases a residential solar energy system from a solar retailer.

147 Section 3. Section **13-52-202** is amended to read:

148 **13-52-202 (Effective 05/07/25). Contents of disclosure statement for any solar**
 149 **agreement.**

150 If a solar retailer is proposing to enter any solar agreement with a potential
 151 customer, the disclosure statement required in Subsection 13-52-201(1) shall include:

152 (1) a statement indicating that operations or maintenance services are not included as part
 153 of the solar agreement, if those services are not included as part of the solar agreement;

154 (2) if the solar retailer provides any written estimate of the savings the potential customer is
 155 projected to realize from the residential solar energy system:

156 (a)(i) the estimated projected savings over the life of the solar agreement; and

157 (ii) at the discretion of the solar retailer, the estimated projected savings over any
 158 longer period not to exceed the anticipated useful life of the residential solar
 159 energy system;

160 (b) any material assumptions used to calculate estimated projected savings and the
 161 source of those assumptions, including:

162 (i) if an annual electricity rate increase is assumed, the rate of the increase and the
 163 solar retailer's basis for the assumption of the rate increase;

164 (ii) the potential customer's eligibility for or receipt of tax credits or other
 165 governmental or utility incentives;

- 166 (iii) system production data, including production degradation;
- 167 (iv) the residential solar energy system's eligibility for interconnection under any net
- 168 metering or similar program;
- 169 (v) electrical usage and the residential solar energy system's designed offset of the
- 170 electrical usage;
- 171 (vi) historical utility costs paid by the potential customer;
- 172 (vii) any rate escalation affecting a payment between the potential customer and the
- 173 solar retailer; and
- 174 (viii) the costs associated with replacing equipment making up part of the residential
- 175 solar energy system or, if those costs are not assumed, a statement indicating that
- 176 those costs are not assumed; and
- 177 (c) [~~two~~] three separate statements in capital letters in close proximity to any written
- 178 estimate of projected savings, with substantially the following form and content:
- 179 (i) "THIS IS AN ESTIMATE. UTILITY RATES MAY GO UP OR DOWN AND
- 180 ACTUAL SAVINGS, IF ANY, MAY VARY. HISTORICAL DATA ARE NOT
- 181 NECESSARILY REPRESENTATIVE OF FUTURE RESULTS. FOR
- 182 FURTHER INFORMATION REGARDING RATES, CONTACT YOUR
- 183 LOCAL UTILITY OR THE STATE PUBLIC SERVICE COMMISSION."; [~~and~~]
- 184 (ii) "ESTIMATES OF ENERGY PRODUCTION GENERATED BY A SOLAR
- 185 ENERGY SYSTEM MAY VARY. THE SOLAR ENERGY SYSTEM MAY
- 186 PRODUCE MORE OR LESS THAN THE ESTIMATED ENERGY
- 187 PRODUCTION."; and
- 188 [~~(ii)~~] (iii) "TAX AND OTHER FEDERAL, STATE, AND LOCAL INCENTIVES
- 189 VARY AS TO REFUNDABILITY AND ARE SUBJECT TO CHANGE OR
- 190 TERMINATION BY LEGISLATIVE OR REGULATORY ACTION, WHICH
- 191 MAY IMPACT SAVINGS ESTIMATES. CONSULT A TAX PROFESSIONAL
- 192 FOR MORE INFORMATION.";
- 193 (3) [~~a notice with substantially the following form and content: "Legislative or regulatory~~
- 194 ~~action may affect or eliminate your ability to sell or get credit for any excess power~~
- 195 ~~generated by the system, and may affect the price or value of that power.";~~] a notice
- 196 stating: "Legislative or regulatory action may affect or eliminate your ability to sell or
- 197 get credit for any excess power generated by the system, and may affect the price or
- 198 value of that power.";
- 199 (4) [~~a notice describing any right a customer has under Section 13-52-207, and any other~~

- 200 applicable law to cancel or rescind a solar agreement;] the notice described in Subsection
201 13-11-4(2)(m) or Subsection 13-26-5(2)(a), if applicable;
- 202 (5) a statement describing the system and indicating the system design assumptions,
203 including the make and model of the solar panels and inverters, system size, positioning
204 of the panels on the customer's property, estimated first-year energy production, and
205 estimated annual energy production degradation, including the overall percentage
206 degradation over the term of the solar agreement or, at the solar retailer's option, over
207 the estimated useful life of the system;
- 208 (6) a description of any warranty, representation, or guarantee of energy production of the
209 system;
- 210 (7) the approximate start and completion dates for the installation of the system;
- 211 (8) ~~[a statement that the solar retailer may not begin installation of the system until at least~~
212 ~~four business days after the day on which the solar retailer and customer enter into a~~
213 ~~contract;] the statement: "The solar retailer may not begin installation of the system until~~
214 ~~at least four business days after the day on which the solar retailer and customer enter~~
215 ~~into a contract.";~~
- 216 (9)(a) ~~[a statement indicating whether any warranty or maintenance obligations related~~
217 ~~to the system may be transferred by the solar retailer to a third party and, if so, a~~
218 ~~statement with substantially the following form and content] a statement indicating~~
219 ~~whether any warranty or maintenance obligations related to the system may be~~
220 ~~transferred by the solar retailer to a third party; and~~
- 221 (b) if any warranty or maintenance obligations related to the system may be transferred
222 by the solar retailer to a third party, the statement: "The maintenance and repair
223 obligations under your contract may be assigned or transferred without your consent
224 to a third party who will be bound to all the terms of the contract. If a transfer occurs,
225 you will be notified of any change to the address, email address, or phone number to
226 use for questions or payments or to request system maintenance or repair.";
- 227 (10) if the solar retailer will not obtain customer approval to connect the system to the
228 customer's utility, a statement to that effect and a description of what the customer must
229 do to interconnect the system to the utility;
- 230 (11) a description of any roof penetration warranty or other warranty that the solar retailer
231 provides the customer or a statement, in bold capital letters, that the solar retailer does
232 not provide any warranty;
- 233 (12) a statement indicating whether the solar retailer will make a fixture filing or other

234 notice in the county real property records covering the system, including a Notice of
 235 Independently Owned Solar Energy System, and any fees or other costs associated with
 236 the filing that ~~[may be charged to]~~ the solar retailer may charge the customer;

237 (13) a statement in capital letters with ~~[substantially]~~ the following form and content: "NO
 238 EMPLOYEE OR REPRESENTATIVE OF [name of solar retailer] IS AUTHORIZED
 239 TO MAKE ANY PROMISE TO YOU THAT IS NOT CONTAINED IN THIS
 240 DISCLOSURE STATEMENT CONCERNING COST SAVINGS, TAX BENEFITS,
 241 OR GOVERNMENT OR UTILITY INCENTIVES. YOU SHOULD NOT RELY
 242 UPON ANY PROMISE OR ESTIMATE THAT IS NOT INCLUDED IN THIS
 243 DISCLOSURE STATEMENT.";

244 (14) a statement in capital letters with substantially the following form and content: "[name
 245 of solar retailer] IS NOT AFFILIATED WITH ANY UTILITY COMPANY OR
 246 GOVERNMENT AGENCY. NO EMPLOYEE OR REPRESENTATIVE OF [name of
 247 solar retailer] IS AUTHORIZED TO CLAIM AFFILIATION WITH A UTILITY
 248 COMPANY OR GOVERNMENT AGENCY."; and

249 (15) any additional information, statement, or disclosure the solar retailer considers
 250 appropriate, as long as the additional information, statement, or disclosure does not have
 251 the purpose or effect of obscuring the disclosures required under this part.

252 Section 4. Section **13-52-206** is amended to read:

253 **13-52-206 (Effective 05/07/25). Good faith estimate -- Obligation to repair.**

254 (1) A solar retailer that does not have, at the time of providing a disclosure statement
 255 required ~~[in]~~ by Subsection 13-52-201(1), ~~[have]~~ information required under Section
 256 13-52-202, 13-52-203, 13-52-204, or 13-52-205 to be included in the disclosure
 257 statement may make a good faith estimate of that information to the customer, if the
 258 solar retailer clearly indicates that the information is an estimate and provides the basis
 259 for the estimate.

260 (2) For 18 months after the day on which a solar energy system begins producing usable
 261 power, a customer may notify the solar retailer that the solar energy system is producing
 262 less than 80% of the solar retailer's good faith estimate of energy production.

263 (3)(a) A solar retailer that receives a notification described in Subsection (2) shall repair
 264 or improve a solar energy system's performance so that the solar energy system
 265 produces 90% or more of the original estimated energy production.

266 (b) A solar retailer shall make the repairs or improvements described in Subsection (3)(a)
 267 within six months after the day on which the solar retailer receives notification from

268 a customer.

269 (4)(a) A customer that notifies the solar retailer in accordance with Subsection (2) may
 270 pursue any other available remedies or rights authorized under the laws of this state.

271 (b) A solar retailer may offer warranty terms that exceed the protection offered by this
 272 section.

273 Section 5. Section **13-52-302** is enacted to read:

274 **13-52-302 (Effective 05/06/26). Registration and security required.**

275 (1)(a)

276 Each solar retailer shall register annually with the division before selling a
 277 residential solar energy system if:

278 (i) the solar retailer's sales representative:

279 (A) is domiciled in this state; or

280 (B) communicates with customers or potential customers in state; or

281 (ii) the solar retailer, or the solar retailer's sales representative, conducts any business
 282 operations in Utah.

283 (b) The registration form shall designate an agent residing in this state who is authorized
 284 by the solar retailer to receive service of process in any action brought by this state or
 285 a resident of this state.

286 (c) If a solar retailer fails to designate an agent to receive service or fails to appoint a
 287 successor to the agent, the division shall:

288 (i) deny the solar retailer's application for an initial or renewal registration; and

289 (ii) if the application is for a renewal registration, suspend the solar retailer's current
 290 registration until the solar retailer designates an agent.

291 (d) For purposes of this section only, the registered agent of a solar retailer shall provide
 292 the division the registered agent's proof of residency in the state in the form of:

293 (i) a valid Utah driver license;

294 (ii) a valid governmental photo identification issued to a resident of this state; or

295 (iii) other verifiable identification indicating residency in this state.

296 (2) The division may impose an annual registration fee set in accordance with Section
 297 63J-1-504 that may include the cost of the criminal background check described in
 298 Subsection (4).

299 (3)(a) Each solar retailer that is subject to this chapter and selling residential solar
 300 energy systems in this state shall obtain and maintain the following security:

301 (i) a performance bond issued by a surety authorized to transact surety business in

- 302 this state; or
- 303 (ii) a certificate of deposit held in this state in a financial institution authorized under
- 304 the laws of this state or the United States to accept deposits from the public.
- 305 (b) A solar retailer's bond or certificate of deposit shall be payable to the division for the
- 306 benefit of any customer who incurs damages as the result of the solar retailer's failure
- 307 to comply with this chapter.
- 308 (c) After the customer has recovered full damages, the division may recover from the
- 309 bond or certificate of deposit any administrative fines, civil penalties, investigative
- 310 costs, attorney fees, and other costs of collecting and distributing funds under this
- 311 section.
- 312 (d) A solar retailer shall keep a bond or certificate of deposit in force for two years after
- 313 the day on which the seller notifies the division in writing that the seller has ceased
- 314 all activities regulated by this chapter.
- 315 (e) The solar retailer shall post a bond or certificate of deposit in the amount of:
- 316 (i) \$100,000 if:
- 317 (A) neither the solar retailer nor any affiliated person has violated this chapter in
- 318 the three-year period immediately before the day on which the seller files the
- 319 application; and
- 320 (B) the solar retailer has fewer than 10 employees;
- 321 (ii) \$200,000 if:
- 322 (A) neither the solar retailer nor any affiliated person has violated this chapter in
- 323 the three-year period immediately before the day on which the solar retailer
- 324 files the application; and
- 325 (B) the solar retailer has 10 or more employees; or
- 326 (iii) \$300,000 if the solar retailer or any affiliated person has violated this chapter in
- 327 the three-year period immediately before the day on which the solar retailer files
- 328 the application.
- 329 (f) For purposes of this section, damages incurred by a customer include:
- 330 (i) labor and materials necessary to complete the installation of a solar energy system
- 331 that is partially installed; and
- 332 (ii) damage to a customer's home caused during installation or repair of the solar
- 333 energy system.
- 334 (g) A solar retailer violates this chapter each time the solar retailer sells a solar energy
- 335 system if the solar retailer is not first registered with the division.

- 336 (h) A solar retailer violates this chapter each year in which the solar retailer sells a solar
337 energy system without first registering with the division.
- 338 (4) To register or renew a registration as a solar retailer, the solar retailer and the solar
339 retailer's participants:
- 340 (a) may not have been convicted of a felony or misdemeanor involving theft, fraud, or
341 dishonesty, in the 10-year period immediately before the day on which the solar
342 retailer files the application; and
- 343 (b) shall submit to the division:
- 344 (i) the participant's fingerprints, in a form acceptable to the division, for purposes of a
345 criminal background check; and
- 346 (ii) consent to a criminal background check by the Bureau of Criminal Identification
347 created in Section 53-10-201.
- 348 (5) In accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, the
349 division may establish by rule the registration requirements for a solar retailer.
- 350 (6) If information in an application for registration or for renewal of registration as a solar
351 retailer materially changes or becomes incorrect or incomplete, the applicant shall,
352 within 30 days after the day on which information changes or becomes incorrect or
353 incomplete, submit the correct information to the division in a manner that the division
354 establishes by rule.
- 355 (7) The division director may deny, suspend, or revoke a solar retailer's registration with the
356 division if:
- 357 (a) a solar retailer or a solar retailer's participant:
- 358 (i) has violated a statute enforced by the division within the preceding five years; or
359 (ii) fails to pay a fine or comply with a term of settlement with the division;
- 360 (b) the solar retailer's bond or certificate of deposit is claimed by the division; or
- 361 (c) the division receives 10 or more complaints from consumers about the solar retailer
362 and finds substantial evidence that the solar retailer has provided good faith estimates
363 for residential solar energy systems that do not actually produce 80% or more of the
364 solar retailer's estimated energy production.

365 Section 6. Section **13-52-401** is enacted to read:

366

Part 4. Sales Representative

367 **13-52-401 (Effective 05/07/25). Sales representative relationship.**

368 A sales representative shall be an employee of the solar retailer.

369 Section 7. Section **13-52-501** is enacted to read:

370 **Part 5. Financial Obligations**

371 **13-52-501** (Effective 05/07/25). **Customer financial obligations.**

372 (1)

373 A customer has no financial obligation related to the solar energy system until the
374 solar energy system is initially activated and producing usable energy.

375 (2) A customer's financial obligation in accordance with any agreement between the
376 customer and the solar retailer begins once the solar energy system is activated and
377 produces usable energy regardless of actual production.

378 Section 8. **Effective date.**

379 (1) Except as provided in Subsection (2), this bill takes effect on May 7, 2025.

380 (2) The actions affecting Section 13-52-302 take effect on May 6, 2026.