

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 [~~cc~~] 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**

89

ACT

90 **13-52-102 (Effective 05/07/25). Definitions.**

91 As used in this chapter:

- 92 (1) "Actual energy production" means the average kilowatt-hours produced and measured
- 93 by the solar energy system during the 12 consecutive months immediately following the
- 94 solar energy system's activation.
- 95 (2) "Customer" means a person who, for primarily personal, family, or household purposes:
- 96 (a) purchases a residential solar energy system under a system purchase agreement;
- 97 (b) leases a residential solar energy system under a system lease agreement; or

98 (c) purchases electricity under a power purchase agreement.

99 [~~(2)~~] (3) "Division" means the Division of Consumer Protection, established in Section
100 13-2-1.

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

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

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

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

112 [~~(3)~~] (7) "Power purchase agreement" means an agreement:

113 (a) between a customer and a solar retailer;

114 (b) for the customer's purchase of electricity generated by a residential solar energy
115 system owned by the solar retailer; and

116 (c) that provides for the customer to make payments over a term of at least five years.

117 [~~(4)~~] (8) "Residential solar energy system":

118 (a) means a solar energy system that:

119 (i) is installed in the state;

120 (ii) generates electricity primarily for on-site consumption for personal, family, or
121 household purposes;

122 (iii) is situated on no more than four units of residential real property; and

123 (iv) has an electricity delivery capacity that exceeds one kilowatt; and

124 (b) does not include a generator that:

125 (i) produces electricity; and

126 (ii) is intended for occasional use.

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

128 (a) enters into a business relationship with a solar retailer to sell or attempt to sell a solar
129 energy system through direct contact with customers and potential customers; and

130 (b) as part of the business relationship described in Subsection (9)(a), is compensated, in
131 whole or in part, by commission.

132 [(5)] (10) "Solar agreement" means a system purchase agreement, a system lease agreement,
133 or a power purchase agreement.

134 [(6)] (11) "Solar energy system" means a system or configuration of solar energy devices
135 that collects and uses solar energy to generate electricity.

136 [(7)] (12) "Solar retailer" means a person who:

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

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

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

142 [(8)] (13) "System lease agreement" means an agreement:

143 (a) under which a customer leases a residential solar energy system from a solar retailer;
144 and

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

147 [(9)] (14) "System purchase agreement" means an agreement under which a customer
148 purchases a residential solar energy system from a solar retailer.

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

150 **13-52-202 (Effective 05/07/25). Contents of disclosure statement for any solar**
151 **agreement.**

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

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

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

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

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

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

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

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

- 200 value of that power.";
- 201 (4) ~~[a notice describing any right a customer has under Section 13-52-207, and any other~~
202 ~~applicable law to cancel or rescind a solar agreement;]~~ the notice described in Subsection
203 13-11-4(2)(m) or Subsection 13-26-5(2)(a), if applicable;
- 204 (5) a statement describing the system and indicating the system design assumptions,
205 including the make and model of the solar panels and inverters, system size, positioning
206 of the panels on the customer's property, estimated first-year energy production, and
207 estimated annual energy production degradation, including the overall percentage
208 degradation over the term of the solar agreement or, at the solar retailer's option, over
209 the estimated useful life of the system;
- 210 (6) a description of any warranty, representation, or guarantee of energy production of the
211 system;
- 212 (7) the approximate start and completion dates for the installation of the system;
- 213 (8) ~~[a statement that the solar retailer may not begin installation of the system until at least~~
214 ~~four business days after the day on which the solar retailer and customer enter into a~~
215 ~~contract;]~~ the statement: "The solar retailer may not begin installation of the system until
216 at least four business days after the day on which the solar retailer and customer enter
217 into a contract.";
- 218 (9)(a) ~~[a statement indicating whether any warranty or maintenance obligations related~~
219 ~~to the system may be transferred by the solar retailer to a third party and, if so, a~~
220 ~~statement with substantially the following form and content]~~ a statement indicating
221 whether any warranty or maintenance obligations related to the system may be
222 transferred by the solar retailer to a third party; and
- 223 (b) if any warranty or maintenance obligations related to the system may be transferred
224 by the solar retailer to a third party, the statement: "The maintenance and repair
225 obligations under your contract may be assigned or transferred without your consent
226 to a third party who will be bound to all the terms of the contract. If a transfer occurs,
227 you will be notified of any change to the address, email address, or phone number to
228 use for questions or payments or to request system maintenance or repair.";
- 229 (10) if the solar retailer will not obtain customer approval to connect the system to the
230 customer's utility, a statement to that effect and a description of what the customer must
231 do to interconnect the system to the utility;
- 232 (11) a description of any roof penetration warranty or other warranty that the solar retailer
233 provides the customer or a statement, in bold capital letters, that the solar retailer does

- 234 not provide any warranty;
- 235 (12) a statement indicating whether the solar retailer will make a fixture filing or other
 236 notice in the county real property records covering the system, including a Notice of
 237 Independently Owned Solar Energy System, and any fees or other costs associated with
 238 the filing that ~~[may be charged to]~~ the solar retailer may charge the customer;
- 239 (13) a statement in capital letters with ~~[substantially]~~the following form and content: "NO
 240 EMPLOYEE OR REPRESENTATIVE OF [name of solar retailer] IS AUTHORIZED
 241 TO MAKE ANY PROMISE TO YOU THAT IS NOT CONTAINED IN THIS
 242 DISCLOSURE STATEMENT CONCERNING COST SAVINGS, TAX BENEFITS,
 243 OR GOVERNMENT OR UTILITY INCENTIVES. YOU SHOULD NOT RELY
 244 UPON ANY PROMISE OR ESTIMATE THAT IS NOT INCLUDED IN THIS
 245 DISCLOSURE STATEMENT.";
- 246 (14) a statement in capital letters with substantially the following form and content: "[name
 247 of solar retailer] IS NOT AFFILIATED WITH ANY UTILITY COMPANY OR
 248 GOVERNMENT AGENCY. NO EMPLOYEE OR REPRESENTATIVE OF [name of
 249 solar retailer] IS AUTHORIZED TO CLAIM AFFILIATION WITH A UTILITY
 250 COMPANY OR GOVERNMENT AGENCY."; and
- 251 (15) any additional information, statement, or disclosure the solar retailer considers
 252 appropriate, as long as the additional information, statement, or disclosure does not have
 253 the purpose or effect of obscuring the disclosures required under this part.

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

255 **13-52-206 (Effective 05/07/25). Good faith estimate -- Obligation to repair.**

- 256 (1) A solar retailer that does not have, at the time of providing a disclosure statement
 257 required ~~[in]~~ by Subsection 13-52-201(1), ~~[have]~~ information required under Section
 258 13-52-202, 13-52-203, 13-52-204, or 13-52-205 to be included in the disclosure
 259 statement may make a good faith estimate of that information to the customer, if the
 260 solar retailer clearly indicates that the information is an estimate and provides the basis
 261 for the estimate.
- 262 (2) For 18 months after the day on which a solar energy system begins producing usable
 263 power, a customer may notify the solar retailer that the solar energy system is producing
 264 less than 80% of the solar retailer's good faith estimate of energy production.
- 265 (3)(a) A solar retailer that receives a notification described in Subsection (2) shall repair
 266 or improve a solar energy system's performance so that the solar energy system
 267 produces 90% or more of the original estimated energy production.

268 (b) A solar retailer shall make the repairs or improvements described in Subsection
 269 (3)(a) within six months after the day on which the solar retailer receives notification
 270 from a customer.

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

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

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

276 **13-52-302 (Effective 05/06/26). Registration and security required.**

277 (1)(a) Each solar retailer shall register annually with the division before selling a
 278 residential solar energy system if:

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

280 (A) is domiciled in this state; or

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

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

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

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

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

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

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

294 (i) a valid Utah driver license;

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

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

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

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

- 302 (i) a performance bond issued by a surety authorized to transact surety business in
303 this state; or
- 304 (ii) a certificate of deposit held in this state in a financial institution authorized under
305 the laws of this state or the United States to accept deposits from the public.
- 306 (b) A solar retailer's bond or certificate of deposit shall be payable to the division for the
307 benefit of any customer who incurs damages as the result of the solar retailer's failure
308 to comply with this chapter.
- 309 (c) After the customer has recovered full damages, the division may recover from the
310 bond or certificate of deposit any administrative fines, civil penalties, investigative
311 costs, attorney fees, and other costs of collecting and distributing funds under this
312 section.
- 313 (d) A solar retailer shall keep a bond or certificate of deposit in force for two years after
314 the day on which the seller notifies the division in writing that the seller has ceased
315 all activities regulated by this chapter.
- 316 (e) The solar retailer shall post a bond or certificate of deposit in the amount of:
- 317 (i) \$100,000 if:
- 318 (A) neither the solar retailer nor any affiliated person has violated this chapter in
319 the three-year period immediately before the day on which the seller files the
320 application; and
- 321 (B) the solar retailer has fewer than 10 employees;
- 322 (ii) \$200,000 if:
- 323 (A) neither the solar retailer nor any affiliated person has violated this chapter in
324 the three-year period immediately before the day on which the solar retailer
325 files the application; and
- 326 (B) the solar retailer has 10 or more employees; or
- 327 (iii) \$300,000 if the solar retailer or any affiliated person has violated this chapter in
328 the three-year period immediately before the day on which the solar retailer files
329 the application.
- 330 (f) For purposes of this section, damages incurred by a customer include:
- 331 (i) labor and materials necessary to complete the installation of a solar energy system
332 that is partially installed; and
- 333 (ii) damage to a customer's home caused during installation or repair of the solar
334 energy system.
- 335 (g) A solar retailer violates this chapter each time the solar retailer sells a solar energy

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

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

367 **Part 4. Sales Representative**

368 **13-52-401 (Effective 05/07/25). Sales representative relationship.**

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

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

371 **Part 5. Financial Obligations**

372 **13-52-501 (Effective 05/07/25). Customer financial obligations.**

373 (1) A customer has no financial obligation related to the solar energy system until the solar
374 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.