

Colin W. Jack proposes the following substitute bill:

Residential Solar Panel Consumer Protection Amendments

2025 GENERAL SESSION

STATE OF UTAH

Chief Sponsor: Colin W. Jack

Senate Sponsor: Scott D. Sandall

LONG TITLE

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:

None

Utah Code Sections Affected:

AMENDS:

13-2-1, as last amended by Laws of Utah 2024, Chapter 132

13-52-102, as enacted by Laws of Utah 2018, Chapter 290

13-52-202, as last amended by Laws of Utah 2024, Chapter 136

29 **13-52-206**, as enacted by Laws of Utah 2018, Chapter 290

30 ENACTS:

31 **13-52-302**, Utah Code Annotated 1953

32 **13-52-401**, Utah Code Annotated 1953

33 **13-52-501**, Utah Code Annotated 1953

34

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

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

37 **13-2-1 . Consumer protection division established -- Functions.**

38 (1) There is established within the Department of Commerce the Division of Consumer
39 Protection..

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

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

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

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

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

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

46 (f) Chapter 22, Charitable Solicitations Act;

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

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

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

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

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

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

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

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

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

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

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

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

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

61 (t) Chapter 56, Ticket Transferability Act;

62 (u) Chapter 57, Maintenance Funding Practices Act;

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

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

84 **CHAPTER 52. RESIDENTIAL SOLAR ENERGY CONSUMER PROTECTION**

85

ACT

86 **13-52-102 . Definitions.**

87 As used in this chapter:

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

- 95 ~~[(2)]~~ (3) "Division" means the Division of Consumer Protection, established in Section
 96 13-2-1.
- 97 (4)(a) "Employee" means an individual whose compensation for federal income tax
 98 purposes is reported, or is required to be reported, on a W-2 form the employer issues.
 99 (b) "Employee" does not include an independent contractor whose manner and means of
 100 work performance are not subject to direction, supervision, or instruction from the
 101 person who employed the independent contractor.
- 102 (5) "Estimated energy production" means the solar retailer's estimate, measured by
 103 kilowatt-hour, of how much energy the residential solar energy system will produce.
- 104 (6) "Participant" means an owner, officer, director, member or manager of a limited liability
 105 company, principal, trustee, general or limited partner, sole proprietor, or an individual,
 106 with a controlling interest in an entity.
- 107 ~~[(3)]~~ (7) "Power purchase agreement" means an agreement:
 108 (a) between a customer and a solar retailer;
 109 (b) for the customer's purchase of electricity generated by a residential solar energy
 110 system owned by the solar retailer; and
 111 (c) that provides for the customer to make payments over a term of at least five years.
- 112 ~~[(4)]~~ (8)(a) "Residential solar energy system" ~~[:]~~ means a solar energy system that:
 113 ~~[(a) means a solar energy system that:]~~
 114 (i) is installed in the state;
 115 (ii) generates electricity primarily for on-site consumption for personal, family, or
 116 household purposes;
 117 (iii) is situated on no more than four units of residential real property; and
 118 (iv) has an electricity delivery capacity that exceeds one kilowatt~~[:and]~~ .
- 119 (b) "Residential solar energy system" does not include a generator that:
 120 (i) produces electricity; and
 121 (ii) is intended for occasional use.
- 122 (9) "Sales representative" means an individual who:
 123 (a) enters into a business relationship with a solar retailer to sell or attempt to sell a
 124 residential solar energy system through direct contact with customers and potential
 125 customers; and
 126 (b) as part of the business relationship described in Subsection (9)(a), is compensated, in
 127 whole or in part, by commission.
- 128 ~~[(5)]~~ (10) "Solar agreement" means a system purchase agreement, a system lease agreement,

129 or a power purchase agreement.

130 [(6)] (11) "Solar energy system" means a system or configuration of solar energy devices
131 that collects and uses solar energy to generate electricity.

132 [(7)] (12) "Solar retailer" means a person who:

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

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

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

138 [(8)] (13) "System lease agreement" means an agreement:

139 (a) under which a customer leases a residential solar energy system from a solar retailer;
140 and

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

143 [(9)] (14) "System purchase agreement" means an agreement under which a customer
144 purchases a residential solar energy system from a solar retailer.

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

146 **13-52-202 . Contents of disclosure statement for any solar agreement.**

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

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

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

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

154 (ii) at the discretion of the solar retailer, the estimated projected savings over any
155 longer period not to exceed the anticipated 20-year useful life of the residential
156 solar energy system;

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

159 (i) if an annual electricity rate increase is assumed, the rate of the [~~increase~~] assumed
160 increase, which may not be greater than 3%, and the solar retailer's basis for the
161 assumption of the rate increase;

162 (ii) the potential customer's eligibility for or receipt of tax credits or other

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

- 197 (4) ~~[a notice describing any right a customer has under Section 13-52-207, and any other~~
198 ~~applicable law to cancel or rescind a solar agreement;]~~ the notice described in Subsection
199 13-11-4(2)(m) or Subsection 13-26-5(2)(a), if applicable;
- 200 (5) a statement describing the solar energy system and indicating the solar energy system
201 design assumptions, including the make and model of the solar panels and inverters,
202 solar energy system size, positioning of the panels on the customer's property, estimated
203 first-year energy production, and estimated annual energy production degradation,
204 including the overall percentage degradation over the term of the solar agreement or, at
205 the solar retailer's option, over the estimated useful life of the solar energy system;
- 206 (6) a description of any warranty, representation, or guarantee of energy production of the
207 solar energy system;
- 208 (7) the approximate start and completion dates for the installation of the solar energy
209 system;
- 210 (8) ~~[a statement that the solar retailer may not begin installation of the system until at least~~
211 ~~four business days after the day on which the solar retailer and customer enter into a~~
212 ~~contract;]~~ the statement: "The solar retailer may not begin installation of the system until
213 at least four business days after the day on which the solar retailer and customer enter
214 into a contract.";
- 215 (9)(a) ~~[a statement indicating whether any warranty or maintenance obligations related~~
216 ~~to the system may be transferred by the solar retailer to a third party and, if so, a~~
217 ~~statement with substantially the following form and content]~~ a statement indicating
218 whether the solar retailer may transfer any warranty or maintenance obligations
219 related to the solar energy system to a third party; and
- 220 (b) if the solar retailer may transfer any warranty or maintenance obligations related to
221 the solar energy system, the statement: "The maintenance and repair obligations
222 under your contract may be assigned or transferred without your consent to a third
223 party who will be bound to all the terms of the contract. If a transfer occurs, you will
224 be notified of any change to the address, email address, or phone number to use for
225 questions or payments or to request solar energy system maintenance or repair.";
- 226 (10) if the solar retailer will not obtain customer approval to connect the solar energy
227 system to the customer's utility, a statement to that effect and a description of what the
228 customer must do to interconnect the solar energy system to the utility;
- 229 (11) a description of any roof penetration warranty or other warranty that the solar retailer
230 provides the customer or a statement, in bold capital letters, that the solar retailer does

- 231 not provide any warranty;
- 232 (12) a statement indicating whether the solar retailer will make a fixture filing or other
 233 notice in the county real property records covering the solar energy system, including a
 234 Notice of Independently Owned Solar Energy System, and any fees or other costs
 235 associated with the filing that ~~[may be charged to]~~ the solar retailer may charge the
 236 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) a statement with the name and contact information of the person that will perform the
 250 installation;
- 251 (16) a notice that the solar retailer may not sell the contract to another solar company
 252 without express customer approval;
- 253 (17) a conspicuous list of:
- 254 (a) finance fees, including those not charged directly to the customer; and
 255 (b) solar energy system operation and maintenance that the customer is obligated to
 256 perform to comply with the terms of the guarantee of the minimum energy
 257 production; and
- 258 ~~[(15)]~~ (18) any additional information, statement, or disclosure the solar retailer considers
 259 appropriate, as long as the additional information, statement, or disclosure does not have
 260 the purpose or effect of obscuring the disclosures required under this part.
- 261 Section 4. Section **13-52-206** is amended to read:
- 262 **13-52-206 . Good faith estimate -- Obligation to repair.**
- 263 (1) A solar retailer that does not have, at the time of providing a disclosure statement
 264 required ~~in~~ by Subsection 13-52-201(1), [have] information required under Section

265 13-52-202, 13-52-203, 13-52-204, or 13-52-205 to be included in the disclosure
266 statement may make a good faith estimate of that information to the customer, if the
267 solar retailer clearly indicates that the information is an estimate and provides the basis
268 for the estimate.

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

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

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

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

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

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

285 **13-52-302 . Registration and security required.**

286 (1)(a)

287 Beginning January 1, 2026, each solar retailer shall register annually with the
288 division before selling a residential solar energy system.

289 (b) A solar retailer that is operating in this state on January 1, 2026, shall complete
290 registration with the division by July 1, 2026.

291 (c) The division may extend the period for which a solar retailer's registration is
292 effective so that expiration dates are staggered throughout the year.

293 (2)(a) A solar retailer shall submit an application for registration to the division in a
294 manner the division establishes by rule in accordance with Title 63G, Chapter 3, Utah
295 Administrative Rulemaking Act, if:

296 (i) the solar retailer's sales representative communicates with customers or potential
297 customers in the state; or

298 (ii) the solar retailer, or the solar retailer's sales representative, conducts any business

- 299 operations in the state.
- 300 (b) The application for registration shall designate an agent residing in this state who is
301 authorized by the solar retailer to receive service of process in any action this state or
302 a resident of this state brings to the court.
- 303 (c) If a solar retailer fails to designate an agent to receive service or fails to appoint a
304 successor to the agent, the division shall deny the solar retailer's application for
305 registration.
- 306 (d) For purposes of this section only, the registered agent of a solar retailer shall provide
307 the division the registered agent's proof of residency in the state in the form of:
- 308 (i) a valid Utah driver license;
- 309 (ii) a valid governmental photo identification issued to a resident of this state; or
- 310 (iii) other verifiable identification indicating residency in this state.
- 311 (e) As a part of the registration, each solar retailer shall submit proof of obtaining and
312 maintaining the following security in a form approved by the division:
- 313 (i) a performance bond issued by a surety authorized to transact surety business in
314 this state; or
- 315 (ii) a certificate of deposit in a financial institution authorized under the laws of this
316 state or the United States to accept deposits from the public.
- 317 (f) Each registration is valid for one year beginning on the day on which the division
318 approves the solar retailer's registration.
- 319 (3)(a) The division shall impose an annual registration fee set in accordance with
320 Section 63J-1-504 that shall include the cost of the criminal background check
321 described in this Subsection (3).
- 322 (b) To register as a solar retailer, the solar retailer and the solar retailer's participants:
- 323 (i) may not have been convicted of a felony or misdemeanor involving theft, fraud, or
324 dishonesty, in the 10-year period immediately before the day on which the solar
325 retailer files the application; and
- 326 (ii) shall submit to the division:
- 327 (A) the participant's fingerprints, in a form acceptable to the division, for purposes
328 of a criminal background check;
- 329 (B) consent to a criminal background check by the Bureau of Criminal
330 Identification created in Section 53-10-201; and
- 331 (C) payment for the cost of the fingerprint card and criminal background check
332 described by Subsections (3)(b)(ii)(A) and (B).

- 333 (c) A solar retailer shall update registration information within 30 days after the day on
334 which information provided on the application becomes incorrect or incomplete.
- 335 (4)(a)(i) A solar retailer's bond or certificate of deposit shall be payable to the
336 division for the benefit of any customer who incurs damages as the result of the
337 solar retailer's failure to comply with this chapter.
- 338 (ii) For purposes of this section, damages incurred by a customer include:
- 339 (A) labor and materials necessary to complete the installation of a residential solar
340 energy system that is partially installed; and
- 341 (B) damage to a customer's home caused during installation or repair of the
342 residential solar energy system.
- 343 (b) After the customer recovers full damages, the division may recover from the bond or
344 certificate of deposit any administrative fines, civil penalties, investigative costs,
345 attorney fees, and other costs of collecting and distributing funds under this section.
- 346 (c) The solar retailer shall post a bond or certificate of deposit in the amount of:
- 347 (i) \$100,000 if:
- 348 (A) the solar retailer or any affiliated person has not violated this chapter in the
349 three-year period immediately before the day on which the solar retailer files
350 the application;
- 351 (B) the solar retailer has fewer than 10 employees; and
- 352 (C) the solar retailer sells less than 500,000 kilowatt-hours annually;
- 353 (ii) \$200,000 if:
- 354 (A) the solar retailer or any affiliated person has not violated this chapter in the
355 three-year period immediately before the day on which the solar retailer files
356 the application;
- 357 (B) the solar retailer has 10 or more employees; or
- 358 (C) the solar retailer sells less than 500,000 kilowatt-hours annually; or
- 359 (iii) \$300,000 if the solar retailer or any affiliated person has violated this chapter in
360 the three-year period immediately before the day on which the solar retailer files
361 the application.
- 362 (d)(i) A solar retailer that begins operation in this state after January 1, 2026, violates
363 this chapter each time the solar retailer sells a residential solar energy system
364 without registering with the division.
- 365 (ii) Beginning July 1, 2026, a solar retailer that operates in this state on January 1,
366 2026, violates this chapter each time the solar retailer sells a residential solar

367 energy system without registering with the division.

368 (5) The division director may deny, suspend, or revoke a solar retailer's registration if:

369 (a) a solar retailer or a solar retailer's participant:

370 (i) violated a statute enforced by the division within the preceding five years; or

371 (ii) fails to pay a fine or comply with a term of settlement with the division;

372 (b) the division claims the solar retailer's bond or certificate of deposit; or

373 (c) the division receives 10 or more complaints from consumers about the solar retailer

374 related to the solar energy system's energy production and finds substantial evidence

375 that the solar retailer has provided good faith estimates for residential solar energy

376 systems that do not produce 80% or more of the solar retailer's estimated energy

377 production.

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

379 **Part 4. Sales Representative**

380 **13-52-401 . Sales representative relationship.**

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

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

383 **Part 5. Financial Obligations**

384 **13-52-501 . Customer financial obligations.**

386 (1) A customer shall pay, on the date provided in the solar agreement, the costs of the solar
387 energy system's:

388 (a) design, not to exceed the greater of \$1,500 or 3% of the solar agreement;

389 (b) equipment procurement, not to exceed 25% of the solar agreement; and

390 (c) installation, not to exceed 25% of the solar agreement.

391 (2) The remaining balance of the solar agreement is due after the residential solar energy
392 system is initially activated and functioning.

393 Section 8. **Effective Date.**

394 This bill takes effect on May 7, 2025.