

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;
- provides an exception to the background check for a publicly traded corporation registered with the Securities and Exchange Commission;
- 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

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

ENACTS:

13-52-302, Utah Code Annotated 1953

13-52-501, Utah Code Annotated 1953

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

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

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

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

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

- (a) Chapter 10a, Music Licensing Practices Act;
- (b) Chapter 11, Utah Consumer Sales Practices Act;
- (c) Chapter 15, Business Opportunity Disclosure Act;
- (d) Chapter 20, New Motor Vehicle Warranties Act;
- (e) Chapter 21, Credit Services Organizations Act;
- (f) Chapter 22, Charitable Solicitations Act;
- (g) Chapter 23, Health Spa Services Protection Act;
- (h) Chapter 25a, Telephone and Facsimile Solicitation Act;
- (i) Chapter 26, Telephone Fraud Prevention Act;
- (j) Chapter 28, Prize Notices Regulation Act;
- (k) Chapter 32a, Pawnshop, Secondhand Merchandise, and Catalytic Converter Transaction Information Act;
- (l) Chapter 34, Utah Postsecondary School and State Authorization Act;
- (m) Chapter 41, Price Controls During Emergencies Act;
- (n) Chapter 42, Uniform Debt-Management Services Act;
- (o) Chapter 49, Immigration Consultants Registration Act;
- (p) Chapter 51, Transportation Network Company Registration Act;
- (q) Chapter 52, Residential Solar Energy [Disclosure] Consumer Protection Act;
- (r) Chapter 53, Residential, Vocational and Life Skills Program Act;
- (s) Chapter 54, Ticket Website Sales Act;
- (t) Chapter 56, Ticket Transferability Act;

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

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

CHAPTER 52. RESIDENTIAL SOLAR ENERGY CONSUMER PROTECTION

ACT

13-52-102 . Definitions.

As used in this chapter:

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

(c) purchases electricity under a power purchase agreement.

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

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

(ii) "Employee" includes:

(A) a sales representative; and

(B) an individual who sets appointments, discusses the benefits of solar energy, or interacts with a potential customer on behalf of the solar retailer.

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

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

(6) "Nameplate capacity" means the sum of the maximum rated outputs of all electrical generating equipment under specific conditions designated by the manufacturer, as indicated on the nameplate physically attached to the equipment.

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

~~[(3)]~~ (8) "Power purchase agreement" means an agreement:

(a) between a customer and a solar retailer;

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

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

~~[(4)]~~ (9)(a) "Residential solar energy system"[:] means a solar energy system that:

~~[(a) means a solar energy system that:]~~

(i) is installed in the state;

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

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

(iv) has an electricity delivery capacity that exceeds one kilowatt~~[:and]~~ .

(b) "Residential solar energy system" does not include a generator that:

- (i) produces electricity; and
- (ii) is intended for occasional use.

(10) "Sales representative" means an individual who:

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

~~[(5)]~~ (11) "Solar agreement" means a system purchase agreement, a system lease agreement, or a power purchase agreement.

~~[(6)]~~ (12) "Solar energy system" means a system or configuration of solar energy devices that collects and uses solar energy to generate electricity.

~~[(7)]~~ (13) "Solar retailer" means a person who:

- (a) sells or proposes to sell a residential solar energy system to a customer under a system purchase agreement;
- (b) owns the residential solar energy system that is the subject of a system lease agreement or proposed system lease agreement; or
- (c) sells or proposes to sell electricity to a customer under a power purchase agreement.

~~[(8)]~~ (14) "System lease agreement" means an agreement:

- (a) under which a customer leases a residential solar energy system from a solar retailer; and
- (b) that provides for the customer to make payments over a term of at least five years for the lease of the residential solar energy system.

~~[(9)]~~ (15) "System purchase agreement" means an agreement under which a customer purchases a residential solar energy system from a solar retailer.

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

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

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

- (1) a statement indicating that operations or maintenance services are not included as part of the solar agreement, if those services are not included as part of the solar agreement;
- (2) if the solar retailer provides any written estimate of the savings the potential customer is projected to realize from the residential solar energy system:
 - (a)(i) the estimated projected savings over the life of the solar agreement; and

- 163 (ii) at the discretion of the solar retailer, the estimated projected savings over any
164 longer period not to exceed the anticipated 20-year useful life of the residential
165 solar energy system;
- 166 (b) any material assumptions used to calculate estimated projected savings and the
167 source of those assumptions, including:
- 168 (i) if an annual electricity rate increase is assumed, the rate of the [increase] assumed
169 increase, which may not be greater than 3%, and the solar retailer's basis for the
170 assumption of the rate increase;
- 171 (ii) the potential customer's eligibility for or receipt of tax credits or other
172 governmental or utility incentives;
- 173 (iii) residential solar system production data, including production degradation;
- 174 (iv) the residential solar energy system's eligibility for interconnection under any net
175 metering or similar program;
- 176 (v) electrical usage and the residential solar energy system's designed offset of the
177 electrical usage;
- 178 (vi) historical utility costs paid by the potential customer;
- 179 (vii) any rate escalation affecting a payment between the potential customer and the
180 solar retailer; and
- 181 (viii) the costs associated with replacing equipment making up part of the residential
182 solar energy system or, if those costs are not assumed, a statement indicating that
183 those costs are not assumed; and
- 184 (c) [~~two~~] three separate statements in capital letters in close proximity to any written
185 estimate of projected savings, with substantially the following form and content:
- 186 (i) "THIS IS AN ESTIMATE. UTILITY RATES MAY GO UP OR DOWN AND
187 ACTUAL SAVINGS, IF ANY, MAY VARY. HISTORICAL DATA ARE NOT
188 NECESSARILY REPRESENTATIVE OF FUTURE RESULTS. FOR
189 FURTHER INFORMATION REGARDING RATES, CONTACT YOUR
190 LOCAL UTILITY OR THE STATE PUBLIC SERVICE COMMISSION."; [and]
- 191 (ii) "ESTIMATES OF ENERGY PRODUCTION GENERATED BY A
192 RESIDENTIAL SOLAR ENERGY SYSTEM MAY VARY. THE
193 RESIDENTIAL SOLAR ENERGY SYSTEM MAY PRODUCE MORE OR
194 LESS THAN THE ESTIMATED ENERGY PRODUCTION."; and
- 195 [(ii)] (iii) "TAX AND OTHER FEDERAL, STATE, AND LOCAL INCENTIVES
196 VARY AS TO REFUNDABILITY AND ARE SUBJECT TO CHANGE OR

- 197 TERMINATION BY LEGISLATIVE OR REGULATORY ACTION, WHICH
198 MAY IMPACT SAVINGS ESTIMATES. CONSULT A TAX PROFESSIONAL
199 FOR MORE INFORMATION.";
- 200 (3) ~~[a notice with substantially the following form and content: "Legislative or regulatory~~
201 ~~action may affect or eliminate your ability to sell or get credit for any excess power~~
202 ~~generated by the system, and may affect the price or value of that power.";~~ a notice
203 stating: "Legislative or regulatory action may affect or eliminate your ability to sell or
204 get credit for any excess power generated by the solar energy system, and may affect the
205 price or value of that power.";
- 206 (4) ~~[a notice describing any right a customer has under Section 13-52-207, and any other~~
207 ~~applicable law to cancel or rescind a solar agreement;]~~ the notice described in Subsection
208 13-11-4(2)(m) or Subsection 13-26-5(2)(a), if applicable;
- 209 (5) a statement describing the solar energy system and indicating the solar energy system
210 design assumptions, including the make and model of the solar panels and inverters,
211 solar energy system size, positioning of the panels on the customer's property, estimated
212 first-year energy production, and estimated annual energy production degradation,
213 including the overall percentage degradation over the term of the solar agreement or, at
214 the solar retailer's option, over the estimated useful life of the solar energy system;
- 215 (6) a description of any warranty, representation, or guarantee of energy production of the
216 solar energy system;
- 217 (7) the approximate start and completion dates for the installation of the solar energy
218 system;
- 219 (8) ~~[a statement that the solar retailer may not begin installation of the system until at least~~
220 ~~four business days after the day on which the solar retailer and customer enter into a~~
221 ~~contract;]~~ the statement: "The solar retailer may not begin installation of the system until
222 at least four business days after the day on which the solar retailer and customer enter
223 into a contract.";
- 224 (9)(a) ~~[a statement indicating whether any warranty or maintenance obligations related~~
225 ~~to the system may be transferred by the solar retailer to a third party and, if so, a~~
226 ~~statement with substantially the following form and content]~~ a statement indicating
227 whether the solar retailer may transfer any warranty or maintenance obligations
228 related to the solar energy system to a third party; and
- 229 (b) if the solar retailer may transfer any warranty or maintenance obligations related to
230 the solar energy system, the statement: "The maintenance and repair obligations

under your contract may be assigned or transferred without your consent to a third party who will be bound to all the terms of the contract. If a transfer occurs, you will be notified of any change to the address, email address, or phone number to use for questions or payments or to request solar energy system maintenance or repair.";

(10) if the solar retailer will not obtain customer approval to connect the solar energy system to the customer's utility, a statement to that effect and a description of what the customer must do to interconnect the solar energy system to the utility;

(11) a description of any roof penetration warranty or other warranty that the solar retailer provides the customer or a statement, in bold capital letters, that the solar retailer does not provide any warranty;

(12) a statement indicating whether the solar retailer will make a fixture filing or other notice in the county real property records covering the solar energy system, including a Notice of Independently Owned Solar Energy System, and any fees or other costs associated with the filing that ~~[may be charged to]~~ the solar retailer may charge the customer;

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

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

(15) a statement with the name and contact information of the person that will perform the installation;

(16) a notice that the solar retailer may not sell the contract to another solar company without express customer approval;

(17) a conspicuous list of:

(a) finance fees, including those not charged directly to the customer; and

(b) solar energy system operation and maintenance that the customer is obligated to

perform to comply with the terms of the guarantee of the minimum energy production; and

~~[(15)]~~ (18) any additional information, statement, or disclosure the solar retailer considers appropriate, as long as the additional information, statement, or disclosure does not have the purpose or effect of obscuring the disclosures required under this part.

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

13-52-206 . Good faith estimate -- Obligation to repair.

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

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

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

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

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

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

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

13-52-302 . Registration and security required.

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

(b) A solar retailer that is operating in this state on January 1, 2026, shall complete

registration with the division by July 1, 2026.

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

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

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

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

(b) The application for registration shall designate an agent residing in this state who is authorized by the solar retailer to receive service of process in any action this state or a resident of this state brings to the court.

(c) If a solar retailer fails to designate an agent to receive service or fails to appoint a successor to the agent, the division shall deny the solar retailer's application for registration.

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

(i) a valid Utah driver license;

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

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

(e) As a part of the registration, each solar retailer shall submit proof of obtaining and maintaining the following security in a form approved by the division:

(i) a performance bond issued by a surety authorized to transact surety business in this state; or

(ii) a certificate of deposit in a financial institution authorized under the laws of this state or the United States to accept deposits from the public.

(f) Each registration is valid for one year beginning on the day on which the division approves the solar retailer's registration.

(3)(a) The division shall impose an annual registration fee set in accordance with Section 63J-1-504 that shall include the cost of the criminal background check described in this Subsection (3).

(b) To register as a solar retailer, the solar retailer and the solar retailer's participants:

(i) may not have been convicted of a felony or misdemeanor involving theft, fraud, or

- 333 dishonesty, in the 10-year period immediately before the day on which the solar
334 retailer files the application; and
- 335 (ii) shall submit to the division:
- 336 (A) the participant's fingerprints, in a form acceptable to the division, for purposes
337 of a criminal background check;
- 338 (B) consent to a criminal background check by the Bureau of Criminal
339 Identification created in Section 53-10-201; and
- 340 (C) payment for the cost of the fingerprint card and criminal background check
341 described by Subsections (3)(b)(ii)(A) and (B).
- 342 (c) A solar retailer shall update registration information within 30 days after the day on
343 which information provided on the application becomes incorrect or incomplete.
- 344 (d) A solar retailer that is a publicly traded corporation registered with the Securities and
345 Exchange Commission is exempt from the requirements described in Subsection
346 (3)(b).
- 347 (4)(a)(i) A solar retailer's bond or certificate of deposit shall be payable to the
348 division for the benefit of any customer who incurs damages as the result of the
349 solar retailer's failure to comply with this chapter.
- 350 (ii) For purposes of this section, damages incurred by a customer include:
- 351 (A) labor and materials necessary to complete the installation of a residential solar
352 energy system that is partially installed; and
- 353 (B) damage to a customer's home caused during installation or repair of the
354 residential solar energy system.
- 355 (b) After the customer recovers full damages, the division may recover from the bond or
356 certificate of deposit any administrative fines, civil penalties, investigative costs,
357 attorney fees, and other costs of collecting and distributing funds under this section.
- 358 (c) The solar retailer shall post a bond or certificate of deposit in the amount of:
- 359 (i) \$100,000 if:
- 360 (A) the solar retailer or any affiliated person has not violated a chapter enforced
361 by the division, as described Section 13-2-1, in the three-year period
362 immediately before the day on which the solar retailer files the application;
- 363 (B) the solar retailer has fewer than 10 employees; and
- 364 (C) the solar retailer sells fewer than 500 kilowatts nameplate capacity annually;
- 365 (ii) \$200,000 if:
- 366 (A) the solar retailer or any affiliated person has not violated a chapter enforced

- 367 by the division, as described Section 13-2-1, in the three-year period
368 immediately before the day on which the solar retailer files the application;
369 (B) the solar retailer has 10 or more employees; or
370 (C) the solar retailer sells more than 500 kilowatts nameplate capacity annually; or
371 (iii) \$300,000 if the solar retailer or any affiliated person has violated a chapter
372 enforced by the division, as described Section 13-2-1, in the three-year period
373 immediately before the day on which the solar retailer files the application.
- 374 (d)(i) A solar retailer that is not operating in this state on January 1, 2026, but
375 operates after January 1, 2026, violates this chapter each time the solar retailer
376 sells a residential solar energy system without registering with the division.
- 377 (ii) Beginning July 1, 2026, a solar retailer that operates in this state on January 1,
378 2026, violates this chapter each time the solar retailer sells a residential solar
379 energy system without registering with the division.
- 380 (5) The division director may deny, suspend, or revoke a solar retailer's registration if:
381 (a) a solar retailer or a solar retailer's participant:
382 (i) violated a statute enforced by the division within the preceding five years; or
383 (ii) fails to pay a fine or comply with a term of settlement with the division;
384 (b) the division claims the solar retailer's bond or certificate of deposit; or
385 (c) the division receives 10 or more complaints from consumers about the solar retailer
386 related to the solar energy system's energy production and finds substantial evidence
387 that the solar retailer has provided good faith estimates for residential solar energy
388 systems that do not produce 80% or more of the solar retailer's estimated energy
389 production.

390 Section 6. Section **13-52-501** is enacted to read:

391 **Part 5. Financial Obligations**

392 **13-52-501 . Customer financial obligations.**

- 394 (1) A customer shall pay, on the date provided in the solar agreement, the costs of the solar
395 energy system's:
- 396 (a) design, not to exceed the greater of \$1,500 or 3% of the total cost of the solar
397 agreement;
- 398 (b) equipment procurement, not to exceed 25% of the total cost of the solar agreement;
399 and
- 400 (c) installation, not to exceed 80% of the total cost of the solar agreement inclusive of
401 payments due in accordance with Subsections (1)(a) and (1)(b).

402 (2) The customer shall pay the remaining balance of the solar agreement after the
403 residential solar energy system is producing usable energy.

404 Section 7. **Effective Date.**

405 This bill takes effect on May 7, 2025.