

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

29 **13-52-102**, as enacted by Laws of Utah 2018, Chapter 290
30 **13-52-202**, as last amended by Laws of Utah 2024, Chapter 136
31 **13-52-206**, as enacted by Laws of Utah 2018, Chapter 290

32 ENACTS:

33 **13-52-302**, Utah Code Annotated 1953
34 **13-52-401**, Utah Code Annotated 1953
35 **13-52-501**, Utah Code Annotated 1953

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

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

39 **13-2-1 . Consumer protection division established -- Functions.**

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

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

- 43 (a) Chapter 10a, Music Licensing Practices Act;
- 44 (b) Chapter 11, Utah Consumer Sales Practices Act;
- 45 (c) Chapter 15, Business Opportunity Disclosure Act;
- 46 (d) Chapter 20, New Motor Vehicle Warranties Act;
- 47 (e) Chapter 21, Credit Services Organizations Act;
- 48 (f) Chapter 22, Charitable Solicitations Act;
- 49 (g) Chapter 23, Health Spa Services Protection Act;
- 50 (h) Chapter 25a, Telephone and Facsimile Solicitation Act;
- 51 (i) Chapter 26, Telephone Fraud Prevention Act;
- 52 (j) Chapter 28, Prize Notices Regulation Act;
- 53 (k) Chapter 32a, Pawnshop, Secondhand Merchandise, and Catalytic Converter
54 Transaction Information Act;
- 55 (l) Chapter 34, Utah Postsecondary School and State Authorization Act;
- 56 (m) Chapter 41, Price Controls During Emergencies Act;
- 57 (n) Chapter 42, Uniform Debt-Management Services Act;
- 58 (o) Chapter 49, Immigration Consultants Registration Act;
- 59 (p) Chapter 51, Transportation Network Company Registration Act;
- 60 (q) Chapter 52, Residential Solar Energy [Disclosure] Consumer Protection Act;
- 61 (r) Chapter 53, Residential, Vocational and Life Skills Program Act;
- 62 (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) "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.

(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)(i) 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

(ii) as part of the business relationship described in Subsection (10)(a), is compensated, in whole or in part, by commission; or

(b) sets appointments or discusses the benefits of solar energy with a potential customer on behalf of a solar retailer.

[(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

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

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

- 197 FOR MORE INFORMATION.";
- 198 (3) ~~[a notice with substantially the following form and content: "Legislative or regulatory~~
199 ~~action may affect or eliminate your ability to sell or get credit for any excess power~~
200 ~~generated by the system, and may affect the price or value of that power.";~~ a notice
201 stating: "Legislative or regulatory action may affect or eliminate your ability to sell or
202 get credit for any excess power generated by the solar energy system, and may affect the
203 price or value of that power.";
- 204 (4) ~~[a notice describing any right a customer has under Section 13-52-207, and any other~~
205 ~~applicable law to cancel or rescind a solar agreement;]~~ the notice described in Subsection
206 13-11-4(2)(m) or Subsection 13-26-5(2)(a), if applicable;
- 207 (5) a statement describing the solar energy system and indicating the solar energy system
208 design assumptions, including the make and model of the solar panels and inverters,
209 solar energy system size, positioning of the panels on the customer's property, estimated
210 first-year energy production, and estimated annual energy production degradation,
211 including the overall percentage degradation over the term of the solar agreement or, at
212 the solar retailer's option, over the estimated useful life of the solar energy system;
- 213 (6) a description of any warranty, representation, or guarantee of energy production of the
214 solar energy system;
- 215 (7) the approximate start and completion dates for the installation of the solar energy
216 system;
- 217 (8) ~~[a statement that the solar retailer may not begin installation of the system until at least~~
218 ~~four business days after the day on which the solar retailer and customer enter into a~~
219 ~~contract;]~~ the statement: "The solar retailer may not begin installation of the system until
220 at least four business days after the day on which the solar retailer and customer enter
221 into a contract.";
- 222 (9)(a) ~~[a statement indicating whether any warranty or maintenance obligations related~~
223 ~~to the system may be transferred by the solar retailer to a third party and, if so, a~~
224 ~~statement with substantially the following form and content]~~ a statement indicating
225 whether the solar retailer may transfer any warranty or maintenance obligations
226 related to the solar energy system to a third party; and
- 227 (b) if the solar retailer may transfer any warranty or maintenance obligations related to
228 the solar energy system, the statement: "The maintenance and repair obligations
229 under your contract may be assigned or transferred without your consent to a third
230 party who will be bound to all the terms of the contract. If a transfer occurs, you will

- 231 be notified of any change to the address, email address, or phone number to use for
232 questions or payments or to request solar energy system maintenance or repair.";
- 233 (10) if the solar retailer will not obtain customer approval to connect the solar energy
234 system to the customer's utility, a statement to that effect and a description of what the
235 customer must do to interconnect the solar energy system to the utility;
- 236 (11) a description of any roof penetration warranty or other warranty that the solar retailer
237 provides the customer or a statement, in bold capital letters, that the solar retailer does
238 not provide any warranty;
- 239 (12) a statement indicating whether the solar retailer will make a fixture filing or other
240 notice in the county real property records covering the solar energy system, including a
241 Notice of Independently Owned Solar Energy System, and any fees or other costs
242 associated with the filing that ~~[may be charged to]~~ the solar retailer may charge the
243 customer;
- 244 (13) a statement in capital letters with ~~[substantially]~~the following form and content: "NO
245 EMPLOYEE OR REPRESENTATIVE OF [name of solar retailer] IS AUTHORIZED
246 TO MAKE ANY PROMISE TO YOU THAT IS NOT CONTAINED IN THIS
247 DISCLOSURE STATEMENT CONCERNING COST SAVINGS, TAX BENEFITS,
248 OR GOVERNMENT OR UTILITY INCENTIVES. YOU SHOULD NOT RELY
249 UPON ANY PROMISE OR ESTIMATE THAT IS NOT INCLUDED IN THIS
250 DISCLOSURE STATEMENT.";
- 251 (14) a statement in capital letters with substantially the following form and content: "[name
252 of solar retailer] IS NOT AFFILIATED WITH ANY UTILITY COMPANY OR
253 GOVERNMENT AGENCY. NO EMPLOYEE OR REPRESENTATIVE OF [name of
254 solar retailer] IS AUTHORIZED TO CLAIM AFFILIATION WITH A UTILITY
255 COMPANY OR GOVERNMENT AGENCY.";[-and]
- 256 (15) a statement with the name and contact information of the person that will perform the
257 installation;
- 258 (16) a notice that the solar retailer may not sell the contract to another solar company
259 without express customer approval;
- 260 (17) a conspicuous list of:
- 261 (a) finance fees, including those not charged directly to the customer; and
262 (b) solar energy system operation and maintenance that the customer is obligated to
263 perform to comply with the terms of the guarantee of the minimum energy
264 production; and

265 [(15)] (18) any additional information, statement, or disclosure the solar retailer considers
266 appropriate, as long as the additional information, statement, or disclosure does not have
267 the purpose or effect of obscuring the disclosures required under this part.

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

269 **13-52-206 . Good faith estimate -- Obligation to repair.**

270 (1) A solar retailer that does not have, at the time of providing a disclosure statement
271 required ~~[in]~~ by Subsection 13-52-201(1), ~~[have-]~~ information required under Section
272 13-52-202, 13-52-203, 13-52-204, or 13-52-205 to be included in the disclosure
273 statement may make a good faith estimate of that information to the customer, if the
274 solar retailer clearly indicates that the information is an estimate and provides the basis
275 for the estimate.

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

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

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

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

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

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

292 **13-52-302 . Registration and security required.**

293 (1)(a) On or after July 1, 2026, a solar retailer may not operate in this state without being
294 registered with the division.

295 (b) The registration is valid for one year except as provided in Subsection (1)(c).

296 (c) The division may extend the period for which a solar retailer's registration is
297 effective by up to six months so that expiration dates are staggered throughout the
298 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.
- (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 dishonesty, in the 10-year period immediately before the day on which the solar retailer files the application; and
 - (ii) shall submit to the division:
 - (A) the participant's fingerprints, in a form acceptable to the division, for purposes of a criminal background check;

- 333 (B) consent to a criminal background check by the Bureau of Criminal
334 Identification created in Section 53-10-201; and
- 335 (C) payment for the cost of the fingerprint card and criminal background check
336 described by Subsections (3)(b)(ii)(A) and (B).
- 337 (c) A solar retailer shall update registration information within 30 days after the day on
338 which information provided on the application becomes incorrect or incomplete.
- 339 (d) A solar retailer that is a publicly traded corporation registered with the Securities and
340 Exchange Commission is exempt from the requirements described in Subsection
341 (3)(b).
- 342 (4)(a)(i) The division may claim a solar retailer's bond or certificate of deposit for the
343 benefit of any customer who incurs damages as the result of the solar retailer's
344 failure to comply with this chapter.
- 345 (ii) For purposes of this section, damages incurred by a customer include:
- 346 (A) labor and materials necessary to complete the installation of a residential solar
347 energy system that is partially installed; and
- 348 (B) damage to a customer's home caused during installation or repair of the
349 residential solar energy system.
- 350 (b) After the customer recovers full damages, the division may recover from the bond or
351 certificate of deposit any administrative fines, civil penalties, investigative costs,
352 attorney fees, and other costs of collecting and distributing funds under this section.
- 353 (c) The solar retailer shall post a bond or certificate of deposit in the amount of:
- 354 (i) \$100,000 if:
- 355 (A) the solar retailer or any affiliated person has not violated a chapter enforced
356 by the division, as described Section 13-2-1, in the three-year period
357 immediately before the day on which the solar retailer files the application;
- 358 (B) the solar retailer has fewer than ten employees; and
- 359 (C) the solar retailer sells fewer than 500 kilowatts nameplate capacity annually;
- 360 (ii) \$200,000 if:
- 361 (A) the solar retailer or any affiliated person has not violated a chapter enforced
362 by the division, as described Section 13-2-1, in the three-year period
363 immediately before the day on which the solar retailer files the application;
- 364 (B) the solar retailer has ten or more employees; or
- 365 (C) the solar retailer sells more than 500 kilowatts nameplate capacity annually; or
- 366 (iii) \$300,000 if the solar retailer or any affiliated person has violated a chapter

- 367 enforced 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 (d) Beginning July 1, 2026, a solar retailer that operates in this state violates this chapter
370 each time the solar retailer sells a residential solar energy system without first
371 registering with the division.
- 372 (5) The division director may deny, suspend, or revoke a solar retailer's registration if:
- 373 (a) a solar retailer or a solar retailer's participant:
- 374 (i) violated a statute enforced by the division within the preceding five years; or
375 (ii) fails to pay a fine or comply with a term of settlement with the division;
- 376 (b) the division claims the solar retailer's bond or certificate of deposit; or
- 377 (c) the division receives ten or more complaints from consumers about the solar retailer
378 related to the solar energy system's energy production and finds substantial evidence
379 that the solar retailer has provided good faith estimates for residential solar energy
380 systems that do not produce 80% or more of the solar retailer's estimated energy
381 production.

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

383 **Part 4. Sales Representative**

384 **13-52-401 . Sales representative relationship.**

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

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

387 **Part 5. Financial Obligations**

388 **13-52-501 . Customer financial obligations.**

- 390 (1) A customer shall pay, on the date provided in the solar agreement, the costs of the solar
391 energy system's:
- 392 (a) design, not to exceed the greater of \$1,500 or 3% of the total cost of the solar
393 agreement;
- 394 (b) equipment procurement, not to exceed 25% of the total cost of the solar agreement;
395 and
- 396 (c) installation, not to exceed 80% of the total cost of the solar agreement inclusive of
397 payments due in accordance with Subsections (1)(a) and (1)(b).
- 398 (2) A solar retailer may not collect the remaining balance of the solar agreement from a
399 customer until the residential solar energy system is producing usable energy.

400 Section 8. **Effective Date.**

401 This bill takes effect on May 7, 2025.