

31 by the residential solar energy system during the 12 consecutive months immediately
32 following the residential solar energy system's activation.

33 (2) "Commission" means compensation paid to a sales representative that is:

34 (a) directly tied to a residential solar energy transaction; and

35 (b) reported on the sales representative's W-2 form for federal income tax purposes.

36 [({2})] (3) "Customer" means a person who, for primarily personal, family, or household
37 purposes:

38 (a) purchases a residential solar energy system under a system purchase agreement;

39 (b) leases a residential solar energy system under a system lease agreement; or

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

41 [({3})] (4) "Division" means the Division of Consumer Protection, established in Section
42 13-2-1.

43 [({4})] (5)(a) "Employee" means an individual whose compensation for federal income tax
44 purposes is reported, or is required to be reported, on a W-2 form the employer issues.

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

48 [({5})] (6) "Estimated energy production" means the solar retailer's estimate, measured by
49 kilowatt-hour, of how much energy the residential solar energy system will produce.

50 (7) "Finance fee" means a fee associated with a loan for the purchase of a residential solar
51 energy system, including:

52 (a) dealer fees;

53 (b) lender buydown fees;

54 (c) origination fees;

55 (d) rate adjustment fees; and

56 (e) platform fees or administrative fees.

57 (8) "Financed system purchase agreement" means a system purchase agreement that
58 includes financing for the purchase of a residential solar energy system.

59 [({6})] (9) "Nameplate capacity" means the sum of the maximum rated outputs of all electrical
60 generating equipment under specific conditions designated by the manufacturer, as
61 indicated on the nameplate physically attached to the equipment.

62 [({7})] (10) "Participant" means an owner, officer, director, member or manager of a limited
63 liability company, principal, trustee, general or limited partner, sole proprietor, or an
64 individual, with a controlling interest in an entity.

65 [({8})] (11) "Power purchase agreement" means an agreement:
66 (a) between a customer and a solar retailer;
67 (b) for the customer's purchase of electricity generated by a residential solar energy
68 system owned by the solar retailer; and
69 (c) that provides for the customer to make payments over a term of at least five years.

70 [({9})] (12)(a) "Residential solar energy system" means a solar energy system that:
71 (i) is installed in the state;
72 (ii) generates electricity primarily for on-site consumption for personal, family, or
73 household purposes;
74 (iii) is situated on no more than four units of residential real property; and
75 (iv) has an electricity delivery capacity that exceeds one kilowatt.
76 (b) "Residential solar energy system" does not include a generator that:
77 (i) produces electricity; and
78 (ii) is intended for occasional use.

79 [({10})] (13) "Sales representative" means an individual who:
80 (a)(i) enters into a business relationship with a solar retailer to sell or attempt to sell a
81 residential solar energy system through direct contact with customers and
82 potential customers; and
83 (ii) as part of the business relationship described in Subsection [({10})(a)] (13)(a), is
84 compensated, in whole or in part, by commission; or
85 (b) sets appointments or discusses the benefits of solar energy with a potential customer
86 on behalf of a solar retailer.

87 [({11})] (14) "Solar agreement" means a system purchase agreement, a system lease
88 agreement, or a power purchase agreement.

89 [({12})] (15) "Solar energy system" means a system or configuration of solar energy devices
90 that collects and uses solar energy to generate electricity.

91 [({13})] (16) "Solar retailer" means a person who:
92 (a) sells or proposes to sell a residential solar energy system to a customer under a
93 system purchase agreement;
94 (b) owns the residential solar energy system that is the subject of a system lease
95 agreement or proposed system lease agreement; or
96 (c) sells or proposes to sell electricity to a customer under a power purchase agreement.

97 [({14})] (17) "System lease agreement" means an agreement:
98 (a) under which a customer leases a residential solar energy system from a solar retailer;

99 and

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

102 ~~[45]~~ (18) "System purchase agreement" means an agreement under which a customer
103 purchases a residential solar energy system from a solar retailer.

104 Section 2. Section **13-52-202** is amended to read:

105 **13-52-202 (Effective 05/06/26). Contents of disclosure statement for any solar
106 agreement.**

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

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

113 (a)(i) the estimated projected savings over the life of the solar agreement; and
114 (ii) at the discretion of the solar retailer, the estimated projected savings over any
115 longer period not to exceed the anticipated 20-year useful life of the residential
116 solar energy system;

117 (b) any material assumptions used to calculate estimated projected savings and the
118 source of those assumptions, including:
119 (i) if an annual electricity rate increase is assumed, the rate of the assumed increase,
120 which may not be greater than 3%, and the solar retailer's basis for the assumption
121 of the rate increase;
122 (ii) the potential customer's eligibility for or receipt of tax credits or other
123 governmental or utility incentives;

124 (iii) residential solar energy system production data, including production
125 degradation;

126 (iv) the residential solar energy system's eligibility for interconnection under any net
127 metering or similar program;

128 (v) electrical usage and the residential solar energy system's designed offset of the
129 electrical usage;

130 (vi) historical utility costs paid by the potential customer;

131 (vii) any rate escalation affecting a payment between the potential customer and the
132 solar retailer; and

133 (viii) the costs associated with replacing equipment making up part of the residential
134 solar energy system or, if those costs are not assumed, a statement indicating that
135 those costs are not assumed; and

136 (c) three separate statements in capital letters in close proximity to any written estimate
137 of projected savings, with substantially the following form and content:

138 (i) "THIS IS AN ESTIMATE. UTILITY RATES MAY GO UP OR DOWN AND
139 ACTUAL SAVINGS, IF ANY, MAY VARY. HISTORICAL DATA ARE NOT
140 NECESSARILY REPRESENTATIVE OF FUTURE RESULTS. FOR
141 FURTHER INFORMATION REGARDING RATES, CONTACT YOUR
142 LOCAL UTILITY OR THE STATE PUBLIC SERVICE COMMISSION.;"

143 (ii) "ESTIMATES OF ENERGY PRODUCTION GENERATED BY A
144 RESIDENTIAL SOLAR ENERGY SYSTEM MAY VARY. THE
145 RESIDENTIAL SOLAR ENERGY SYSTEM MAY PRODUCE MORE OR
146 LESS THAN THE ESTIMATED ENERGY PRODUCTION.;" and

147 (iii) "TAX AND OTHER FEDERAL, STATE, AND LOCAL INCENTIVES VARY
148 AS TO REFUNDABILITY AND ARE SUBJECT TO CHANGE OR
149 TERMINATION BY LEGISLATIVE OR REGULATORY ACTION, WHICH
150 MAY IMPACT SAVINGS ESTIMATES. CONSULT A TAX PROFESSIONAL
151 FOR MORE INFORMATION.;"

152 (3) a notice stating: "Legislative or regulatory action may affect or eliminate your ability to
153 sell or get credit for any excess power generated by the solar energy system, and may
154 affect the price or value of that power.;"

155 (4) the notice described in Subsection 13-11-4(2)(m) or Subsection 13-26-5(2)(a), if
156 applicable;

157 (5) a statement describing the solar energy system and indicating the solar energy system
158 design assumptions, including the make and model of the solar panels and inverters,
159 solar energy system size, positioning of the panels on the customer's property, estimated
160 first-year energy production, and estimated annual energy production degradation,
161 including the overall percentage degradation over the term of the solar agreement or, at
162 the solar retailer's option, over the estimated useful life of the solar energy system;

163 (6) a description of any warranty, representation, or guarantee of energy production of the
164 solar energy system;

165 (7) the approximate start and completion dates for the installation of the solar energy
166 system;

167 (8) the statement: "The solar retailer may not begin installation of the system until at least
168 four business days after the day on which the solar retailer and customer enter into a
169 contract.";

170 (9)(a) a statement indicating whether the solar retailer may transfer any warranty or
171 maintenance obligations related to the solar energy system to a third party; and
172 (b) if the solar retailer may transfer any warranty or maintenance obligations related to
173 the solar energy system, the statement: "The maintenance and repair obligations
174 under your contract may be assigned or transferred without your consent to a third
175 party who will be bound to all the terms of the contract. If a transfer occurs, you will
176 be notified of any change to the address, email address, or phone number to use for
177 questions or payments or to request solar energy system maintenance or repair.";

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

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

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

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

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

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

201 installation;

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

204 (17) a conspicuous list of:

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

206 (b) solar energy system operation and maintenance that the customer is obligated to
207 perform to comply with the terms of the guarantee of the minimum energy
208 production; [and]

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

212 (19) the name, North American Board of Certified Energy Practitioners certification
213 number, and employer of the sales representative who marketed, presented, or
214 negotiated the solar agreement with the customer;

215 (20) a statement that federal and state tax credits:

216 (a) have specific eligibility requirements;

217 (b) are not guaranteed; and

218 (c) may require consultation with a tax professional to determine qualification;

219 (21) the utility export credit structure and assumptions the solar retailer used to calculate
220 estimated bill savings; and

221 (22) if the residential solar energy system includes a battery storage component, a
222 description of:

223 (a) the battery's capacity;

224 (b) the battery's warranty terms; and

225 (c) expected battery degradation over time.

226 Section 3. Section **13-52-208** is enacted to read:

227 **13-52-208 (Effective 05/06/26). Prohibited sales practices.**

228 (1) A sales representative may not:

229 (a) present a solar agreement to a customer using only monthly payment comparisons
230 without disclosing the total cost of the residential solar energy system, except when
231 the solar agreement is a power purchase agreement;

232 (b) claim or imply that a customer's qualification for federal or state tax credits is
233 guaranteed;

234 (c) claim or imply that utility approval for interconnection or permission to operate is

235 guaranteed;

236 (d) claim affiliation with a utility company or government agency unless the solar
237 retailer is actually affiliated with the utility company or government agency; or

238 (e) provide incomplete or materially misleading information regarding:

239 (i) tax credits or other incentives;

240 (ii) utility export credits or rate structures; or

241 (iii) the residential solar energy system's estimated energy production.

242 (2) A violation of this section constitutes a deceptive act or practice under Title 13, Chapter
243 11, Utah Consumer Sales Practices Act.

244 Section 4. Section **13-52-401** is amended to read:

245 **13-52-401 (Effective 05/06/26). Sales representative relationship.**

246 (1) A sales representative shall be an employee of the solar retailer.

247 (2) A sales representative may not receive, without disclosure to the customer:

248 (a) marketing fees;

249 (b) consulting fees;

250 (c) lead generation fees;

251 (d) dealer fees or back-end bonuses;

252 (e) payments through a shell entity or intermediary; or

253 (f) any other compensation not reported on the sales representative's W-2 form for
254 federal income tax purposes.

255 (3) A solar agreement shall disclose:

256 (a) the exact amount of commission paid to the sales representative for the transaction;

257 (b) a statement that the sales representative receives no other compensation related to the
258 transaction except as disclosed under this Subsection (3); and

259 (c) an attestation by the solar retailer that the commission and any other compensation
260 disclosed under Subsection (3)(a) matches the solar retailer's payroll records.

261 (4) All compensation paid to a sales representative shall be reported on the sales
262 representative's W-2 form for federal income tax purposes.

263 (5) A solar retailer may not inflate equipment pricing to subsidize compensation prohibited
264 under Subsection (2).

265 (6)(a) A solar retailer shall disclose in a financed system purchase agreement all finance
266 fees, including:

267 (i) dealer fees;

268 (ii) lender buydown fees;

- (iii) origination fees;
 - (iv) rate adjustment fees; and
 - (v) platform fees or administrative fees.
- (b) A solar retailer may not conceal finance fees by:

 - (i) embedding the finance fees in inflated equipment pricing;
 - (ii) offsetting the finance fees through reductions not disclosed to the customer; or
 - (iii) redistributing the finance fees into sales compensation.
- (c) This Subsection (6) does not apply to a power purchase agreement or system lease agreement.

An agreement between a solar retailer and a sales organization for the sale of residential solar energy systems shall:

 - (a) be in writing;
 - (b) disclose commission structures; and
 - (c) prohibit all forms of indirect compensation described in Subsection (2).

Section 5. Section **13-52-402** is enacted to read:

13-52-402 (Effective 07/01/26). Sales representative requirements.

An individual may not act as a sales representative unless the individual holds an active certification from the North American Board of Certified Energy Practitioners.

A solar retailer may not enter into a solar agreement that was marketed, presented, or negotiated by an individual who does not hold an active certification from the North American Board of Certified Energy Practitioners.

- (a) A sales representative shall maintain a bond of at least \$25,000:

 - (i) issued by a surety authorized to transact surety business in this state; and
 - (ii) conditioned on:
 - (A) providing truthful and complete disclosures to customers;
 - (B) complying with the marketing standards described in this chapter;
 - (C) protecting customers from deceptive practices; and
 - (D) protecting solar retailers from financial misconduct by upstream sales organizations.
- (b) A claim against a bond described in Subsection (3)(a) may be made by:

 - (i) a customer;
 - (ii) a solar retailer;
 - (iii) a financing entity; or
 - (iv) the division.

303 **Section 6. Effective Date.**

304 (1) Except as provided in Subsection (2), this bill takes effect May 6, 2026.

305 (2) The actions affecting Section 13-52-402 (Effective 07/01/26) take effect on July 1, 2026.