

Trevor Lee proposes the following substitute bill:

Solar Energy Amendments

2026 GENERAL SESSION

STATE OF UTAH

Chief Sponsor: Trevor Lee

Senate Sponsor:

LONG TITLE

General Description:

This bill amends provisions of the Residential Solar Energy Disclosure Act.

Highlighted Provisions:

This bill:

- defines terms;
- requires certain additional disclosures in solar agreements;
- prohibits certain deceptive sales practices;
- requires disclosure of sales representative compensation and finance fees; and
- requires sales representatives to obtain certification and maintain a bond.

Money Appropriated in this Bill:

None

Other Special Clauses:

This bill provides a special effective date.

Utah Code Sections Affected:

AMENDS:

13-52-102, as last amended by Laws of Utah 2025, Chapter 181

13-52-202, as last amended by Laws of Utah 2025, Chapter 181

13-52-401, as enacted by Laws of Utah 2025, Chapter 181

ENACTS:

13-52-208, Utah Code Annotated 1953

13-52-402, Utah Code Annotated 1953

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

Section 1. Section **13-52-102** is amended to read:

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) "Commission" means compensation paid to a sales representative that is:
- (a) directly tied to a residential solar energy transaction; and
 - (b) reported on the sales representative's W-2 form for federal income tax purposes.
- [(2)] (3) "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.
- [(3)] (4) "Division" means the Division of Consumer Protection, established in Section 13-2-1.
- [(4)] (5)(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)] (6) "Estimated energy production" means the solar retailer's estimate, measured by kilowatt-hour, of how much energy the residential solar energy system will produce.
- (7) "Finance fee" means a fee associated with a loan for the purchase of a residential solar energy system, including:
- (a) dealer fees;
 - (b) lender buydown fees;
 - (c) origination fees;
 - (d) rate adjustment fees; and
 - (e) platform fees or administrative fees.
- (8) "Financed system purchase agreement" means a system purchase agreement that includes financing for the purchase of a residential solar energy system.
- [(6)] (9) "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)] (10) "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.

~~[(8)]~~ (11) "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.

~~[(9)]~~ (12)(a) "Residential solar energy system" 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.
- (b) "Residential solar energy system" does not include a generator that:
- (i) produces electricity; and
 - (ii) is intended for occasional use.

~~[(10)]~~ (13) "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)]~~ (13)(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.

~~[(11)]~~ (14) "Solar agreement" means a system purchase agreement, a system lease agreement, or a power purchase agreement.

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

(b) "Solar energy system" includes a battery storage component that stores electricity converted from solar energy.

~~[(13)]~~ (16) "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

97 agreement or proposed system lease agreement; or

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

99 ~~[(14)]~~ (17) "System lease agreement" means an agreement:

100 (a) under which a customer leases a residential solar energy system from a solar retailer;

101 and

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

104 ~~[(15)]~~ (18) "System purchase agreement" means an agreement under which a customer
105 purchases a residential solar energy system from a solar retailer.

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

107 **13-52-202 . Contents of disclosure statement for any solar agreement.**

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

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

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

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

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

120 (i) if an annual electricity rate increase is assumed, the rate of the assumed increase,
121 which may not be greater than 3%, and the solar retailer's basis for the assumption
122 of the rate increase;

123 (ii) the potential customer's eligibility for or receipt of tax credits or other
124 governmental or utility incentives;

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

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

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

- (vi) historical utility costs paid by the potential customer;
- (vii) any rate escalation affecting a payment between the potential customer and the solar retailer; and
- (viii) the costs associated with replacing equipment making up part of the residential solar energy system or, if those costs are not assumed, a statement indicating that those costs are not assumed; and
- (c) three separate statements in capital letters in close proximity to any written estimate of projected savings, with substantially the following form and content:
- (i) "THIS IS AN ESTIMATE. UTILITY RATES MAY GO UP OR DOWN AND ACTUAL SAVINGS, IF ANY, MAY VARY. HISTORICAL DATA ARE NOT NECESSARILY REPRESENTATIVE OF FUTURE RESULTS. FOR FURTHER INFORMATION REGARDING RATES, CONTACT YOUR LOCAL UTILITY OR THE STATE PUBLIC SERVICE COMMISSION.";
- (ii) "ESTIMATES OF ENERGY PRODUCTION GENERATED BY A RESIDENTIAL SOLAR ENERGY SYSTEM MAY VARY. THE RESIDENTIAL SOLAR ENERGY SYSTEM MAY PRODUCE MORE OR LESS THAN THE ESTIMATED ENERGY PRODUCTION."; and
- (iii) "TAX AND OTHER FEDERAL, STATE, AND LOCAL INCENTIVES VARY AS TO REFUNDABILITY AND ARE SUBJECT TO CHANGE OR TERMINATION BY LEGISLATIVE OR REGULATORY ACTION, WHICH MAY IMPACT SAVINGS ESTIMATES. CONSULT A TAX PROFESSIONAL FOR MORE INFORMATION.";
- (3) a notice stating: "Legislative or regulatory action may affect or eliminate your ability to sell or get credit for any excess power generated by the solar energy system, and may affect the price or value of that power.";
- (4) the notice described in Subsection 13-11-4(2)(m) or Subsection 13-26-5(2)(a), if applicable;
- (5) a statement describing the solar energy system and indicating the solar energy system design assumptions, including the make and model of the solar panels and inverters, solar energy system size, positioning of the panels on the customer's property, estimated first-year energy production, and estimated annual energy production degradation, including the overall percentage degradation over the term of the solar agreement or, at the solar retailer's option, over the estimated useful life of the solar energy system;
- (6) a description of any warranty, representation, or guarantee of energy production of the

solar energy system;

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

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

(9)(a) a statement indicating whether the solar retailer may transfer any warranty or maintenance obligations related to the solar energy system to a third party; and

(b) if the solar retailer may transfer any warranty or maintenance obligations related to 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 the solar retailer may charge the customer;

(13) a statement in capital letters with 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.";

(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]

(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[-] ;

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

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

(a) have specific eligibility requirements;

(b) are not guaranteed; and

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

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

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

(a) the battery's capacity;

(b) the battery's warranty terms; and

(c) expected battery degradation over time.

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

13-52-208 . Prohibited sales practices.

(1) A sales representative may not:

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

- (b) claim or imply that a customer's qualification for federal or state tax credits is guaranteed;
- (c) claim or imply that utility approval for interconnection or permission to operate is guaranteed;
- (d) claim affiliation with a utility company or government agency unless the solar retailer is actually affiliated with the utility company or government agency; or
- (e) provide incomplete or materially misleading information regarding:
 - (i) tax credits or other incentives;
 - (ii) utility export credits or rate structures; or
 - (iii) the residential solar energy system's estimated energy production.

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

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

13-52-401 . Sales representative relationship.

- (1) A sales representative shall be an employee of the solar retailer.
- (2) A sales representative may not receive, without disclosure to the customer:
 - (a) marketing fees;
 - (b) consulting fees;
 - (c) lead generation fees;
 - (d) dealer fees or back-end bonuses;
 - (e) payments through a shell entity or intermediary; or
 - (f) any other compensation not reported on the sales representative's W-2 form for federal income tax purposes.
- (3) A solar agreement shall disclose:
 - (a) the exact amount of commission paid to the sales representative for the transaction;
 - (b) a statement that the sales representative receives no other compensation related to the transaction except as disclosed under this Subsection (3); and
 - (c) an attestation by the solar retailer that the commission and any other compensation disclosed under Subsection (3)(a) matches the solar retailer's payroll records.
- (4) All compensation paid to a sales representative shall be reported on the sales representative's W-2 form for federal income tax purposes.
- (5) A solar retailer may not inflate equipment pricing to subsidize compensation prohibited under Subsection (2).
- (6)(a) A solar retailer shall disclose in a financed system purchase agreement all finance

fees, including:

(i) dealer fees;

(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.

(7) 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 . Sales representative requirements.

(1) 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.

(2) 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.

(3)(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;

301 (ii) a solar retailer;

302 (iii) a financing entity; or

303 (iv) the division.

304 Section 6. **Effective Date.**

305 This bill takes effect on July 1, 2026.