State Solar Contract Disclosure Requirements

Solar Consumer Protection Workshop
May 17, 2018
Solar Contract Disclosures

- Provisions, statements, or information that must be included in all executed solar contracts.
- These requirements may be adopted through legislation or through administrative rulemaking or adjudication.
- States have begun to adopt solar-specific contract disclosure requirements in the last five years.
- Fourteen states have taken action to date.
Federal Laws That Apply to Solar Contracting & Financing

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<td>Electronic marketing</td>
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<td>Equal Credit Opportunity Act</td>
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<td>Fair Credit Reporting Act</td>
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<td>Magnuson-Moss Warranty Act</td>
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<td>Right to Financial Privacy Act</td>
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<td>Truth in Lending Act</td>
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<td>Telephone Consumer Protection Act</td>
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<td>Unfair Deceptive Practices Act (UDAAP)</td>
<td>Misleading financial products and services</td>
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<td>Uniform Commercial Code</td>
<td>Sales and commercial transactions</td>
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*All 50 states have their own consumer protection laws prohibiting deceptive trade practices and all have adopted some variation of the Uniform Commercial Code.*
Solar installation is a transactive process so the point of sale (or lease or power purchase agreement) offers a place for states to ensure customers have access to key information and to guard against misleading or inaccurate sales representations.
States that Have Adopted Solar Disclosure Policies

- Arizona—Financing, leases, and sales contracts
- California—Financing, leases, and sales contracts
- Florida—Lease and sales contracts
- Hawaii—Community solar
- Illinois—All vendors participating in the state’s adjustable block program
- Maryland—Community solar
- Minnesota—Community solar
- Missouri—All Missouri electric IOUs
- New Mexico—Sales and third-party owned system contracts
- New York—Distributed energy resource suppliers
- Nevada—Leases, PPAs, and sales contracts
- North Carolina—Leases
- Utah—Leases, PPAs, and sales contracts
- Washington—Any person who sells or installs a solar module
Disclosure Forms and Checklists

- **Florida**—Disclosure forms for leases and sales contracts
- **Minnesota**—Community Solar Garden Subscriber Disclosure Checklists for Pay-As-You-Go and Pre-Paid Subscriptions
- **New Mexico**—Distributed Generation Disclosure Statement
- **Nevada**—Renewable energy contract disclosure requirements fact sheet
- **New York**—On-site and community distributed generation customer disclosure statements
Common Disclosure Requirements

- Consumer savings and future utility rates—States have addresses this in different ways. Many require disclosure of savings assumptions.
- Dispute resolution—Some states specify a process for customers to file complaints.
- Incentives—Most states require disclosure of incentives or rebates. Many also address the ownership or transfer of tax credits, rebates, and incentives.
- Interconnection—Some states require providers to tell the consumer which party is responsible for obtaining interconnection approval.
- Production guarantees
- Specified type-size for font
- Three-day rescission periods
- Warranties—may be related to installation, equipment, or roofs
Community Solar Consumer Protection

• Maryland, Minnesota, and Hawaii have adopted solar disclosure requirements specific to their community solar programs.

• Compared to rooftop solar, community solar is an abstract product. You will likely never see “your” panels.

• Every community solar project can be different, and customers can be left to figure out for themselves what “community solar” means in each case.

• In different cases, community solar customers are paying for different things:
  • Ownership of panels
  • Lease of panels
  • Electricity from certain panels
  • Portion of electricity from entire array
  • Other?
Industry Response

• Industry has responded differently to different state policies.

• Industry has testified against some state solar contract disclosure bills (e.g., Arizona, New Mexico).

• SEIA applauded Utah’s solar consumer protection bill.

• SEIA has noted that four states—Florida, Nevada, New Mexico, and Utah—have enacted legislation based on its solar consumer protection work.
Thank You

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https://www.cesa.org/projects/sustainable-solar/