

## Solar Consumer Protection Act (SBH 2156) Consumer Checklist

The Washington Solar Consumer Protection Act is intended to provide Washington solar installers with a “best practices” framework to follow when conducting their business. The aim is to support consumers in making informed decisions and ultimately ensure their satisfaction when they choose to invest in solar. To accomplish this, the bill provides a carefully thought-out list of details, guidance and explanations for solar salespeople and contractors to include within their consumer-facing contracts. It also sets forth specific requirements regarding contract language and specifications. According to the legislation, if a solar energy contractor or salesperson does not meet the requirements stated, they can be held responsible for any actual damages incurred by the customer due to their non-compliance.

### Highlights:

- No person may solicit using any statement or representation with regard to the costs, financing, terms, or conditions of purchase or installation of residential or commercial solar energy systems that is deceptive.
- Any entity offering to do work, submitting a bid, engaging in, conducting, or carrying on the business of installing, repairing, replacing, or maintaining residential or commercial solar energy systems for a total cost including labor and materials in excess of \$1,000 must be licensed as provided in RCW 19.28.041.
- Any entity designing residential or commercial solar energy systems for a total cost including labor and materials in excess of \$1,000 must be licensed as provided under RCW 19.28.041, or be a licensed design professional under chapter 18.08 or 18.43 RCW and practicing in their field of specific training and qualifications.
- The guidelines of the bill apply to, but are not limited to, the below solicitation methods:
  - Door-to-door contact
  - Telephone contact or text messages
  - Flyers left at a residence
  - Internet or social media advertisements
  - Other promotional advertisements which offer gifts, cash, or services if the customer contacts the solar energy contractor or solar energy salesperson
- All solar energy installation contracts must be written and include the requirements listed within the bill (see WASEIA’s Consumer Protection Bill Contract Checklist).
- If a customer exercises the rescission rights the solar energy contractor may not enforce the terms of the contract, including claims for labor or materials, and must terminate any security

interest or release any statutory lien created under the transaction within 20 days of receiving written rescission of the contract from the customer.

- It is the solar energy contractor's responsibility to notify the applicable electric utility of any equipment or design changes that occur during the performance of the solar energy installation contract.
- If the scope of work in the solar energy installation contract includes any type of roofing work, the solar energy contractor shall provide the customer separate invoices for the roofing work,
- A person, firm, partnership, corporation, or other entity which purchases or is otherwise assigned a solar energy installation contract is subject to all claims and defenses with respect to the contract that the customer could assert against the solar energy contractor. A person, firm, partnership, corporation, or other entity which sells or otherwise assigns a solar energy installation contract must include a prominent notice of the potential liability under this section.
- A solar energy contractor or solar energy salesperson who fails to substantially comply with the requirements of the bill is liable to the customer for any actual damages sustained by the customer as a result of the failure. Nothing in this section limits any cause of action or remedy available under chapter 19.86 RCW.

### **Contract Requirements**

All solar energy installation contracts in WA must be in writing and use the same language as was used in the sales presentation made to the customer, including any material contract terms from print or digital marketing material given to the customer.

Additionally, solar energy installation contracts in WA must include the following:

- Itemized list of work to be performed, including any known or anticipated electrical system upgrades or utility equipment upgrades that are necessary for installation;
- Any financing that is incorporated directly into the contract, which must be identified as a separate line item and conform to all state and federal consumer loan regulations and disclosure requirements, including terms, conditions, interest rates, annual percentage rate, the amortization schedule, and information on how the loan is secured;
- Disclosure of the exact amount paid, if any, by a solar energy contractor or solar energy salesperson to any lender or third-party financing company in the form of a dealer fee, or other similar inducement to obtain financing, irrespective of whether financing is incorporated within the contract or in conjunction with a third-party lender;
- The cost per watt calculated as the total contract amount, including labor and materials, for installing the solar energy system divided by the total direct current nameplate rating of the solar energy system;

- Detailed payment schedule based on project completion milestones that explains when payments are due, the customer's right to cancel the contract, and identifies the cancellation fees due at each milestone in the payment schedule;
- Model and brand name of major system components to be installed.
  - If any major system components change throughout the duration of the contract, those changes must be documented, the efficiency and warranty period of the new major system components must be provided, and the changes must be agreed upon in writing by the customer;
- Manufacturer's warranty period for each major system component of the solar energy system;
- Any ongoing operations and maintenance costs that are included in the contract;
- If the scope of work in the solar energy installation contract includes any type of roofing work, the solar energy installation contract must separately itemize and identify the cost of roofing tear-off and replacement;
- List of anticipated maintenance activities that the customer will need to perform in order to maintain the warranty and performance of the solar energy equipment;
- The solar energy system's first-year annual production projections in kilowatt-hours.
  - Must include:
    - The methodology and the nationally recognized, industry-standard tool used to develop the projections with the annual production projection data.
    - Projections must be based on site-specific considerations of each solar array, including location of the installation, orientation and angle of the panels, and on-site shading factors and must at a minimum account for the difference in production over the month of December versus the month of June.
    - Projections must not exceed the optimal inverter performance identified by the manufacturer of the inverter equipment identified in the contract.
- Explanation of what happens annually to any unused net metering or other applicable bill credits from on-site generation;
- Solar energy contractor's good faith estimate of projected electric bill savings from the solar energy system that the customer is expected to achieve over the first 12 months after interconnection,
  - The customer's current electric rate must be used in this calculation unless a rate change for the customer's applicable rate class has been approved and finalized for the applicable period. If the customer agrees, the relevant electric utility shall provide detailed electric use history to the solar energy contractor and may support calculation of the annual bill savings estimate;
- Name, business address, email address, and phone number of the primary solar energy salesperson, if different from the solar energy contractor;

- Name, business address, email address, contractor's license number of the solar energy contractor, and link to the Washington state department of labor and industries contractor verification tool;
- Statement as to whether all or part of the work is intended to be subcontracted to or performed by another person or entity other than the solar energy contractor's own workforce;
- The following recommendation in capital letters, which must be initialed by the customer acknowledging they have read and understand the recommendation provision:
  - "IF YOU INTEND TO OBTAIN A LOAN TO PAY FOR ALL OR PART OF THE CONTRACT, IT IS RECOMMENDED THAT YOU WAIT UNTIL RECEIVING FINANCIAL APPROVAL BEFORE SIGNING THIS SOLAR ENERGY INSTALLATION CONTRACT. IN ADDITION, IF YOU INTEND TO OBTAIN A LOAN TO PAY FOR ALL OR PART OF THE CONTRACT, IT IS RECOMMENDED THAT YOU VERIFY WHETHER LOAN PAYMENTS ARE DUE BEFORE THE SYSTEM IS OPERATIONAL. NOTHING IN THIS CONTRACT ALTERS YOUR RESPONSIBILITY TO PAY YOUR ELECTRIC UTILITY COMPANY FOR AMOUNTS DUE ON YOUR ELECTRIC BILL."
- The following rescission rights notice in capital letters, which must be initialed by the customer acknowledging they have read and understand the notice provision:
  - "CUSTOMER'S RIGHT TO CANCEL: YOU HAVE THE RIGHT TO CANCEL YOUR SOLAR ENERGY INSTALLATION CONTRACT WITHIN THREE BUSINESS DAYS OF CONTRACT SIGNING. YOUR NOTICE OF CANCELLATION MUST BE MADE IN WRITING AND EMAILED OR MAILED VIA CERTIFIED LETTER TO THE CONTACTS LISTED IN THIS CONTRACT."
- A statement clearly explaining whether the solar energy installation contract includes the cost of uninstalling and reinstalling the solar energy system if it is installed on the customer's roof and the roof must be replaced or repaired at a future date.
  - If the contract does not include the future cost of uninstalling and reinstalling the solar energy system to be installed on the customer's roof, the contract must include the following notice which must be initialed by the customer acknowledging they have read and understand the notice provision:
    - "Before you need to repair or replace your roof, review the warranties included in your solar energy installation contract to ensure you comply with them. You will be responsible for all costs and work needed to uninstall and reinstall the solar energy system and interconnect it with your utility company."
- The following notice which must be initialed by the customer acknowledging they have read and understand the notice provision:
  - "If you are a residential customer, you must have sufficient tax liability to utilize the residential clean energy credit. You will not receive these funds directly; you can only offset the taxes that you owe to the federal government. IF YOU ARE PARTICIPATING IN GOVERNMENT ASSISTANCE PROGRAMS OR ARE ON A FIXED INCOME, YOU MAY NOT BE ELIGIBLE FOR THIS TAX CREDIT. The cost of roof repairs should not be included in calculating

the tax credit. It is recommended that you consult a tax attorney if you are relying on the tax credit to afford the cost of the solar energy installation."

- Copy of the internal revenue service's current revision of form 5695 instructions for residential clean energy credit (part I) qualified solar electric property costs;
- Statement that it is the solar energy contractor's responsibility to install the system per manufacturer instructions, in compliance with the national electric code as enforced by the local jurisdiction, in compliance with local building codes, and in compliance with the applicable utility's interconnection standards;
- Copy of, or the uniform resource locator to, the applicable electric utility's interconnection application;
- Statement documenting which party is responsible for obtaining permission to operate from the utility;
- Statement that the addition of a solar energy system may affect the value of the structure as determined by the county assessor and any change in value may be reflected in annual property taxes;
- The below statement if the project does not include solar energy storage equipment and/or power conversion and control technologies designed and installed to provide backup power during a grid outage:
  - "A solar energy system will automatically disconnect the solar energy system from the utility grid in the event of a power outage to protect utility repair personnel from a risk of electric shock from the electricity that could otherwise flow into the utility distribution system from the solar energy system and that if this occurs, THE SOLAR ENERGY SYSTEM WILL NOT PROVIDE ANY ELECTRICITY TO THE CUSTOMER DURING THE POWER OUTAGE."

**The content provided is solely for informational purposes and should not be regarded as a comprehensive manual for the Solar Consumer Protection Act. It is advisable to review the entire text of the bill in order to have a complete understanding of your rights as a consumer.**