

House Bill 1494

By: Representatives Gullett of the 19th, Martin of the 49th, Anderson of the 10th, Momtahan of the 17th, and Gambill of the 15th

A BILL TO BE ENTITLED
AN ACT

1 To amend Chapter 3 of Title 46 of the Official Code of Georgia Annotated, relating to
2 electrical service, so as to require certain disclosures prior to the sale or lease of distributed
3 energy generation systems; to require a person installing such system to be licensed as an
4 electrical contractor; to provide for rules and regulations; to provide for penalties; to provide
5 for exceptions; to provide for definitions; to provide for related matters; to repeal conflicting
6 laws; and for other purposes.

7 BE IT ENACTED BY THE GENERAL ASSEMBLY OF GEORGIA:

8 **SECTION 1.**

9 Chapter 3 of Title 46 of the Official Code of Georgia Annotated, relating to electrical service,
10 is amended by adding a new article to read as follows:

11 "ARTICLE 5

12 46-3-600.

13 As used in this article, the term:

(1) 'Agreement' means a contract executed between a buyer or lessee and a seller that leases or sells a distributed energy generation system.

(2) 'Buyer' means a person who enters into an agreement to buy a distributed energy generation system from a seller.

(3) 'Distributed energy generation system' means a device or system that is used to generate or store electricity; that has an electric delivery capacity, individually or in connection with other similar devices or systems, of greater than one kilowatt or one kilowatt hour; and that is used primarily for on-site consumption. Such term shall not include an electric generator intended for occasional use.

(4) 'Lessee' means a person who enters into an agreement to lease or rent a distributed energy generation system.

(5) 'Seller' means a person regularly engaged in, and whose business substantially consists of, selling or leasing distributed energy generation systems, to buyers or lessees.

46-3-601.

Prior to installing any distributed energy system, any person engaged in the installation of distributed energy generation systems shall be licensed as an electrical contractor, pursuant to Chapter 14 of Title 43, and shall remain compliant with any applicable rules and regulations and the provisions of this article.

46-3-602.

(a) Any agreement governing the sale or lease of a distributed energy generation system shall, at a minimum, include a written statement printed in at least 12-point type that is separate from the agreement, is separately acknowledged by the buyer or lessee, and includes the following information and disclosures, if applicable:

(1) The name, address, telephone number, and email address of the buyer or lessee;

38 (2) The name, address, telephone number, email address, and valid state contractor
39 license number of the person responsible for installing the distributed energy generation
40 system;

41 (3) The name, address, telephone number, email address, and valid state contractor
42 license number of the distributed energy generation system maintenance provider, if
43 different from the person responsible for installing the distributed energy generation
44 system;

45 (4)(A) A written statement indicating whether the distributed energy generation system
46 is being purchased or leased.

47 (B) If the distributed energy generation system will be leased, the written statement
48 shall include a disclosure in substantially the following form: 'You are entering into an
49 agreement to lease a distributed energy generation system. You will lease (not own)
50 the system installed on your property.'

51 (C) If the distributed energy generation system will be purchased, the written statement
52 shall include a disclosure in substantially the following form: 'You are entering into an
53 agreement to purchase a distributed energy generation system. You will own (not
54 lease) the system installed on your property.';

55 (5) The total cost to be paid by the buyer or lessee, including any interest, installation
56 fees, document preparation fees, service fees, or other fees;

57 (6) A payment schedule, including any amounts owed at contract signing, at the
58 commencement of installation, at the completion of installation, and any final payments.
59 If the distributed energy generation system is being leased, the written statement must
60 include the frequency and amount of each payment due under the lease and the total
61 estimated lease payments over the term of the lease;

62 (7) Each state or federal tax incentive or rebate, if any, relied upon by the seller in
63 determining the price of the distributed energy generation system;

64 (8) A description of the assumptions used to calculate any savings estimates provided to
65 the buyer or lessee, and if such estimates are provided, a statement in substantially the
66 following form: 'It is important to understand that future electric utility rates are estimates
67 only. Your future electric utility rates may vary.';

68 (9) A description of any one-time or recurring fees, including, but not limited to,
69 estimated system removal fees, maintenance fees, internet connection fees, automated
70 clearinghouse fees, and circumstances triggering late fees, if any may apply;

71 (10) A statement notifying the buyer whether the distributed energy generation system
72 is being financed and, if so, a statement in substantially the following form: 'If your
73 system is financed, carefully read any agreements and/or disclosure forms provided by
74 your lender. This statement does not contain the terms of your financing agreement. If
75 you have any questions about your financing agreement, contact your finance provider
76 before signing a contract.';

77 (11) A statement notifying the buyer whether the seller is assisting in arranging financing
78 of the distributed energy generation system and, if so, a statement in substantially the
79 following form: 'If your system is financed, carefully read any agreements and/or
80 disclosure forms provided by your lender. This statement does not contain the terms of
81 your financing agreement. If you have any questions about your financing agreement,
82 contact your finance provider before signing a contract.';

83 (12) A provision notifying the buyer or lessee of the right to rescind the agreement for
84 a period of at least three business days after the agreement is signed. This paragraph shall
85 not apply to a contract to sell or lease a distributed energy generation system in a solar
86 community in which the entire community has been marketed as a solar community and
87 all of the homes in the community are intended to have a distributed energy generation
88 system;

89 (13) A description of the distributed energy generation system design assumptions,
90 including the make and model of the major components, system size, estimated first-year

energy production, and estimated annual energy production decreases, including the overall percentage degradation over the estimated life of the distributed energy generation system, and the status of utility compensation for excess energy generated by the system at the time of contract signing. A seller who provides a warranty or guarantee of the energy production output of the distributed energy generation system may provide a description of such warranty or guarantee in lieu of a description of the system design and components;

(14) A description of any performance or production guarantees;

(15) A description of the ownership and transferability of any tax credits, rebates, incentives, or renewable energy certificates associated with the distributed energy generation system, including a disclosure as to whether the seller will assign or sell any associated renewable energy certificates to a third party;

(16) A statement in substantially the following form: 'You are responsible for property taxes on property you own. Consult a tax professional to understand any tax liability or eligibility for any tax credits that may result from the purchase of your distributed energy generation system.';

(17) The approximate start and completion dates for the installation of the distributed energy generation system;

(18) A disclosure as to whether maintenance and repairs of the distributed energy generation system are included in the purchase price;

(19) A disclosure as to whether any warranty or maintenance obligations related to the distributed energy generation system may be sold or transferred by the seller to a third party and, if so, a statement in substantially the following form: 'Your contract may be assigned, sold, 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 if this will change the address or phone number to use for system maintenance or repair requests.';

117 (20) If the distributed energy generation system will be purchased, a disclosure notifying
118 the buyer of the requirements for interconnecting the system to the utility system;

119 (21) A disclosure notifying the buyer or lessee of the party responsible for obtaining
120 interconnection approval;

121 (22) A description of any roof warranties;

122 (23) A disclosure notifying the lessee whether the seller will insure a leased distributed
123 energy generation system against damage or loss and, if applicable, the circumstances
124 under which the seller will not insure the system against damage or loss;

125 (24) A statement, if applicable, in substantially the following form: 'You are responsible
126 for obtaining insurance policies or coverage for any loss of or damage to the system.
127 Consult an insurance professional to understand how to protect against the risk of loss or
128 damage to the system.';

129 (25) A disclosure notifying the buyer or lessee whether the seller or lessor will place a
130 lien on the buyer's or lessee's home or other property as a result of entering into a
131 purchase or lease agreement for the distributed energy generation system;

132 (26) A disclosure notifying the buyer or lessee whether the seller or lessor will file a
133 fixture filing or a financing statement pursuant to Article 9 of Title 11 on the distributed
134 energy generation system;

135 (27) A disclosure identifying whether the agreement contains any restrictions on the
136 buyer's or lessee's ability to modify or transfer ownership of a distributed energy
137 generation system, including whether any modification or transfer is subject to review or
138 approval by a third party;

139 (28) A disclosure as to whether the lease agreement may be transferred to a purchaser
140 upon sale of the home or real property to which the system is affixed, and any conditions
141 for such transfer; and

142 (29) A blank section that allows the seller to provide additional relevant disclosures or
143 explain disclosures made elsewhere in the disclosure form.

(b) The requirement to provide a written statement under this Code section may be satisfied by the electronic delivery of a document containing the required statement if the intended recipient of the electronic document affirmatively acknowledges its receipt. An electronic document satisfies the font and other formatting standards required for the written statement if the format and the relative size of characters of the electronic document are reasonably similar to those required in the written document or if the information is otherwise displayed in a reasonably conspicuous manner.

46-3-603.

(a) The commission shall adopt rules to implement and enforce the provisions of this article.

(b) The commission shall, by January 1, 2023, publish standard disclosure forms that may be used to comply with the disclosure requirements of this article. Disclosures provided in substantially the form published by the commission shall be regarded as complying with the disclosure requirements of this article.

46-3-604.

(a) A seller that willfully and intentionally violates any provision of this article shall be liable for a civil penalty of not more than the cost of the distributed energy generation system.

(b) An owner may recover from any person who willfully and intentionally violates any provision of this article, or set off or counterclaim in any action against the owner by such person, an amount equal to any finance charges and fees charged to the owner under the agreement, plus attorney fees and costs incurred by the owner to assert his or her rights under this article.

46-3-605.

The provisions of this article shall not apply to:

(1) A person or company, acting through its officers, employees, brokers, or agents, that markets, sells, solicits, negotiates, or enters into an agreement for the sale or financing of a distributed energy generation system as part of a transaction involving the sale or transfer of the real property on which the system is or will be affixed;

(2) A transaction involving the sale or transfer of the real property on which a distributed energy generation system is located;

(3) A third party, including a local government, that enters into an agreement for the financing of a distributed energy generation system;

(4) The sale or lease of a distributed energy generation system that will be installed on nonresidential real property;

(5) The sale of a distributed energy generation system pursuant to an agreement that requires full payment of the system from the buyer to the seller no later than the date the system is installed by the seller or is delivered from the seller to the buyer or a third party for installation; and

(6) A person, other than the seller or lessor, who installs a distributed energy generation system on residential property."

SECTION 2.

All laws and parts of laws in conflict with this Act are repealed.