

SENATE BILL NO. 293—SENATORS DONATE AND DALY

MARCH 15, 2023

Referred to Committee on Growth and Infrastructure

SUMMARY—Revises provisions relating to distributed generation systems. (BDR 52-459)

FISCAL NOTE: Effect on Local Government: May have Fiscal Impact.
Effect on the State: Yes.

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EXPLANATION – Matter in *bolded italics* is new; matter between brackets ~~omitted material~~ is material to be omitted.

AN ACT relating to energy; revising certain contractual requirements for an agreement for the purchase or lease of a distributed generation system and a power purchase agreement; imposing various requirements on solar installation companies; revising the definition of “distributed generation system”; prohibiting a person from engaging in certain activities relating to residential photovoltaic systems unless the person is licensed by the State Contractors’ Board or is an employee of such a person; and providing other matters properly relating thereto.

Legislative Counsel’s Digest:

Existing law imposes certain requirements on solar installation companies that sell and install distributed generation systems in this State. Existing law prescribes certain contractual requirements for an agreement for the purchase or lease of a distributed generation system and a power purchase agreement. (NRS 598.9801-598.9822) **Section 3** of this bill authorizes a purchaser or lessee who enters into or signs an agreement for the purchase or lease of a distributed generation system or a power purchase agreement to rescind the agreement by providing certain notice to the solar installation company within 3 business days after the agreement was entered into or signed.

Existing law requires an agreement for the purchase or lease of a distributed generation system or a power purchase agreement to include a cover page containing certain information. (NRS 598.9809, 598.9813, 598.9816) **Sections 6-8** of this bill require such a cover page to include certain additional information. **Section 2** of this bill requires a solar installation company to: (1) verbally communicate the information that is required to be included in the cover page to a purchaser or lessee, as applicable, via a telephone call that is recorded; and (2) maintain each recording of such a telephone call for not less than 10 years after the



18 date on which the telephone call is made. **Section 9** of this bill requires a solar
 19 installation company, before the execution of an agreement for the purchase or
 20 lease of a distributed generation system or a power purchase agreement, to provide
 21 a copy of the cover page to the purchaser or lessee, as applicable, in the language
 22 that the majority of the solicitation, offer or transaction for the agreement occurred,
 23 if the majority of the language that was used was a language other than English.
 24 **Section 4** of this bill makes a conforming change to indicate the proper placement
 25 of **sections 2 and 3** in the Nevada Revised Statutes.

26 Existing law defines “distributed generation system” as a system or facility for
 27 the generation of electricity: (1) that uses solar energy to generate electricity; (2)
 28 that is located on the property of a customer of an electric utility; (3) that is
 29 connected on the customer’s side of the electricity meter; (4) that provides
 30 electricity primarily to offset customer load on that property; and (5) the excess
 31 generation from which is periodically exported to the grid in accordance with the
 32 provisions governing net metering systems. (NRS 598.9804) **Section 5** of this bill
 33 revises the definition of “distributed generation system” to mean a system or
 34 facility for the generation of electricity that uses solar energy to generate electricity.

35 **Section 9** of this bill provides that if a solar installation company executes an
 36 agreement for the purchase or lease of a distributed generation system or a power
 37 purchase agreement and fails to comply with requirements set forth under existing
 38 law governing such agreements and **sections 2-9** of this bill, the agreement is
 39 voidable by the purchaser or lessee, as applicable.

40 Existing law prohibits a person from performing any work on residential
 41 photovoltaic systems used to produce electricity without the proper license or other
 42 authorization under state law. (NRS 624.860) **Section 10** of this bill revises that
 43 prohibition to: (1) prohibit a person from performing such work unless the person
 44 holds a license issued by the State Contractors’ Board or is an employee of such a
 45 person; and (2) additionally prohibit a person from advertising, soliciting or
 46 offering to enter into an agreement for the purchase or lease of a distributed
 47 generation system or a power purchase agreement unless the person holds such a
 48 license or is an employee of such a person. **Section 10** provides that a person who
 49 does not hold such a license and is not an employee of a person who holds such a
 50 license is authorized to generate leads or referrals for a residential photovoltaic
 51 system used to produce electricity if the person does not provide a quote or offer for
 52 the sale or installation of such a system.

THE PEOPLE OF THE STATE OF NEVADA, REPRESENTED IN
 SENATE AND ASSEMBLY, DO ENACT AS FOLLOWS:

1 **Section 1.** Chapter 598 of NRS is hereby amended by adding
 2 thereto the provisions set forth as sections 2 and 3 of this act.

3 **Sec. 2. 1. A solar installation company shall, through**
 4 **telephone, verbally communicate to a purchaser or lessee under**
 5 **an agreement for the purchase or lease of a distributed generation**
 6 **system or a host customer under a power purchase agreement the**
 7 **information required to be included in a cover page pursuant to**
 8 **NRS 598.9809, 598.9813 or 598.9816, as applicable.**

9 **2. The verbal communication required by subsection 1 must**
 10 **be:**

- 11 **(a) Recorded by the solar installation company; and**
- 12 **(b) Provided:**



1 (1) *At the time of the execution of the agreement or within*
2 *48 hours after the execution of the agreement; and*

3 (2) *Before the installation of any distributed generation*
4 *system under the agreement.*

5 3. *A solar installation company shall maintain the recording*
6 *of a verbal communication made pursuant to this section for not*
7 *less than 10 years after the recording is made.*

8 **Sec. 3.** *Any purchaser or lessee who enters into or signs an*
9 *agreement for the purchase or lease of a distributed generation*
10 *system or host customer who enters into a power purchase*
11 *agreement may rescind the agreement by giving notice in writing*
12 *to the solar installation company either by delivering, mailing or*
13 *telegraphing such notice or sending such notice by electronic mail*
14 *not later than midnight of the third business day after the date the*
15 *agreement was entered into or signed. The notice must be*
16 *addressed to the solar installation company at the solar*
17 *installation company's place of business or sent to the electronic*
18 *mail address set forth on the cover page required by NRS*
19 *598.9809, 598.9813 or 598.9816, as applicable, and must contain*
20 *words indicating the intent of the purchaser, lessee or host*
21 *customer to rescind the transaction previously entered into.*

22 **Sec. 4.** NRS 598.9801 is hereby amended to read as follows:

23 598.9801 As used in NRS 598.9801 to 598.9822, inclusive,
24 *and sections 2 and 3 of this act*, unless the context otherwise
25 requires, the words and terms defined in NRS 598.9802 to
26 598.9808, inclusive, have the meanings ascribed to them in those
27 sections.

28 **Sec. 5.** NRS 598.9804 is hereby amended to read as follows:

29 598.9804 "Distributed generation system" means a system or
30 facility for the generation of electricity **[-**

31 ~~1. That] that~~ uses solar energy to generate electricity. **[-**

32 ~~2. That is located on the property of a customer of an electric~~
33 ~~utility;~~

34 ~~3. That is connected on the customer's side of the electricity~~
35 ~~meter;~~

36 ~~4. That provides electricity primarily to offset customer load on~~
37 ~~that property; and~~

38 ~~5. The excess generation from which is periodically exported~~
39 ~~to the grid in accordance with the provisions governing net metering~~
40 ~~systems used by customer generators pursuant to NRS 704.766 to~~
41 ~~704.776, inclusive.]~~

42 **Sec. 6.** NRS 598.9809 is hereby amended to read as follows:

43 598.9809 An agreement for the lease of a distributed
44 generation system must include a cover page that **[provides]** :



1 **1. Prominently displays the following information at the top**
2 **of the cover page in at least 16-point font:**

3 **(a) Notice of the right to cancel the agreement with 3 business**
4 **days after the execution of the agreement, as provided in section 3**
5 **of this act.**

6 **(b) An electronic mail address to which a notice of**
7 **cancellation may be sent pursuant to section 3 of this act and**
8 **notice that the lessee may send such a notice to that electronic**
9 **mail address.**

10 **2. Provides** the following information in at least 10-point font:

11 ~~{1-}~~ **(a)** The amounts due at the signing for and at the
12 completion of the installation or any inspection of the distributed
13 generation system.

14 ~~{2-}~~ **(b)** An estimated timeline for the installation of the
15 distributed generation system.

16 ~~{3-}~~ **(c)** The estimated amount of the monthly payments due
17 under the lease in the first year of operation of the distributed
18 generation system.

19 ~~{4-}~~ **(d)** The length of the term of the lease.

20 ~~{5-}~~ **(e)** A description of any warranties.

21 ~~{6-}~~ **(f)** The rate of any payment increases.

22 ~~{7-}~~ **(g)** The identification of any state or federal tax incentives
23 that are included in calculating the amount of the monthly payments
24 due under the lease.

25 ~~{8-}~~ **(h)** The estimated production of the distributed generation
26 system in the first year of operation.

27 ~~{9-}~~ **(i)** A description of the terms for renewal or any other
28 options available at the end of the term of the lease.

29 ~~{10-}~~ **(j)** A description of any option to purchase the distributed
30 generation system before the end of the term of the lease.

31 ~~{11-}~~ **(k)** Notice of the existence of the Recovery Fund
32 administered by the State Contractors' Board pursuant to
33 NRS 624.470.

34 ~~{12-}~~ **(l)** Notice that a person financially damaged by a licensed
35 contractor who performs work on a residence may be eligible to
36 recover certain financial damages from the Recovery Fund.

37 ~~{13-}~~ **(m)** Notice that a host customer may file a complaint with
38 the Public Utilities Commission of Nevada.

39 ~~{14-}~~ **(n)** Contact information for the State Contractors' Board
40 and the Public Utilities Commission of Nevada, including, without
41 limitation, a telephone number.

42 **(o) Notice that the lessee, before the execution of the**
43 **agreement, may request any document used in the solicitation,**
44 **offer or transaction for the agreement in any language.**



1 **Sec. 7.** NRS 598.9813 is hereby amended to read as follows:
2 598.9813 An agreement for the purchase of a distributed
3 generation system must include a cover page that ~~provides~~ :

4 1. *Prominently displays the following information at the top*
5 *of the cover page in at least 16-point font:*

6 (a) *Notice of the right to cancel the agreement with 3 business*
7 *days after the execution of the agreement, as provided in section 3*
8 *of this act.*

9 (b) *An electronic mail address to which a notice of*
10 *cancellation may be sent pursuant to section 3 of this act and*
11 *notice that the purchaser may send such a notice to that electronic*
12 *mail address.*

13 2. *Provide* the following information in at least 10-point font:

14 ~~1.~~ (a) The size of the distributed generation system.

15 ~~2.~~ (b) The length of the term of the warranty for the
16 distributed generation system.

17 ~~3.~~ (c) An estimated timeline for the installation of the
18 distributed generation system.

19 ~~4.~~ (d) A description of any warranties.

20 ~~5.~~ (e) The total cost of the distributed generation system.

21 ~~6.~~ (f) The estimated value of any portfolio energy credits and
22 rebates of any incentives included in the calculation of the total cost
23 of the distributed generation system.

24 ~~7.~~ (g) The amounts due at the signing for and at the
25 completion of the installation of the distributed generation system.

26 ~~8.~~ (h) The estimated production of the distributed generation
27 system in the first year of operation.

28 ~~9.~~ (i) Notice of the existence of the Recovery Fund
29 administered by the State Contractors' Board pursuant to
30 NRS 624.470.

31 ~~10.~~ (j) Notice that a person financially damaged by a licensed
32 contractor who performs work on a residence may be eligible to
33 recover certain financial damages from the Recovery Fund.

34 ~~11.~~ (k) Notice that a host customer may file a complaint with
35 the Public Utilities Commission of Nevada.

36 ~~12.~~ (l) Contact information for the State Contractors' Board
37 and Public Utilities Commission of Nevada, including, without
38 limitation, a telephone number.

39 (m) *Notice that the purchaser, before the execution of the*
40 *agreement, may request any document used in the solicitation,*
41 *offer or transaction for the agreement in any language.*

42 **Sec. 8.** NRS 598.9816 is hereby amended to read as follows:

43 598.9816 A power purchase agreement for the sale of the
44 output of a distributed generation system must include a cover page
45 that ~~provides~~ :



1 *1. Prominently displays the following information at the top*
2 *of the cover page in at least 16-point font:*

3 *(a) Notice of the right to cancel the agreement with 3 business*
4 *days after the execution of the agreement, as provided in section 3*
5 *of this act.*

6 *(b) An electronic mail address to which a notice of*
7 *cancellation may be sent pursuant to section 3 of this act and*
8 *notice that the host customer may send such a notice to that*
9 *electronic mail address.*

10 **2. Provides** the following information in at least 10-point font:

11 ~~[1.]~~ *(a)* The rate of any increase in the payments to be made
12 during the term of the agreement and, if applicable, the date of the
13 first such increase.

14 ~~[2.]~~ *(b)* An estimated timeline for the installation of the
15 distributed generation system.

16 ~~[3.]~~ *(c)* The rate of electricity per kilowatt-hour of electricity for
17 the first year of the agreement.

18 ~~[4.]~~ *(d)* The length of the term of the agreement.

19 ~~[5.]~~ *(e)* The amounts due at the signing for and at the
20 completion of the installation or any inspection of the distributed
21 generation system.

22 ~~[6.]~~ *(f)* The estimated production of the distributed generation
23 system in the first year of operation.

24 ~~[7.]~~ *(g)* A description of the options available at the end of the
25 term of the agreement.

26 ~~[8.]~~ *(h)* A description of any option to purchase the distributed
27 generation system before the end of the term of the agreement.

28 ~~[9.]~~ *(i)* Notice of the existence of the Recovery Fund
29 administered by the State Contractors' Board pursuant to
30 NRS 624.470.

31 ~~[10.]~~ *(j)* Notice that a person financially damaged by a licensed
32 contractor who performs work on a residence may be eligible to
33 recover certain financial damages from the Recovery Fund.

34 ~~[11.]~~ *(k)* Notice that a host customer may file a complaint with
35 the Public Utilities Commission of Nevada.

36 ~~[12.]~~ *(l)* Contact information for the State Contractors' Board
37 and the Public Utilities Commission of Nevada, including, without
38 limitation, a telephone number.

39 *(m) Notice that the host customer, before execution of the*
40 *agreement, may request any document used in the solicitation,*
41 *offer or transaction for the power purchase agreement in any*
42 *language.*

43 **Sec. 9.** NRS 598.9822 is hereby amended to read as follows:

44 598.9822 1. A host customer may file a complaint
45 concerning a solar installation company with the Public Utilities



1 Commission of Nevada. Upon receipt of a complaint, the
2 Commission may direct the host customer to the appropriate agency
3 or person to resolve the complaint.

4 2. The failure of a person to comply with NRS 598.9801 to
5 598.9822, inclusive, *and sections 2 and 3 of this act* constitutes a
6 deceptive trade practice for the purposes of NRS 598.0903 to
7 598.0999, inclusive.

8 3. *If a solar installation company executes with a purchaser
9 or lessee an agreement for the purchase or lease of a distributed
10 generation system or with a host customer a power purchase
11 agreement and fails to comply with any requirement of NRS
12 598.9801 to 598.9822, inclusive, and sections 2 and 3 of this act,
13 including, without limitation, by failing to include any disclosure
14 or information required by NRS 598.9801 to 598.9822, inclusive,
15 and sections 2 and 3 of this act, or failing to maintain a recording
16 of a verbal communication as required by section 2 of this act, the
17 agreement is voidable by the purchaser, lessee or host customer.*

18 4. A violation of any provision of NRS 598.9801 to 598.9822,
19 inclusive, *and sections 2 and 3 of this act* constitutes consumer
20 fraud for the purposes of NRS 41.600.

21 ~~[4.]~~ 5. Any document described in NRS 598.9809 to 598.9821,
22 inclusive, *and sections 2 and 3 of this act* must be provided in:

23 (a) English; or

24 (b) ~~[Spanish,]~~ *Any other language*, if any person so requests.

25 6. *A solar installation company, before the execution of an
26 agreement for the purchase or lease of a distributed generation
27 system or a power purchase agreement, shall provide the
28 purchaser, lessee or host customer, as applicable, a copy of the
29 cover page required by NRS 598.9809, 598.9813 or 598.9816, as
30 applicable, in the language that the majority of the solicitation,
31 offer or transaction for the agreement occurred, if the majority of
32 the language that was used was a language other than English.*

33 **Sec. 10.** NRS 624.860 is hereby amended to read as follows:

34 624.860 1. A person shall not, directly or indirectly ~~[]~~ *on his
35 or her own behalf or on behalf of another*, perform or offer to
36 perform any work concerning a residential photovoltaic system used
37 to produce electricity, *or advertise, solicit or offer to enter into an
38 agreement described in NRS 598.9801 to 598.9822, inclusive, and
39 sections 2 and 3 of this act* unless the person ~~[holds:~~

40 ~~—1. A]:~~

41 (a) *Holds a license issued pursuant to this chapter which
42 authorizes the person to perform [such] work [; or] concerning a
43 residential photovoltaic system used to produce electricity; or*

44 (b) *Is an employee of a person described in paragraph (a).*



1 2. ~~[Any other license, certificate, registration or permit under~~
2 ~~state law which authorizes the person to perform such work.]~~ *The*
3 *provisions of this section do not prohibit a person who does not*
4 *hold a license issued pursuant to this chapter and who is not an*
5 *employee of a person who holds a license issued pursuant to this*
6 *chapter from generating leads or referrals for a residential*
7 *photovoltaic system used to produce electricity if the person does*
8 *not provide a quote or offer for the sale or installation of such a*
9 *residential photovoltaic system.*

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