

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 certain definitions; 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 or cancel 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, in person or via a telephone call or videoconference that is recorded; and (2) maintain each recording for not less than 4 years after the date of any final inspection of the distributed generation system. If



19 a solar installation company or its employees or agents advertise or negotiate
20 certain terms for the purchase or lease of a distributed generation system or a power
21 purchase agreement in a language other than English, **section 9** of this bill requires
22 the company to provide a translation of the contract, agreement or certain required
23 notices in that language to certain persons before the execution of the contract or
24 agreement resulting from such advertising or negotiations. **Section 4** of this bill
25 makes a conforming change to indicate the proper placement of **sections 1.3-3** of
26 this bill in the Nevada Revised Statutes.

27 Existing law defines “distributed generation system” as a system or facility for
28 the generation of electricity: (1) that uses solar energy to generate electricity; (2)
29 that is located on the property of a customer of an electric utility; (3) that is
30 connected on the customer’s side of the electricity meter; (4) that provides
31 electricity primarily to offset customer load on that property; and (5) the excess
32 generation from which is periodically exported to the grid in accordance with the
33 provisions governing net metering systems. (NRS 598.9804) **Section 5** of this bill
34 revises the definition of “distributed generation system” to mean a system or
35 facility for the residential generation of electricity that uses solar energy to generate
36 electricity. **Section 5.5** of this bill revises the definition of “solar installation
37 company.”

38 **Section 9** provides that if a solar installation company executes an agreement
39 for the purchase or lease of a distributed generation system or a power purchase
40 agreement and knowingly fails to comply with requirements set forth under existing
41 law governing such agreements and **sections 1.3-9** of this bill, the agreement is
42 voidable by the purchaser or lessee, as applicable.

43 Existing law prohibits a person from performing any work on residential
44 photovoltaic systems used to produce electricity without the proper license or other
45 authorization under state law. (NRS 624.860) **Section 10** of this bill revises that
46 prohibition to prohibit a person from performing such work, or providing a bid for
47 or executing a contract to perform such work, unless the person holds a license
48 issued by the State Contractors’ Board or is an employee of such a person.

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 1.3 to 3, inclusive, of this
3 act.

4 **Sec. 1.3.** *“Offset” means the amount of alternating current*
5 *kilowatt hours generated by a distributed generation system*
6 *divided by prior consumption, to the extent data on prior*
7 *consumption is available.*

8 **Sec. 1.7.** *“Production” means the amount of alternating*
9 *current kilowatt hours generated by a distributed generation*
10 *system.*

11 **Sec. 2. 1.** *A solar installation company shall, in person or*
12 *by telephone or videoconference, verbally:*

13 *(a) Confirm the identity of a purchaser or lessee under an*
14 *agreement for the purchase or lease of a distributed generation*
15 *system or a host customer under a power purchase agreement;*



1 (b) *Communicate to the purchaser, lessee or host customer the*
2 *information required to be included in a cover page pursuant to*
3 *NRS 598.9809, 598.9813 or 598.9816, as applicable; and*

4 (c) *Confirm that the purchaser, lessee or host customer*
5 *understands the information communicated pursuant to*
6 *paragraph (b).*

7 2. *The verbal communication required by subsection 1 must*
8 *be:*

9 (a) *Recorded by the solar installation company; and*

10 (b) *Conducted at the time of the execution of the agreement or*
11 *within 48 hours after the execution of the agreement.*

12 3. *A solar installation company shall not commence the*
13 *installation of any distributed generation system under an*
14 *agreement until the recording required pursuant to this section*
15 *has been made.*

16 4. *A solar installation company shall maintain the recording*
17 *required pursuant to this section for not less than 4 years after the*
18 *date of the final inspection of the distributed generation system*
19 *within the jurisdiction in which the distributed generation system*
20 *is located.*

21 **Sec. 3.** *Any purchaser or lessee who enters into or signs an*
22 *agreement for the purchase or lease of a distributed generation*
23 *system or host customer who enters into a power purchase*
24 *agreement may rescind or cancel the agreement, without any*
25 *penalty or obligation, by giving notice in writing to the solar*
26 *installation company either by delivering, mailing or telegraphing*
27 *such notice or sending such notice by electronic mail not later*
28 *than midnight of the third business day after the date the*
29 *agreement was entered into or signed. The notice must be*
30 *addressed to the solar installation company at the solar*
31 *installation company's place of business, or another place*
32 *designated in the agreement, or sent to the electronic mail address*
33 *set forth on the cover page required by NRS 598.9809, 598.9813 or*
34 *598.9816, as applicable, and must contain words indicating the*
35 *intent of the purchaser, lessee or host customer to rescind or*
36 *cancel the transaction previously entered into.*

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

38 598.9801 As used in NRS 598.9801 to 598.9822, inclusive,
39 *and sections 1.3 to 3, inclusive, of this act*, unless the context
40 otherwise requires, the words and terms defined in NRS 598.9802 to
41 598.9808, inclusive, *and sections 1.3 and 1.7 of this act* have the
42 meanings ascribed to them in those sections.

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

44 598.9804 "Distributed generation system" means a system or
45 facility for the *residential* generation of electricity **⚡**



- ~~1 —1. That] *that* uses solar energy to generate electricity . [;~~
- ~~2 —2. That is located on the property of a customer of an electric~~
- ~~3 *utility;*~~
- ~~4 —3. That is connected on the customer’s side of the electricity~~
- ~~5 *meter;*~~
- ~~6 —4. That provides electricity primarily to offset customer load on~~
- ~~7 *that property; and*~~
- ~~8 —5. The excess generation from which is periodically exported~~
- ~~9 *to the grid in accordance with the provisions governing net metering*~~
- ~~10 *systems used by customer generators pursuant to NRS 704.766 to*~~
- ~~11 *704.776, inclusive.]*~~

12 **Sec. 5.5.** NRS 598.9808 is hereby amended to read as follows:

13 598.9808 1. “Solar installation company” means any form of
14 business organization or any other nongovernmental legal entity,
15 including, without limitation, a corporation, partnership, association,
16 trust or unincorporated organization, that ~~[transacts]~~ *holds a license*
17 *issued pursuant to chapter 624 of NRS which authorizes the*
18 *performance of work concerning a distributed generation system*
19 *and, directly or indirectly, on its own behalf or on behalf of*
20 *another:*

21 *(a) Performs or offers to perform any work concerning a*
22 *distributed generation system;*

23 *(b) Advertises, solicits or offers to enter into an agreement*
24 *described in NRS 598.9801 to 598.9822, inclusive, and sections 1.3*
25 *to 3, inclusive, of this act; or*

26 *(c) Transacts* business ~~[directly with a residential customer of~~
27 ~~*an electric utility]*~~ to:

28 ~~[(a)]~~ *(I)* Sell and install a distributed generation system; or

29 ~~[(b)]~~ *(2)* Install a distributed generation system owned by a
30 third party from whom the customer:

31 ~~[(1)]~~ *(I)* Leases a distributed generation system; or

32 ~~[(2)]~~ *(II)* Purchases electricity generated by a distributed
33 generation system.

34 2. The term does not include ~~[entities that are third party:~~

35 ~~—(a) Owners of a distributed generation system; or~~

36 ~~—(b) Financiers of a distributed generation system who do not sell~~
37 ~~*or install the distributed generation system.] a person who*~~
38 *generates leads or referrals to perform work concerning a*
39 *distributed generation system for persons who hold a license*
40 *issued pursuant to chapter 624 of NRS authorizing the*
41 *performance of such work, if such activity is limited to:*

42 *(a) Serving as the source of a referral;*

43 *(b) Providing the contact information of a person who holds a*
44 *license issued pursuant to chapter 624 of NRS to a prospective*
45 *purchaser or lessee;*



1 (c) *Setting up appointments on behalf of a person who holds a*
2 *license issued pursuant to chapter 624 of NRS; or*

3 (d) *Advertising through print media.*

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

5 598.9809 An agreement for the lease of a distributed
6 generation system must include a cover page that ~~provides~~:

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

9 (a) *Notice of the right to rescind or cancel the agreement,*
10 *without any penalty or obligation, within 3 business days after the*
11 *execution of the agreement, as provided in section 3 of this act.*

12 (b) *An electronic mail address to which a notice of rescission*
13 *or cancellation may be sent pursuant to section 3 of this act and*
14 *notice that the lessee may send such a notice to that electronic*
15 *mail address.*

16 (c) *Notice of the requirement to make and maintain a*
17 *recording pursuant to section 2 of this act.*

18 (d) *Notice that, before the installation of the distributed*
19 *generation system, the lessee will have the opportunity to confirm*
20 *that no representations, offers or promises were made at any time*
21 *concerning the lease of the distributed generation system other*
22 *than what is contained in the agreement.*

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

24 ~~1-1~~ (a) The amounts due at the signing for and at the
25 completion of the installation or any inspection of the distributed
26 generation system.

27 ~~2-1~~ (b) An estimated timeline for the installation of the
28 distributed generation system.

29 ~~3-1~~ (c) The estimated amount of the monthly payments due
30 under the lease in the first year of operation of the distributed
31 generation system.

32 ~~4-1~~ (d) The length of the term of the lease.

33 ~~5-1~~ (e) A description of any warranties.

34 ~~6-1~~ (f) The rate of any payment increases.

35 ~~7-1~~ (g) The identification of any state or federal tax incentives
36 that are included in calculating the amount of the monthly payments
37 due under the lease.

38 ~~8-1~~ (h) The estimated production of the distributed generation
39 system in the first year of operation ~~f~~

40 ~~9-1~~ *and an explanation that:*

41 (1) *The lessee will always receive a power bill if the*
42 *premises of the lessee are connected to the power grid;*

43 (2) *The estimated production or offset is based on available*
44 *data on prior consumption; and*



1 ***(3) Any change in consumption by the lessee will impact***
2 ***the estimated offset, or savings, in relation to the production.***

3 ***(i)*** A description of the terms for renewal or any other options
4 available at the end of the term of the lease.

5 ***[H0-] (j)*** A description of any option to purchase the distributed
6 generation system before the end of the term of the lease.

7 ***[H1-] (k)*** Notice of the existence of the Recovery Fund
8 administered by the State Contractors' Board pursuant to
9 NRS 624.470.

10 ***[H2-] (l)*** Notice that a person financially damaged by a licensed
11 contractor who performs work on a residence may be eligible to
12 recover certain financial damages from the Recovery Fund.

13 ***[H3-] (m)*** Notice that a host customer may file a complaint with
14 the Public Utilities Commission of Nevada.

15 ***[H4-] (n)*** Contact information for the State Contractors' Board
16 and the Public Utilities Commission of Nevada, including, without
17 limitation, a telephone number.

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

21 **Sec. 7.** NRS 598.9813 is hereby amended to read as follows:

22 598.9813 An agreement for the purchase of a distributed
23 generation system must include a cover page that ***[provides]***:

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

26 ***(a) Notice of the right to rescind or cancel the agreement,***
27 ***without any penalty or obligation, within 3 business days after the***
28 ***execution of the agreement, as provided in section 3 of this act.***

29 ***(b) An electronic mail address to which a notice of rescission***
30 ***or cancellation may be sent pursuant to section 3 of this act and***
31 ***notice that the purchaser may send such a notice to that electronic***
32 ***mail address.***

33 ***(c) Notice of the requirement to make and maintain a***
34 ***recording pursuant to section 2 of this act.***

35 ***(d) Notice that, before the installation of the distributed***
36 ***generation system, the purchaser will have the opportunity to***
37 ***confirm that no representations, offers or promises were made at***
38 ***any time concerning the purchase of the distributed generation***
39 ***system other than what is contained in the agreement.***

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

41 ***[H1-] (a)*** The size of the distributed generation system.

42 ***[H2-] (b)*** The length of the term of the warranty for the
43 distributed generation system.

44 ***[H3-] (c)*** An estimated timeline for the installation of the
45 distributed generation system.



- 1 ~~[4.]~~ (d) A description of any warranties.
- 2 ~~[5.]~~ (e) The total cost of the distributed generation system.
- 3 ~~[6.]~~ (f) The estimated value of any portfolio energy credits and
- 4 rebates of any incentives included in the calculation of the total cost
- 5 of the distributed generation system.
- 6 ~~[7.]~~ (g) The amounts due at the signing for and at the
- 7 completion of the installation of the distributed generation system.
- 8 ~~[8.]~~ (h) The estimated production of the distributed generation
- 9 system in the first year of operation ~~[~~

10 ~~—9.]~~ and an explanation that:

- 11 *(1) The purchaser will always receive a power bill if the*
- 12 *premises of the purchaser are connected to the power grid;*
- 13 *(2) The estimated production or offset is based on available*
- 14 *data on prior consumption; and*
- 15 *(3) Any change in consumption by the purchaser will*
- 16 *impact the estimated offset, or savings, in relation to the*
- 17 *production.*

18 (i) Notice of the existence of the Recovery Fund administered

19 by the State Contractors' Board pursuant to

20 NRS 624.470.

21 ~~[10.]~~ (j) Notice that a person financially damaged by a licensed

22 contractor who performs work on a residence may be eligible to

23 recover certain financial damages from the Recovery Fund.

24 ~~[11.]~~ (k) Notice that a host customer may file a complaint with

25 the Public Utilities Commission of Nevada.

26 ~~[12.]~~ (l) Contact information for the State Contractors' Board

27 and Public Utilities Commission of Nevada, including, without

28 limitation, a telephone number.

29 *(m) Notice that the purchaser, before the execution of the*

30 *agreement, may request any document used in the solicitation,*

31 *offer or transaction for the agreement in any language.*

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

33 598.9816 A power purchase agreement for the sale of the

34 output of a distributed generation system must include a cover page

35 that ~~[provides]~~:

36 *1. Prominently displays the following information at the top*

37 *of the cover page in at least 16-point font:*

38 *(a) Notice of the right to rescind or cancel the agreement,*

39 *without any penalty or obligation, within 3 business days after the*

40 *execution of the agreement, as provided in section 3 of this act.*

41 *(b) An electronic mail address to which a notice of rescission*

42 *or cancellation may be sent pursuant to section 3 of this act and*

43 *notice that the host customer may send such a notice to that*

44 *electronic mail address.*



1 (c) *Notice of the requirement to make and maintain a*
2 *recording pursuant to section 2 of this act.*

3 (d) *Notice that, before the installation of the distributed*
4 *generation system, the host customer will have the opportunity to*
5 *confirm that no representations, offers or promises were made at*
6 *any time concerning the sale of the output of the distributed*
7 *generation system other than what is contained in the agreement.*

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

9 ~~[1-]~~ (a) The rate of any increase in the payments to be made
10 during the term of the agreement and, if applicable, the date of the
11 first such increase.

12 ~~[2-]~~ (b) An estimated timeline for the installation of the
13 distributed generation system.

14 ~~[3-]~~ (c) The rate of electricity per kilowatt-hour of electricity for
15 the first year of the agreement.

16 ~~[4-]~~ (d) The length of the term of the agreement.

17 ~~[5-]~~ (e) The amounts due at the signing for and at the
18 completion of the installation or any inspection of the distributed
19 generation system.

20 ~~[6-]~~ (f) The estimated production of the distributed generation
21 system in the first year of operation ~~[-]~~

22 ~~—7-~~ *and an explanation that:*

23 (1) *The host customer will always receive a power bill if the*
24 *premises of the host customer are connected to the power grid;*

25 (2) *The estimated production or offset is based on available*
26 *data on prior consumption; and*

27 (3) *Any change in consumption by the host customer will*
28 *impact the estimated offset, or savings, in relation to the*
29 *production.*

30 (g) A description of the options available at the end of the term
31 of the agreement.

32 ~~[8-]~~ (h) A description of any option to purchase the distributed
33 generation system before the end of the term of the agreement.

34 ~~[9-]~~ (i) Notice of the existence of the Recovery Fund
35 administered by the State Contractors' Board pursuant to
36 NRS 624.470.

37 ~~[10-]~~ (j) Notice that a person financially damaged by a licensed
38 contractor who performs work on a residence may be eligible to
39 recover certain financial damages from the Recovery Fund.

40 ~~[11-]~~ (k) Notice that a host customer may file a complaint with
41 the Public Utilities Commission of Nevada.

42 ~~[12-]~~ (l) Contact information for the State Contractors' Board
43 and the Public Utilities Commission of Nevada, including, without
44 limitation, a telephone number.



1 *(m) Notice that the host customer, before execution of the*
2 *agreement, may request any document used in the solicitation,*
3 *offer or transaction for the power purchase agreement in any*
4 *language.*

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

6 598.9822 1. A host customer may file a complaint
7 concerning a solar installation company with the Public Utilities
8 Commission of Nevada. Upon receipt of a complaint, the
9 Commission may direct the host customer to the appropriate agency
10 or person to resolve the complaint.

11 2. The failure of a person to comply with NRS 598.9801 to
12 598.9822, inclusive, *and sections 1.3 to 3, inclusive, of this act*
13 *constitutes a deceptive trade practice for the purposes of NRS*
14 *598.0903 to 598.0999, inclusive.*

15 3. *If a solar installation company executes with a purchaser*
16 *or lessee an agreement for the purchase or lease of a distributed*
17 *generation system or with a host customer a power purchase*
18 *agreement and knowingly fails to comply with any requirement of*
19 *NRS 598.9801 to 598.9822, inclusive, and sections 1.3 to 3,*
20 *inclusive, of this act, including, without limitation, by failing to*
21 *include any disclosure or information required by NRS 598.9801*
22 *to 598.9822, inclusive, and sections 1.3 to 3, inclusive, of this act,*
23 *or knowingly failing to maintain a recording of a verbal*
24 *communication as required by section 2 of this act, the agreement*
25 *is voidable by the purchaser, lessee or host customer. The actions*
26 *of persons who solely conduct administrative duties or provide*
27 *administrative services directly to and for the benefit of the solar*
28 *installation company are not imputed to the solar installation*
29 *company for the purposes of this subsection.*

30 4. A violation of any provision of NRS 598.9801 to 598.9822,
31 inclusive, *and sections 1.3 to 3, inclusive, of this act* constitutes
32 consumer fraud for the purposes of NRS 41.600.

33 ~~[4.]~~ 5. Any document described in NRS 598.9809 to 598.9821,
34 inclusive, *and sections 1.3 to 3, inclusive, of this act* must be
35 provided in:

36 (a) English; or

37 (b) ~~[Spanish.]~~ *Any other language*, if any person so requests ~~[.]~~
38 *before the execution of the relevant document.*

39 6. *If a solar installation company advertises its services or*
40 *negotiates orally or in writing any of the requirements of NRS*
41 *598.9801 to 598.9822, inclusive, and sections 1.3 to 3, inclusive, of*
42 *this act in a language other than English or permits an employee*
43 *or agent of the solar installation company to so advertise or*
44 *negotiate, the solar installation company must deliver a*
45 *translation of any contract, agreement or notice described in*



1 *NRS 598.9801 to 598.9822, inclusive, and sections 1.3 to 3,*
2 *inclusive, of this act resulting from such advertising or*
3 *negotiations in the language in which such advertising was made*
4 *or such negotiations occurred to a person who is a party to such a*
5 *contract or agreement, or who may sign the contract or*
6 *agreement, or who is entitled to receive such notice. The*
7 *translation of the contract, agreement or notice must be provided*
8 *before the execution of the contract or agreement and include,*
9 *without limitation, every term and condition in the contract,*
10 *agreement or notice.*

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

12 624.860 A person shall not, directly or indirectly ~~[-]~~ perform or
13 offer to perform , *provide any proposal or bid for or execute a*
14 *contract to perform* any work concerning a residential photovoltaic
15 system used to produce electricity unless the person ~~holds:~~

16 ~~1. A]:~~

17 *1. Holds a* license issued pursuant to this chapter which
18 authorizes the person to perform ~~[such]~~ work ~~[-; or~~

19 ~~2. Any other license, certificate, registration or permit under~~
20 ~~state law which authorizes the person to perform such work.]~~
21 *concerning a residential photovoltaic system used to produce*
22 *electricity; or*

23 *2. Is an employee of a person described in subsection 1.*

24 **Sec. 10.5.** This act becomes effective on January 1, 2024.

