
HOUSE BILL 2156

State of Washington

68th Legislature

2024 Regular Session

By Representative Reeves; by request of Department of Commerce

1 AN ACT Relating to solar consumer protections; adding a new
2 section to chapter 80.60 RCW; and adding a new chapter to Title 19
3 RCW.

4 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF WASHINGTON:

5 NEW SECTION. **Sec. 1.** The legislature finds that many
6 residential and commercial property owners are solicited by solar
7 energy salespersons and solar energy contractors to purchase or lease
8 a system producing electricity with solar energy. Salespeople and
9 contractors are responsible for accurately representing the financing
10 terms, total cost, and performance of the solar energy equipment to
11 support the residential or commercial property owner in making an
12 informed decision about whether the installation is economically
13 viable. If these terms are not communicated correctly, property
14 owners face financial hardship. The legislature declares that this is
15 a matter of public interest. It is the intent of the legislature to
16 establish rules of business practice for solar energy contractors and
17 solar energy salespersons to promote honesty and fair dealing with
18 homeowners and other property owners.

1 NEW SECTION. **Sec. 2.** The definitions in this section apply
2 throughout this chapter unless the context clearly requires
3 otherwise.

4 (1) "Dealer fee" means an amount paid by a solar energy
5 contractor or solar energy salesperson to a lender in order to offer
6 a property owner credit to finance the purchase and installation of a
7 system producing electricity with solar energy.

8 (2) "Electric utility" means any entity that is engaged in the
9 business of distributing electricity to retail electric customers in
10 the state.

11 (3) "Major system components" means any inverters, module-level
12 power electronics, solar panels, racking systems, or battery energy
13 storage equipment included in the solar energy installation.

14 (4) "Net metering" means measuring the difference between the
15 electricity supplied by an electric utility and the excess
16 electricity generated by a customer-generator's net metering system
17 over the applicable billing period.

18 (5) "Person" includes an individual, corporation, company,
19 partnership, joint venture, or business entity.

20 (6) "Solar array" means a mechanically and electrically
21 integrated grouping of modules with support structure, including any
22 attached system components such as inverters or dc-to-dc converters
23 and attached associated wiring.

24 (7) "Solar energy contractor" means a person who is licensed in
25 Washington per RCW 19.28.041 and purports to install, repair, or
26 replace or subcontracts to install, repair, or replace residential or
27 commercial systems producing electricity with solar energy.

28 (8) "Solar energy installation contract" means an agreement
29 between a solar energy contractor and a residential or commercial
30 property owner that includes, in part, an agreement to install a
31 residential or commercial system producing electricity with solar
32 energy for a total cost including labor and materials in excess of
33 \$1,000.

34 (9) "Solar energy salesperson" means a person who solicits,
35 negotiates, or otherwise endeavors to procure a solar energy
36 installation contract with a residential or commercial property owner
37 to install, repair, or replace residential or commercial systems
38 producing electricity with solar energy on behalf of a solar energy
39 contractor.

1 (10) "Solicit" means to make contact with the residential or
2 commercial property owner for the purpose of selling or installing
3 residential or commercial systems producing electricity with solar
4 energy including, but not limited to, contact through any of the
5 following methods:

6 (a) Door-to-door contact;

7 (b) Telephone contact or text messages;

8 (c) Flyers left at a residence;

9 (d) Internet or social media advertisements; or

10 (e) Other promotional advertisements which offer gifts, cash, or
11 services if the residential or commercial property owner contacts the
12 solar energy contractor or salesperson.

13 NEW SECTION. **Sec. 3.** (1) Any person selling or installing
14 residential or commercial systems producing electricity with solar
15 energy for a total cost including labor and materials in excess of
16 \$1,000 must be licensed under RCW 19.28.041 and have a solar energy
17 installation contract with the customer consistent with this section.
18 This section does not apply to any person installing residential or
19 commercial solar energy systems on the person's own property who is
20 properly exempted under RCW 19.28.261.

21 (2) A solar energy installation contract must be in writing and
22 must be written in the same language as was principally used in the
23 sales presentation made to the consumer, including any print or
24 digital marketing material given to the customer. A copy of the
25 contract must be given to the customer at the time the customer signs
26 the contract. The contract must be typed or printed legibly and
27 contain the following provisions:

28 (a) An itemized list of work to be performed including any known
29 or anticipated electrical system upgrades or utility equipment
30 upgrades that are necessary for installation;

31 (b) Any financing that is incorporated directly into the
32 contract, which must be identified as a separate line item and
33 conform to all state and federal consumer loan regulations and
34 disclosure requirements, including terms, conditions, interest rates,
35 annual percentage rate, the amortization schedule, and information on
36 how the loan is secured;

37 (c) Disclosure of the exact amount paid, if any, by a solar
38 energy contractor or solar energy salesperson to any lender in the
39 form of a dealer fee, or other similar inducement to obtain

1 financing, irrespective of whether financing is incorporated within
2 the contract or in conjunction with a third-party lender;

3 (d) The total dollar amount of the contract;

4 (e) The cost per watt calculated as the total contract amount,
5 including labor and materials, for installing the solar energy system
6 divided by the total direct current nameplate rating of the solar
7 array;

8 (f) A detailed, performance-based payment schedule based on
9 project completion milestones that explains when costs are due,
10 explains the customer's right to cancel the contract, and identifies
11 the cancellation fees due at each milestone in the payment schedule;

12 (g) The model and brand name of major system components to be
13 installed. If any major system components change throughout the
14 duration of the contract, those changes must be documented, the
15 efficiency and warranty period of the new major system components
16 must be provided, and the changes must be agreed upon in writing by
17 the customer;

18 (h) The warranty period for each major system component;

19 (i) Any ongoing operations and maintenance costs that are
20 included in the contract;

21 (j) A list of anticipated maintenance activities that the
22 customer will need to perform in order to maintain the warranty and
23 performance of the solar energy equipment including, but not limited
24 to, inverter replacement;

25 (k) The solar energy system's first-year annual production
26 projections in kilowatt-hours. The methodology and the nationally
27 recognized, industry-standard tool used to develop the projections
28 must be provided with the annual production projection data.
29 Projections must be based on site-specific considerations of each
30 solar array, including location of the installation, orientation and
31 angle of the panels, and on-site shading factors and must at a
32 minimum account for the difference in production over the month of
33 December versus the month of June. Projections must not exceed the
34 optimal inverter performance identified by the manufacturer of the
35 inverter equipment identified in the contract;

36 (l) An explanation of what happens annually to any unused net
37 metering or other applicable bill credits from on-site generation;

38 (m) The solar energy contractor's good faith estimate of
39 projected electric bill savings from the solar energy system that the
40 customer is expected to achieve over the first 12 months after

1 interconnection. The customer's current electric rate must be used in
2 this calculation unless a rate change for the customer's applicable
3 rate class has been approved and finalized for the applicable period.
4 If the customer agrees, the relevant electric utility shall provide
5 detailed electric use history to the solar energy contractor and may
6 support calculation of the annual bill savings estimate;

7 (n) The name, business address, and phone number of the primary
8 solar energy salesperson or solar sales firm, if different from the
9 solar energy contractor;

10 (o) The name, business address, contractor's registration number
11 of the solar energy contractor, and link to the Washington state
12 department of labor and industries contractor verification tool;

13 (p) A statement as to whether all or part of the work is intended
14 to be subcontracted to or performed by another person or entity other
15 than the solar energy contractor's own workforce;

16 (q) The following recommendation in capital letters, which must
17 be initialed by the customer acknowledging they have read and
18 understand the recommendation provision:

19 "IF YOU INTEND TO OBTAIN A LOAN TO PAY FOR ALL OR PART OF THE
20 CONTRACT, IT IS RECOMMENDED THAT YOU WAIT UNTIL RECEIVING FINANCIAL
21 APPROVAL BEFORE SIGNING THIS SOLAR ENERGY INSTALLATION CONTRACT. IN
22 ADDITION, IF YOU INTEND TO OBTAIN A LOAN TO PAY FOR ALL OR PART OF
23 THE CONTRACT, IT IS RECOMMENDED THAT YOU VERIFY WHETHER LOAN PAYMENTS
24 ARE DUE BEFORE THE SYSTEM IS OPERATIONAL. NOTHING IN THIS CONTRACT
25 ALTERS YOUR RESPONSIBILITY TO PAY YOUR ELECTRIC UTILITY COMPANY FOR
26 AMOUNTS DUE ON YOUR ELECTRIC BILL.";

27 (r) The following rescission rights notice in capital letters,
28 which must be initialed by the customer acknowledging they have read
29 and understand the notice provision:

30 "CUSTOMER'S RIGHT TO CANCEL: YOU HAVE THE RIGHT TO CANCEL YOUR
31 SOLAR ENERGY INSTALLATION CONTRACT WITHIN THREE BUSINESS DAYS OF
32 CONTRACT SIGNING.";

33 (s) A statement clearly explaining whether the solar energy
34 installation contract includes the cost of uninstalling and
35 reinstalling the solar energy system if it is installed on the
36 customer's roof and the roof must be replaced or repaired at a future
37 date. If the contract does not include the future cost of
38 uninstalling and reinstalling the solar energy system to be installed
39 on the customer's roof, the contract must include the following

1 notice which must be initialed by the customer acknowledging they
2 have read and understand the notice provision:

3 "If you need to repair or replace your roof, you will be
4 responsible for all costs and work needed to uninstall and reinstall
5 the solar energy system and interconnect it with your utility
6 company.";

7 (t) The following notice which must be initialed by the customer
8 acknowledging they have read and understand the notice provision:

9 "If you are a residential customer, you must have sufficient tax
10 liability to utilize the residential clean energy credit. You will
11 not receive these funds directly; you can only offset the taxes that
12 you owe to the federal government. IF YOU ARE PARTICIPATING IN
13 GOVERNMENT ASSISTANCE PROGRAMS OR ARE ON A FIXED INCOME, YOU MAY NOT
14 BE ELIGIBLE FOR THIS TAX CREDIT. The cost of roof repairs should not
15 be included in calculating the tax credit. It is recommended that you
16 consult a tax attorney if you are relying on the tax credit to afford
17 the cost of the solar energy installation.";

18 (u) A copy of the internal revenue service's current revision of
19 form 5695 instructions for residential clean energy credit (part I)
20 qualified solar electric property costs;

21 (v) A statement that it is the solar energy contractor's
22 responsibility to install the system per manufacturer instructions,
23 in compliance with the national electric code as enforced by the
24 local jurisdiction, in compliance with local building codes, and in
25 compliance with the applicable utility's interconnection standards;

26 (w) A copy of, or electronic link to, the applicable electric
27 utility's interconnection application;

28 (x) A statement documenting which party is responsible for
29 obtaining permission to operate from the utility;

30 (y) A statement that the addition of a solar energy system may
31 affect the value of the structure as determined by the county
32 assessor and any change in value may be reflected in annual property
33 taxes; and

34 (z) The following statement which may be omitted if the solar
35 energy system includes energy storage equipment and/or power
36 conversion and control technologies designed and installed to provide
37 backup power during a grid outage:

38 "A solar energy system will automatically disconnect the solar
39 energy system from the utility grid in the event of a power outage to
40 protect utility repair personnel from a risk of electric shock from

1 the electricity that could otherwise flow into the utility
2 distribution system from the solar energy system and that if this
3 occurs, THE SOLAR ENERGY SYSTEM WILL NOT PROVIDE ANY ELECTRICITY TO
4 THE CUSTOMER DURING THE POWER OUTAGE."

5 (3) If a customer exercises the rescission rights described in
6 subsection (2)(r) of this section, the solar energy contractor or the
7 subcontractor may not enforce the terms of the contract, including
8 claims for labor or materials, in a court of law and must terminate
9 any security interest or statutory lien created under the transaction
10 within 20 days of receiving written rescission of the contract from
11 the customer. This subsection also applies if the customer has made a
12 good faith effort to contact the solar energy contractor before the
13 customer's rescission rights have expired. If a customer demonstrates
14 an effort to contact the solar energy contractor within the
15 rescission rights window, even if the solar energy contractor has not
16 responded, the solar energy contractor is prohibited from enforcing
17 the terms of the contract and must not charge any cancellation fees.

18 (4) No payments of any type may be charged by a solar energy
19 salesperson or a solar energy contractor before a customer's
20 rescission rights have expired.

21 (5) The interconnection application for the solar energy system
22 must be approved by the applicable electric utility before the solar
23 energy contractor or the subcontractor begins installing the system.
24 The applicable electric utility may waive this requirement for solar
25 energy contractors that are certified by the electric utility.

26 (6) It is the solar energy contractor's responsibility to notify
27 the applicable electric utility of any equipment or design changes
28 that occur.

29 (7) If the solar energy installation contract is with a
30 residential customer, and the contract's scope includes any type of
31 roofing work, the solar energy contractor shall provide the customer
32 separate invoices for the roofing work, and the contract must
33 separately itemize and identify the cost of roofing tear-off and
34 replacement.

35 (8) A person or entity who purchases or is otherwise assigned a
36 solar energy installation contract is subject to all claims and
37 defenses with respect to the contract that the customer could assert
38 against the solar energy contractor or subcontractor. A person or
39 entity who sells or otherwise assigns a solar energy installation

1 contract must include a prominent notice of the potential liability
2 under this section.

3 (9) A solar energy contractor, subcontractor, or solar energy
4 salesperson who fails to comply with the requirements of this chapter
5 is liable to the customer for any actual damages sustained by the
6 customer as a result of the failure. Nothing in this section limits
7 any cause of action or remedy available under chapter 19.86 RCW.

8 NEW SECTION. **Sec. 4.** No person may solicit using any statement
9 or representation with regard to the costs, financing, terms, or
10 conditions of purchase or installation of residential or commercial
11 systems producing electricity with solar energy that is deceptive.

12 NEW SECTION. **Sec. 5.** The legislature finds that the practices
13 covered by this chapter are matters vitally affecting the public
14 interest for the purpose of applying the consumer protection act,
15 chapter 19.86 RCW. A violation of this chapter is not reasonable in
16 relation to the development and preservation of business and is an
17 unfair or deceptive act in trade or commerce and an unfair method of
18 competition for purposes of applying the consumer protection act as
19 set forth under chapter 19.86 RCW.

20 NEW SECTION. **Sec. 6.** A new section is added to chapter 80.60
21 RCW to read as follows:

22 Any person selling or installing residential or commercial
23 systems producing electricity with solar energy for a total cost
24 including labor and materials in excess of \$1,000 must be licensed
25 under RCW 19.28.041 and must offer a contract pursuant to section 3
26 of this act.

27 NEW SECTION. **Sec. 7.** Sections 1 through 5 of this act
28 constitute a new chapter in Title 19 RCW.

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