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**SENATE BILL 6256**

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**State of Washington**

**68th Legislature**

**2024 Regular Session**

**By** Senators Stanford, Conway, Hasegawa, Kuderer, Nobles, Saldaña, and Valdez; by request of Department of Commerce

Read first time 01/17/24. Referred to Committee on Labor & 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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