

HB 4029 -2, -3 STAFF MEASURE SUMMARY

House Committee On Climate, Energy, and Environment

Prepared By: Erin Pischke, LPRO Analyst

Meeting Dates: 2/3, 2/10

WHAT THE MEASURE DOES:

The measure requires solar energy contractors and installers to hold licenses appropriate to the work they perform and sets mandatory disclosures and contract elements for solar purchase, lease, and power purchase agreements. It also prohibits deceptive statements, with violations treated as unlawful practices under the Unlawful Trade Practices Act. Takes effect on the 91st day following adjournment sine die.

Detailed Summary:

SECTION 1

Defines terms.

SECTION 2

Prohibits a sales agent or solar energy contractor from executing or performing an installation contract with a resident unless the sales agent or solar energy contractor and any person that under the terms of the installation contract installs, repairs, replaces, or maintains a solar energy system on the sales agent's or solar energy contractor's behalf has a license that is necessary and appropriate for the scope of work the person will perform.

SECTION 3

Requires a sales agent or solar energy contractor to provide a resident with certain disclosures before concluding a sale or lease of a solar energy system or before entering into a power purchase agreement. Establishes what is required in a disclosure for a sale of a solar energy system. Requires a disclosure for leases of a solar energy system and power purchase agreements to contain certain information. Requires a sales agent or solar energy contractor to submit to a resident's local electric utility a written disclosure with certain information and other materials needed for an application for interconnection with the local electric utility's power grid.

SECTION 4

Requires installation contracts meet certain criteria and contain certain information and provisions. Requires a solar energy contractor or sales agent to give a complete and accurate copy of an installation contract to a customer at the time the customer executes an installation contract.

SECTION 5

Prohibits a sales agent or solar energy contractor from taking certain actions if a customer chooses to rescind an installation contract with a sales agent or solar energy contractor within three business days following the date on which the customer executes the installation contract. Requires an electric utility to approve an application to interconnect a customer's solar energy system with the electric utility's power grid before a solar energy contractor may begin installing the solar energy system. Establishes steps a solar energy contractor takes if an electric utility disapproves an interconnection application. Establishes information that must be included on an installation contract by a solar energy contractor if they remove, repair, replace, reinstall, or otherwise alter the roof on a customer's property while installing a solar energy system.

SECTION 6

Prohibits a person from conducting a solicitation using any deceptive statement or representation concerning the costs, financing, or terms and conditions of an installation contract or with respect to a purchase or installation of a solar energy system. Punishes a violation or a failure to comply with the provisions of the Act as an unlawful practice under the Unlawful Trade Practices Act.

SECTION 7

Adds provisions of this Act to the list of unlawful practices in ORS 646.608.

SECTION 8

Establishes that provisions in this Act apply to solicitations for a solar energy system made and installation contracts that a customer executes on or after the effective date of this Act.

- *FISCAL: May have fiscal impact, but no statement issued yet*
- *REVENUE: No revenue impact*

ISSUES DISCUSSED:

- Ability to transfer warranties between homeowners
- Similar legislation in other states
- Where solar panels are manufactured

EFFECT OF AMENDMENT:

-2 The amendment requires any warranty provided by a solar energy contractor or installer, whether for the system itself or for property repairs related to its installation or removal, to automatically transfer to a new residential property owner and remain valid for the full warranty term.

- *FISCAL: May have fiscal impact, but no statement issued yet*
- *REVENUE: May have revenue impact, but no statement issued yet*

-3 The amendment is identical to the -2 amendment, with the addition of "a limited residential electrician" to the list of people authorized to engage in business or employment as an electrical contractor in the definition of "license."

Detailed Summary:

Adds "a limited residential electrician" to the list of people authorized to engage in business or employment as an electrical contractor in the definition of "license." Requires any warranty provided by a solar energy contractor or installer, whether for the system itself or for property repairs related to its installation or removal, to automatically transfer to a new residential property owner and remain valid for the full warranty term.

- *FISCAL: May have fiscal impact, but no statement issued yet*
- *REVENUE: No revenue impact*

BACKGROUND:

According to the Oregon Department of Energy's (ODOE) 2024 Biennial Energy Report, solar energy makes up 3.8 percent of the energy produced in the state. Many of the residential and commercial systems installed in Oregon have been developed and financed by third-party companies, meaning that solar users pay none of the upfront costs, but pay a lease fee or ongoing charge. In the past, a combination of federal, state, and utility incentives has helped to accelerate demand for solar energy projects in Oregon. The Energy Trust of Oregon (ETO) partners with ODOE to educate homeowners about financial incentives that may be available to offset the costs of installing a solar system on their homes.

The growth in residential solar has led to some companies using misleading sales tactics or attempting to scam potential customers. According to ETO, some of the tactics used by bad actors include false claims of "free" or

zero-cost solar, high-pressure sales tactics, and vague or exaggerated promises about savings or eliminating customers' electric bills. Red flags also include door-to-door sellers who misrepresent who they work for or falsely claim that solar system installations are required by law.

ETO provides a list of vetted solar contractors that are part of their Trade Ally Network and can work with interested homeowners to find a legitimate contractor to work with.