

HB 4029 A STAFF MEASURE SUMMARY

Senate Committee On Energy and Environment

Prepared By: Beth Reiley, LPRO Analyst

Meeting Dates: 2/18

WHAT THE MEASURE DOES:

The measure requires specified sales agents and solar energy contractors to hold licenses appropriate for the work they perform and sets mandatory disclosures and contract elements for solar purchases, leases, and power purchase agreements. It requires that 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—automatically transfers to a new residential property owner and remains valid for the full warranty term. It also prohibits deceptive statements, with violations treated as unlawful practices under the Unlawful Trade Practices Act. The measure takes effect on the 91st day following adjournment sine die.

Detailed Summary:

Licensing Requirements

Prohibits the following individuals from executing or performing an installation contract with a resident if they do not have a license that is necessary and appropriate for the scope of work performed:

- Sales agents, defined as individuals who “solicits, negotiates or executes an installation contract with a resident on behalf of a solar energy contractor”
- Solar energy contractors
- Any person who, 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

Disclosures

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 entering into a power purchase agreement. Establishes what is required in those disclosures. 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 electric utility’s power grid.

Contract and Warranty Requirements

Requires that installation contracts meet specified criteria and contain certain information and provisions.

Requires a solar energy contractor or sales agent to provide a complete and accurate copy of an installation contract to a customer when the customer executes an installation contract.

Requires that 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, automatically transfers to a new residential property owner and remains valid for the full warranty term. Requires that any warranty provided for repairs to a resident’s property, as a consequence of the installation or removal of the solar energy system, transfers to the purchaser of the residential real property to which the warranty applies and remains valid for the full warranty term.

Prohibits a sales agent or solar energy contractor from taking certain actions if a customer rescinds an installation contract within three business days of execution. Establishes information that must be included on an installation contract by a solar energy contractor if they remove, repair, replace, reinstall, or otherwise alter a customer’s roof while installing a solar energy system.

Utility Interconnection

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 the steps a solar energy contractor takes if an electric utility disapproves an interconnection application.

Prohibited Deceptive Practices

Prohibits a person from soliciting by using deceptive statements or representations about the costs, financing, or terms and conditions of purchasing or installing a solar energy system. Punishes a violation or a failure to comply with the provisions of the measure as an unlawful practice under the Unlawful Trade Practices Act. Adds the measure's provisions to the list of unlawful practices in ORS 646.608.

Applicability

Establishes that the measure's provisions apply to solicitations for solar energy systems made and installation contracts that a customer executes on or after the measure's effective date.

- Minimal Fiscal Impact
- No Revenue Impact
- House Vote: Ayes, 57; Excused, 3

ISSUES DISCUSSED:

EFFECT OF AMENDMENT:

No amendment.

BACKGROUND:

According to the 2024 Biennial Energy Report by the Oregon Department of Energy (ODOE), solar energy accounts for 3.8 percent of the state's energy production. Many of the residential and commercial systems installed in Oregon have been developed and financed by third-party companies, meaning solar users pay none of the up-front costs and instead 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. Energy Trust of Oregon 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.

According to Energy Trust, the growth in residential solar has led some companies to use misleading sales tactics or attempt to scam potential customers. The organization notes that some "bad actors" have used tactics such as false claims of "free" or zero-cost solar, high-pressure sales tactics, and vague or exaggerated promises about savings or eliminating customers' electric bills. Energy Trust alerts consumers to red flags, including door-to-door sellers who misrepresent who they work for or falsely claim that solar system installations are required by law. Energy Trust provides a list of vetted solar contractors in its Trade Ally Network, and the organization can help interested homeowners find a legitimate contractor.