

2015 Regular Session

SENATE BILL NO. 214

BY SENATOR JOHNS

Prefiled pursuant to Article III, Section 2(A)(4)(b)(i) of the Constitution of Louisiana.

COMMERCIAL REGULATIONS. Creates the Solar User Rights and Disclosures Act.
(8/1/15)

1 AN ACT

2 To enact Chapter 8-L of Title 45 of the Louisiana Revised Statutes of 1950, to be comprised

3 of R.S. 45:844.61 through 844.68, relative to solar companies; to create the Solar

4 User Rights and Disclosures Act; to provide for definitions; to provide for rules and

5 regulations; to provide for required disclosures by solar companies; to provide for

6 penalties; to provide for commission authority; to provide certain terms and

7 conditions; and to provide for related matters.

8 Be it enacted by the Legislature of Louisiana:

9 Section 1. Chapter 8-L of Title 45 of the Louisiana Revised Statutes of 1950,
10 comprised of R.S. 45:844.61 through 844.68 is hereby enacted to read as follows:

11 **CHAPTER 8-L. SOLAR USER RIGHTS AND DISCLOSURES ACT**

12 **§844.61. Short title**

13 **This Chapter shall be known and may be cited as the "Solar User Rights**
14 **and Disclosures Act".**

15 **§844.62. Legislative findings**

16 **The Legislature hereby finds that:**

17 **(1) It is in the public interest for purchasers and lessees of solar electric**

1 systems to be adequately informed of the potential savings associated with
2 purchasing or leasing a solar electric system. As homeowners consider potential
3 energy cost savings, it is essential that they are provided with sufficient
4 information to make an informed decision.

5 (2) It is in the public interest for the Louisiana Public Service
6 Commission to issue rules and regulations to enforce the provisions of this
7 Chapter and to provide for the effective oversight of agreements for the
8 purchase or lease of solar electric systems by solar users in this state.

9 §844.63. Definitions

10 As used in this Chapter, the following terms shall mean:

11 (1) "Commission" means the Louisiana Public Service Commission.

12 (2) "Solar company" means any individual or entity that acts as a seller
13 or lessor of solar electric systems and any individual or entity who as part of
14 their business installs or provides leasing of a solar electric system that is
15 designed to connect with the distribution grid in order to provide electric power
16 to end use customers in the state.

17 (3) "Solar electric system" means a system consisting of photovoltaic
18 panels with the primary purpose of converting sunlight to electrical energy and
19 all equipment and apparatus necessary to connect, store, and process the
20 electrical energy for connection to and use by an electrical load. "Solar electric
21 system" shall include grid-connected net metering systems with or without
22 battery backup, stand-alone alternating current (AC) systems, and stand-alone
23 direct current (DC) systems. The eligible system components for a solar electric
24 system include the following:

25 (a) For grid-connected, net metering solar electric systems, the
26 components include photovoltaic panels, mounting systems, inverters, charge
27 controllers, batteries, battery cases, alternating current (AC) and direct current
28 (DC) disconnects, lightning and ground fault protection, junction boxes, remote
29 metering display devices, and related electrical wiring materials from the

1 photovoltaic panels to point of interconnection with the residence or electrical
2 load.

3 (b) For stand-alone solar electric AC systems, the components include
4 photovoltaic panels, mounting systems, inverters, charge controllers, batteries,
5 battery cases, AC and DC disconnects, lightning and ground fault protection,
6 junction boxes, remote metering display devices, and related electrical wiring
7 materials from the photovoltaic panels to point of interconnection with the
8 residence or electrical load.

9 (c) For stand-alone solar electric DC systems, the components include
10 photovoltaic panels, mounting systems, charge controllers, batteries, battery
11 cases, DC disconnects, lightning and ground fault protection, junction boxes,
12 remote metering display devices, and related electrical wiring materials from
13 the photovoltaic panels to point of interconnection with the residence or
14 electrical load.

15 (4) "Solar user" means any person residing in this state who receives
16 part or all of their electricity through the use of a solar electric system or any
17 person residing in this state that is contemplating entering into or has entered
18 into a contract with a solar company for the purchase, installation, or leasing
19 of a solar electric system.

20 §844.64. Rules and regulations; solar companies

21 A. The commission shall promulgate rules and regulations to govern the
22 registration of solar companies with the commission, to conduct investigations,
23 impose fees and penalties, and take actions necessary to assure proper
24 implementation of the provisions of this Chapter.

25 B. The commission is authorized to retain outside assistance, including
26 but not limited to special counsel or consultants, pursuant to R.S. 45:1180 and
27 R.S. 45:1181, as needed to assist the commission in enforcing the provisions of
28 this Chapter.

29 §844.65. Rights; solar company disclosures; solar users

1 **A. Required Regulatory Disclosures. Prior to the sale or lease of a solar**
2 **electric system, the following minimum regulatory disclosures shall be made to**
3 **and acknowledged in writing by the solar user:**

4 **(1) The solar company shall inform the solar user that the solar**
5 **company is required to register with the commission and that the solar user**
6 **may file complaints with the commission for violations of the commission's rules**
7 **and regulations.**

8 **(2) The solar company shall disclose to the solar user that the solar**
9 **company possesses or employs a contractor that possesses a state contractor's**
10 **license with the classification of Solar Energy Equipment as required by R.S.**
11 **37:2150 et seq.**

12 **B. Required Financial Disclosures. Prior to the sale or lease of a solar**
13 **electric system, the following minimum financial disclosures shall be made to**
14 **and acknowledged in writing by the solar user:**

15 **(1) Solar users have the right to know the expected amount of electricity**
16 **that will be produced by the solar electric system. The solar company shall**
17 **provide the solar user with a good faith estimate of the number of kilowatt**
18 **hours that will be delivered by the solar electric system on a monthly and**
19 **annual basis, together with a description of the warranties and limitations, if**
20 **any, affecting the estimate.**

21 **(2) Solar users have the right to know all of the costs associated with**
22 **installing a solar electric system including but not limited to any taxes the**
23 **homeowner will be required to pay as part of any purchase or lease agreement.**
24 **Solar companies shall provide a good faith estimate of the impact of the**
25 **installation of a solar electric system on the value of the home as well as a good**
26 **faith estimate of any applicable property taxes.**

27 **(3) Solar users have the right to know the value of all federal, state, and**
28 **local tax credits, electric utility rate credits, incentives, or rebates that the solar**
29 **user may receive or sign over to the solar company if applicable. Solar**

1 companies, including those which contract for the assignment of such tax
2 credits, electric utility rate credits, incentives, subsidies, or rebates shall provide
3 the solar user a good faith estimate of each financial benefit the solar user will
4 receive or waive upon signing a contract. Solar companies shall also provide
5 information to the solar user regarding the allocation of responsibility for
6 payments if and when each of these financial benefits expires or is modified.

7 (4) Solar users have the right to know the rate they can expect to be
8 compensated for any electricity produced by their solar electric system and sold
9 to the electric utility. Solar companies shall provide information to the solar
10 user about the current reimbursement rate of the solar user's electric utility at
11 the time of signing a contract. Solar companies shall provide a written
12 disclaimer that the current reimbursement rate is subject to change. If retail
13 net metering is in place at the time of the purchase, the solar company shall
14 inform the solar user that additional charges for distribution, transmission, or
15 stand-by generation may be imposed at the request of the utility, by rule of the
16 commission, or by changes to state law.

17 (5) Solar users have the right to know the full extent of payments and
18 interest rates over the life of a solar electric system lease agreement. Solar users
19 have the right to know the anticipated value of any assets that remain with the
20 solar user at the end of the lease agreement if applicable. Solar companies shall
21 provide information to the solar user on the total payments over the life of the
22 lease agreement, the rate of interest over the life of the lease agreement, and an
23 estimate of the value of any assets that remain with the homeowner at the end
24 of the lease agreement, if applicable.

25 C. Required Safety and Maintenance Disclosures. Prior to the sale or
26 lease of a solar electric system, the following minimum disclosures regarding
27 safety and maintenance of the solar electric system shall be made to and
28 acknowledged in writing by the solar user:

29 (1) Solar users have the right to know that a solar electric system may

1 impact the access and ability of a fire department to address a fire and affect
2 operations of sensitive equipment at a home. Solar companies shall provide
3 information to the solar user on the potential fire and other home safety risks
4 of a solar electric system, and explain how operations of the solar electric system
5 could affect home appliances and equipment in the event that the system is
6 operating without backup or support from the utility grid.

7 (2) Solar users have the right to know if the solar company insures the
8 solar electric system against damage or loss and under what circumstances the
9 solar company does not insure or cover damages or loss of the solar electric
10 system. Solar companies shall disclose all related information.

11 (3) Solar users have the right to know whether the lease agreement
12 protects against any damage or loss to the customer's real and personal
13 property and how the installation of a solar electric system may impact home
14 insurance agreements and rates and other warranties. Solar companies shall
15 explain that a solar user's insurance rate may be subject to change due to a
16 solar electric system installation.

17 (4) Solar users have the right to know the costs of removal or temporary
18 removal of a solar electric system in case of roof repair or replacement due to
19 weather, wear and tear, or other events. Solar companies shall provide
20 information to the solar user on the costs the solar company will cover and will
21 not cover in the event the roof needs maintenance and, in the case of a lease
22 agreement arrangement, whether the solar user is required to make any lease
23 agreement payments to the solar company during the time the solar electric
24 system is inoperable due to roof maintenance.

25 (5) Solar users have the right to discontinue lease payments during such
26 times as the solar electric system is inoperable due to maintenance of the system
27 or defective or malfunctioning equipment. Solar companies shall provide
28 information to the solar user explaining the terms of the lease agreement in
29 cases of inoperability and the solar company may not charge monthly lease

1 agreement payments if the solar electric system is inoperable due to product
2 malfunction or defect.

3 (6) Solar users have the right to know the solar company's
4 responsibilities regarding installation or removal of a solar electric system,
5 including rights exercised during the term of a lease agreement. Solar
6 companies shall provide information to the solar user regarding its
7 responsibilities and the homeowners' responsibilities on the costs of any
8 additional metering equipment or equipment used to connect a solar electric
9 system to the home or grid, including installation, removal, or maintenance of
10 the solar electric system and cleaning area after construction, installation, and
11 removal.

12 (7) Solar users have the right to know the solar company's use of
13 customer data as it relates to electricity usage, production, and personal
14 information. Solar companies shall provide information to the homeowner
15 regarding the solar company's policy on the use of customer data and state if it
16 allows such data to be shared with any additional parties.

17 (8) Solar users considering a lease agreement arrangement with a solar
18 company have the right to know whether lease agreement fees escalate over
19 time. Solar companies shall provide information to solar users on escalating
20 rates of lease agreement payments. Solar companies shall provide a disclaimer
21 that lease agreement payment escalators are based on projections of changes in
22 future electric utility rates over time and can potentially diminish or eliminate
23 any savings claimed by the solar company.

24 (9) Solar users have the right to know who is responsible for the balance
25 of the solar lease agreement when the house is sold or the homeowner expires
26 before the lease agreement is concluded. Solar companies shall provide
27 information to the solar user regarding the change in terms of lease agreement
28 in the event of the sale of the home or in the event of the expiration of the lessee,
29 and whether and under what circumstances the lease is transferrable.

§844.66. Penalties

The commission shall investigate any complaint received against a solar company related to a violation of this Chapter. If, after investigating such complaint, the commission finds there has been a violation of this Chapter, the commission, after notice and hearing, may impose an administrative penalty against the solar company. The commission shall promulgate rules and regulations to determine the appropriate penalties for violations of the provisions of this Chapter.

§844.67. Commission authority

Nothing in this Chapter shall derogate from the commission's constitutional authority to regulate, as applicable, all common carriers and public utilities, particularly the authority to implement rules, regulations, and tariffs to ensure that neither an electric utility nor its ratepayers shall be adversely affected, or to subsidize activities authorized under this Chapter.

§844.68. Civil damages; criminal penalties; arbitration

Nothing in this Chapter is intended to preclude the filing of a civil suit for damages in the appropriate state or federal court or criminal charges where appropriate. No purchase or lease agreement for a solar electric system in this state shall contain a mandatory arbitration clause. The invocation of arbitration shall be voluntary at the discretion of the solar user and shall not preclude a complaint as provided in this Chapter, civil suit, or criminal charges in state or federal court.

The original instrument and the following digest, which constitutes no part of the legislative instrument, were prepared by Michelle Ridge.

DIGEST

SB 214 Original

2015 Regular Session

Johns

Proposed law provides for legislative findings as follows:

- (1) It is in the public interest for purchasers and lessees of solar electric systems to be adequately informed of the potential savings associated with purchasing or leasing a solar electric system. As homeowners consider potential energy cost savings, it is essential that they are provided with sufficient information to make an informed decision.

- (2) It is in the public interest for the Louisiana Public Service Commission to issue rules and regulations to enforce proposed law and to provide for the effective oversight of agreements for the purchase or lease of solar electric systems by solar users in this state.

Proposed law defines the following terms as follows:

- (1) "Commission" means the Louisiana Public Service Commission.
- (2) "Solar company" means any individual or entity that acts as a seller or lessor of solar electric systems and any individual or entity who as part of their business installs or provides leasing of a solar electric system that is designed to connect with the distribution grid in order to provide electric power to end use customers in the state.
- (3) "Solar electric system" means a system consisting of photovoltaic panels with the primary purpose of converting sunlight to electrical energy and all equipment and apparatus necessary to connect, store, and process the electrical energy for connection to and use by an electrical load. "Solar electric system" shall include grid-connected net metering systems with or without battery backup, stand-alone alternating current (AC) systems, and stand-alone direct current (DC) systems. The eligible system components for a solar electric system include the following:
- (a) For grid-connected, net metering solar electric systems, the components include photovoltaic panels, mounting systems, inverters, charge controllers, batteries, battery cases, alternating current (AC) and direct current (DC) disconnects, lightning and ground fault protection, junction boxes, remote metering display devices, and related electrical wiring materials from the photovoltaic panels to point of interconnection with the residence or electrical load.
- (b) For stand-alone solar electric AC systems, the components include photovoltaic panels, mounting systems, inverters, charge controllers, batteries, battery cases, AC and DC disconnects, lightning and ground fault protection, junction boxes, remote metering display devices, and related electrical wiring materials from the photovoltaic panels to point of interconnection with the residence or electrical load.
- (c) For stand-alone solar electric DC systems, the components include photovoltaic panels, mounting systems, charge controllers, batteries, battery cases, DC disconnects, lightning and ground fault protection, junction boxes, remote metering display devices, and related electrical wiring materials from the photovoltaic panels to point of interconnection with the residence or electrical load.
- (4) "Solar user" means any person residing in this state who receives part or all of their electricity through the use of a solar electric system or any person residing in this state that is contemplating entering into or has entered into a contract with a solar company for the purchase, installation, or leasing of a solar electric system.

Proposed law authorizes the commission to promulgate rules and regulations to govern the registration of solar companies with the commission, to conduct investigations, impose fees and penalties, and take actions necessary to assure proper implementation of the provisions of proposed law.

Proposed law provides that the commission is authorized to retain outside assistance, including but not limited to special counsel or consultants as needed to assist the commission in enforcing proposed law.

Proposed law provides for certain regulatory disclosures to be made by a solar company to a solar user.

Proposed law provides for certain financial disclosures to be made by a solar company to a solar user.

Proposed law provides for certain safety and maintenance disclosures made by a solar company to a solar user.

Proposed law requires the commission to investigate any complaint received against a solar company related to a violation of proposed law, and if, after investigating such complaint, the commission finds there has been a violation, the commission, after notice and hearing, may impose an administrative penalty against the solar company. The commission shall promulgate rules and regulations to determine the appropriate penalties for violations of proposed law.

Proposed law shall not derogate from the commission's constitutional authority to regulate, as applicable, all common carriers and public utilities, particularly the authority to implement rules, regulations, and tariffs to ensure that neither an electric utility nor its ratepayers shall be adversely affected, or to subsidize activities authorized under proposed law.

Proposed law is not intended to preclude the filing of a civil suit for damages in the appropriate state or federal court nor does it criminal charges where appropriate. No purchase or lease agreement for a solar electric system in this state shall contain a mandatory arbitration clause. The invocation of arbitration shall be voluntary at the discretion of the solar user and shall not preclude a complaint, civil suit, or criminal charges in state or federal court.

Effective August 1, 2015.

(Adds R.S. 45:844.61-844.68)