

**ASSEMBLY BILL**

**No. 2699**

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**Introduced by Assembly Member Gonzalez  
(Coauthor: Assembly Member Weber)**

February 19, 2016

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An act to add Chapter 2.4 (commencing with Section 18892) to Division 8 of the Business and Professions Code, relating to business.

LEGISLATIVE COUNSEL'S DIGEST

AB 2699, as introduced, Gonzalez. Department of Consumer Affairs: solar companies: solar energy systems.

Existing law provides for the licensure and regulation of various professions and vocations by boards within the Department of Consumer Affairs. Existing law, the Contractors' State License Law, provides for the licensure and regulation of contractors by the Contractors' State License Board. Existing law requires licensed contractors to be classified and authorizes them to be classified as, among other things, a solar contractor. Under existing law, a solar contractor installs, modifies, maintains, and repairs thermal and photovoltaic solar energy systems. Existing law prohibits a solar contractor from performing building or construction trades, crafts, or skills, except when required to install a thermal or photovoltaic solar energy system.

This bill would, among other things, require a solar company selling, financing, or leasing a solar energy system, as defined, to provide each customer with a specified "solar energy system disclosure document." The bill would also require the Department of Consumer Affairs to adopt a regulation that includes a specified "Department of Consumer Affairs solar energy system disclosure document" informing customers of the risks and rewards of solar energy system ownership and warranty

issues, and protecting those customers from unscrupulous or unfair business practices. The bill would require these disclosures to be provided by the solar company to the customer prior to the sale, finance, or lease of a solar energy system. The bill would make a violation of these provisions by a solar company punishable by an unspecified fine. The bill would also authorize a customer damaged by a willful violation of these provisions to bring a civil cause of action against a solar company for specified damages.

This bill would also declare the intent of the Legislature to enact legislation that would require the Department of Consumer Affairs to certify a solar company and establish an insurance pool for customers to access in order to obtain compensation for solar energy system claims, as provided.

Vote: majority. Appropriation: no. Fiscal committee: yes. State-mandated local program: no.

*The people of the State of California do enact as follows:*

1 SECTION 1. (a) The Legislature finds and declares that the  
2 Governor set a goal of one million solar rooftop systems installed  
3 by 2018. As of November 2015, this state leads the nation in the  
4 installation of residential and business distributed solar projects  
5 with approximately 438,250 solar projects.

6 (b) It is the intent of the Legislature to enact this act to ensure  
7 that prospective solar customers are provided accurate, clear, and  
8 concise information to make an informed decision about solar  
9 energy system installation, and to ensure that new solar energy  
10 systems continue to reliably provide clean power to millions of  
11 Californians for many years.

12 SEC. 2. Chapter 2.4 (commencing with Section 18892) is added  
13 to Division 8 of the Business and Professions Code, to read:

14

15 CHAPTER 2.4. SOLAR COMPANIES

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17 18892. (a) As used in this section, the following terms have  
18 the following meanings:

19 (1) "Customer" shall include any person, firm, corporation, or  
20 other entity that is solicited by, inquires about, or seeks the services  
21 of a solar company for the purchase, financing, or lease of a solar  
22 energy system.

1 (2) “Department” means the Department of Consumer Affairs.

2 (3) “Solar company” means any company and its broker,  
3 brokers, or agents that sell, finance, or lease solar energy systems.

4 (4) “Solar energy system” has the same meaning as set forth in  
5 paragraphs (1) and (2) of subdivision (a) of Section 801.5 of the  
6 Civil Code.

7 (b) (1) Prior to completion of a sale, financing, or lease of a  
8 solar energy system to a customer, a solar company shall provide  
9 each customer with a “solar energy system disclosure document,”  
10 which shall include all of the following information:

11 (A) A list of current residential or business electric rates by  
12 kilowatthour, as established by the applicable Public Utilities  
13 Commission tariff or other regulatory rate document.

14 (B) If a payback calculation for the solar energy system is  
15 provided, the calculation must be based on the customer’s current  
16 electric rate, which shall be disclosed to the customer.

17 (C) A notification that electric rates are subject to change in the  
18 future and that estimates of savings are based on today’s electric  
19 rates. If a payback calculation is included, the notification shall  
20 be located immediately next to the payback calculation.

21 (D) A link to a page on the customer’s electricity provider’s  
22 Internet Web site that provides information about the electrical  
23 provider’s filings regarding future rates.

24 (E) A description of the solar company’s contractor’s license  
25 issued pursuant to Chapter 9 (commencing with Section 7000) of  
26 Division 3, license number, and name of the license qualifier for  
27 each of the solar company’s licenses for solar system installation.

28 (F) Valid, current certificates of insurance for the solar  
29 company’s commercial general liability and workers’ compensation  
30 insurance policies.

31 (G) A description of the average level of electricity per month  
32 that would be produced by the solar panels planned for installation  
33 given the actual physical limitations and conditions specific to the  
34 customer.

35 (H) A notification that, when renewable energy attributes are  
36 retained by the solar company, the customer is not buying solar  
37 power, nor buying renewable energy.

38 (I) A notification that the balance of any financing or lease  
39 arrangement is payable to the solar company in the event of the  
40 death of the customer during the term of the agreement.

1 (J) An estimate of the cost of removing and reinstalling solar  
2 panels in the event that the roof material beneath solar panels is  
3 replaced.

4 (K) An explanation of the potential change in electricity  
5 production of a solar energy system if the panels become dirty or  
6 covered with debris, and instructions on how to maintain the solar  
7 energy system.

8 (L) An explanation that if a solar system installation is financed  
9 by a loan that requires a superpriority lien on the homeowner's  
10 mortgage, the homeowner may be unable to refinance his or her  
11 mortgage because of this financing.

12 (M) A notification that customer bill credits are compensated  
13 by other customers of the electricity provider.

14 (2) A solar company that sells, finances, or leases a solar energy  
15 system to a customer primarily in Spanish, Chinese, Tagalog,  
16 Vietnamese, or Korean, whether orally or in writing, shall be  
17 required to provide the disclosure document in paragraph (1) in  
18 that same language.

19 (c) Subject to the Administrative Procedure Act (Chapter 3.5  
20 (commencing with Section 11340) of Part 1 of Division 3 of Title  
21 2 of the Government Code), the department shall adopt a regulation  
22 that includes a "Department of Consumer Affairs solar energy  
23 system disclosure document" informing customers of the risks and  
24 rewards of solar energy system ownership and warranty issues,  
25 and protecting those customers from unscrupulous or unfair  
26 business practices. The solar company shall provide this disclosure  
27 document developed by the department at the same time that the  
28 disclosure document in subdivision (b) is provided to the customer.  
29 The disclosure document developed by the department shall  
30 include, but shall not be limited to, information about all of the  
31 following:

32 (1) Solar energy system malfunctions.

33 (2) Installations not performed to code.

34 (3) Roof intrusions and related structural concerns.

35 (4) Bankruptcy, insolvency, default, takeover, or closure of a  
36 solar company with existing customers, especially with respect to  
37 solar companies who lease systems.

38 (5) Loss of warranty on solar energy systems caused by  
39 bankruptcy, insolvency, default, takeover, or closure of a solar  
40 company or a solar manufacturer.

1 (d) It is the intent of the Legislature to enact legislation that  
2 would (1) require the department to certify a solar company and  
3 (2) establish an insurance pool for customers to access in order to  
4 obtain compensation for solar energy system claims, the funds for  
5 which shall be raised yearly from all solar companies actively  
6 doing business in this state at the time of assessment.

7 (e) When marketing its services to customers, solar companies  
8 shall not use the trade dress of other energy providers such that it  
9 creates a likelihood of confusion that an affiliation or connection  
10 exists between a solar company and the electrical corporation,  
11 unless the solar company has express authorization from the  
12 electrical corporation to do so.

13 (f) A violation of this section by a solar company is punishable  
14 by a fine of not less than \_\_\_ (\$\_\_\_) and not more than \_\_\_ (\$\_\_\_),  
15 which shall be in addition to any other punishment imposed for a  
16 violation of this section. All fines collected by the department  
17 pursuant to this subdivision shall be deposited in the Professions  
18 and Vocations Fund described in Section 205, and these fines shall  
19 be subject to appropriation by the Legislature.

20 (g) (1) In addition to the authority granted to the department  
21 in subdivision (f), a customer damaged by a willful violation of  
22 the provisions of this chapter may bring a civil cause of action  
23 against a solar company for damages, including, but not limited  
24 to, general damages, special damages, and punitive damages.

25 (2) The court in an action pursuant to this section may award  
26 equitable relief, including, but not limited to, an injunction, costs,  
27 and any other relief the court deems proper.

28 (3) The rights and remedies provided in this chapter are in  
29 addition to any other rights and remedies provided by law.

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