

Committee Action:
Do Pass _____
Amend & Do Pass _____
Other _____

Assembly Committee on Growth and Infrastructure

This measure may be considered for action during today's work session.

SENATE BILL 293 (R1)

Revises provisions relating to distributed generation systems. (BDR 52-459)

Sponsored By: Senator Doñate, et al.
Date Heard: May 4, 2023.
Fiscal Notes: Effect on Local Government: May have Fiscal Impact.
Effect on the State: Yes.

Senate Bill 293 requires a solar installation company that enters into an agreement for the lease or purchase of a residential distributed generation system to be licensed by the State Contractor's Board and to comply with certain requirements relating to work offered and performed, advertisements and solicitations, and sales referrals and the generation of leads. The contractor must retain telephone recordings and comply with certain contractual requirements.

The lessee or purchaser of the system must be provided with the opportunity to rescind the agreement within three business days. The agreement must contain a cover page with information prominently displayed on how to cancel the agreement in the same language that a majority of the solicitation, offer, or transaction for the agreement occurred.

Amendments: Office of the Attorney General:

- Revises various provisions relating to the installation of residential solar systems.

AARON D. FORD
Attorney General

CRAIG NEWBY
First Assistant Attorney General

CHRISTINE JONES BRADY
Second Assistant Attorney General



STATE OF NEVADA
OFFICE OF THE ATTORNEY GENERAL
100 North Carson Street
Carson City, Nevada 89701

TERESA BENITEZ-
THOMPSON
Chief of Staff

LESLIE NINO PIRO
General Counsel

HEIDI PARRY STERN
Solicitor General

SB293 (R1) Amendment

Text of Proposed Amendment:

1. ***blue bold italics*** is new language in the original bill;
 2. **green bold underlining** is language proposed to be added in this amendment;
 3. ~~red strikethrough~~ is deleted language in the original bill;
 4. ~~purple double strikethrough~~ is language proposed to be deleted in this amendment;
 5. **orange double underlining** is deleted language in the original bill proposed to be retained in this amendment.
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Section 1. Chapter 598 of NRS is hereby amended by adding thereto the provisions set forth as sections **1.3 2, and to 3, inclusive,** of this act.

Sec. 1.3. “Production” means the amount of AC kilowatt hours generated by the distributed generation system.

Sec. 1.6. “Offset” means the amount of AC kilowatt hours generated by the distributed generation system divided by available prior consumption data.

Sec. 2. 1. *A solar installation company shall, through telephone, video conference, or in person, verbally;*
(a) Confirm the identity of the purchaser;
(b) communicate to a purchaser or lessee under an agreement for the purchase or lease of a distributed generation system or a host customer under a power purchase agreement the information required to be included in a cover page pursuant to NRS 598.9809, 598.9813 or 598.9816, as applicable; and

(c) Obtain confirmation that the purchaser understands the information contained in paragraph (b) of this subsection.

2. *The verbal communication required by subsection 1 must be:*

(a) *Recorded by the solar installation company; and*

(b) ~~Provided:~~

~~(1) *At* Be conducted at the time of the execution of the agreement or within 48 hours after the execution of the agreement. ‡
and~~

~~(2) *Before the installation of any distributed generation system under the agreement.*~~

3. A solar installation company shall not commence the installation of any distributed generation system under the agreement until the recording required by subsection 2 is completed.

4. *A solar installation company shall maintain the recording of a verbal communication made pursuant to this section for not less than ~~10~~ 4 years ~~after the recording is made.~~ from the date of any required final inspections within the jurisdiction in which the distributed generation system is located.*

Sec. 3. *Any purchaser or lessee who enters into or signs an agreement for the purchase or lease of a distributed generation system or host customer who enters into a power purchase agreement may rescind or cancel the agreement, without any penalty or obligation, by giving notice in writing to the solar installation company either by delivering, mailing or telegraphing such notice or sending such notice by electronic mail not later than midnight of the third business day after the date the agreement was entered into or signed. The notice must be addressed to the solar installation company at the solar installation company's place of business, or any place designated by the agreement, or sent to the electronic mail address set forth on the cover page required by NRS 598.9809, 598.9813 or 598.9816, as applicable, and must contain words indicating the intent of the purchaser, lessee or host customer to rescind or cancel the transaction previously entered into.*

Sec. 4. NRS 598.9801 is hereby amended to read as follows:

598.9801 As used in NRS 598.9801 to 598.9822, inclusive, *and sections ~~1.3~~ 2 and to 3, inclusive, of this act*, unless the context otherwise requires, the words and terms defined in NRS 598.9802 to 598.9808, inclusive, and section 1.5 of this act have the meanings ascribed to them in those sections.

Sec. 5. NRS 598.9804 is hereby amended to read as follows:

598.9804 “Distributed generation system” means a system or facility for the **residential** generation of electricity ~~;~~

~~1. That *that* uses solar energy to generate electricity. **The term includes a residential photovoltaic system as defined in NRS 624.850.**~~

~~2. That is located on the property of a customer of an electric utility;~~
~~3. That is connected on the customer’s side of the electricity meter;~~
~~4. That provides electricity primarily to offset customer load on that property; and~~

~~5. The excess generation from which is periodically exported to the grid in accordance with the provisions governing net metering systems used by customer generators pursuant to NRS 704.766 to 704.776, inclusive.]~~

Sec. 5.5. NRS 598.9808 is hereby amended to read as follows:

598.9808 1. “Solar installation company” means any form of business organization or any other nongovernmental legal entity, including, without limitation, a corporation, partnership, association, trust or unincorporated organization, that **is licensed pursuant to NRS 624.860 and directly or indirectly, on his or her own behalf or on behalf of another, performs or offers to perform any work concerning a residential distributed generation system used to produce electricity, or advertises, solicits or offers to enter into an agreement described in NRS 598.9801 to 598.9822, inclusive, or sections 1.3 to 3, inclusive, of this act or** transacts business ~~directly with a residential customer of an electric utility~~ to:

- (a) Sell and install a distributed generation system; or
- (b) Install a distributed generation system owned by a third party from whom the customer:
 - (1) Leases a distributed generation system; or
 - (2) Purchases electricity generated by a distributed generation system.

2. The term does not include ~~entities that are third party:~~
~~(a) Owners of a distributed generation system; or~~
~~(b) Financiers of a distributed generation system who do not sell or install the distributed generation system. **persons that generate leads or referrals to licensees under NRS 624.860 for distributed generation systems so long as the activity is limited to serving as a referral source for the licensee, providing contact information of licensees to prospective buyers, setting up appointments for licensees, and advertising through print media.**~~

Sec. 6. NRS 598.9809 is hereby amended to read as follows:

598.9809 An agreement for the lease of a distributed generation system must include a cover page that ~~[provides]~~ :

1. Prominently displays the following information at the top of the cover page in at least 16-point font:

(a) Notice of the right to rescind or cancel the agreement, without any penalty or obligation, with within 3 business days after the execution of the agreement, as provided in section 3 of this act.

(b) An electronic mail address to which a notice of rescission or cancellation may be sent pursuant to section 3 of this act and notice that the lessee may send such a notice to that electronic mail address.

(c) Notice to the lessee of the recording requirements in section 2 of this act.

(d) Notice that prior to installation of the distributed generation system that the lessee will have the opportunity to confirm there were no representations, offers or promises made at any time concerning the lease of the distributed generation system that are not contained in the agreement.

2. Provides the following information in at least 10-point font:

~~[1.]~~ (a) The amounts due at the signing for and at the completion of the installation or any inspection of the distributed generation system.

~~[2.]~~ (b) An estimated timeline for the installation of the distributed generation system.

~~[3.]~~ (c) The estimated amount of the monthly payments due under the lease in the first year of operation of the distributed generation system.

~~[4.]~~ (d) The length of the term of the lease.

~~[5.]~~ (e) A description of any warranties.

~~[6.]~~ (f) The rate of any payment increases.

~~[7.]~~ (g) The identification of any state or federal tax incentives that are included in calculating the amount of the monthly payments due under the lease.

~~[8.]~~ (h) The estimated production of the distributed generation system in the first year of operation= **and an explanation that:**

(1) The lessee will always receive a power bill if connected to the grid;

(2) The estimated production or offset is based upon available prior consumption data; and

(3) Any change in consumption by the lessee will impact the estimated offset, or savings, in relation to the production.

~~[9.]~~ (i) A description of the terms for renewal or any other options available at the end of the term of the lease.

~~[10.]~~ (j) A description of any option to purchase the distributed generation system before the end of the term of the lease.

~~[11.]~~ (k) Notice of the existence of the Recovery Fund administered by the State Contractors' Board pursuant to NRS 624.470.

~~[12.]~~ (l) Notice that a person financially damaged by a licensed contractor who performs work on a residence may be eligible to recover certain financial damages from the Recovery Fund.

~~[13.]~~ (m) Notice that a host customer may file a complaint with the Public Utilities Commission of Nevada.

~~[14.]~~ (n) Contact information for the State Contractors' Board and the Public Utilities Commission of Nevada, including, without limitation, a telephone number.

(o) Notice that the lessee, before the execution of the agreement, may request any document used in the solicitation, offer or transaction for the agreement in any language.

Sec. 7. NRS 598.9813 is hereby amended to read as follows:

598.9813 An agreement for the purchase of a distributed generation system must include a cover page that ~~[provides]~~ :

1. Prominently displays the following information at the top of the cover page in at least 16-point font:

(a) Notice of the right to rescind or cancel the agreement, without any penalty or obligation, with within 3 business days after the execution of the agreement, as provided in section 3 of this act.

(b) An electronic mail address to which a notice of rescission or cancellation may be sent pursuant to section 3 of this act and notice that the lessee may send such a notice to that electronic mail address.

(c) Notice to the purchaser of the recording requirements in section 2 of this act.

(d) Notice that prior to installation of the distributed generation system that the purchaser will have the opportunity to confirm there were no representations, offers or promises made at any time concerning the purchase of the distributed generation system that are not contained in the agreement.

2. Provides the following information in at least 10-point font:

~~[1.]~~ (a) The size of the distributed generation system.

~~[2.]~~ (b) The length of the term of the warranty for the distributed generation system.

~~[3.]~~ (c) An estimated timeline for the installation of the distributed generation system.

~~[4.]~~ (d) A description of any warranties.

~~[5.]~~ (e) The total cost of the distributed generation system.

~~[6.]~~ (f) The estimated value of any portfolio energy credits and rebates of any incentives included in the calculation of the total cost of the distributed generation system.

~~[7.]~~ (g) The amounts due at the signing for and at the completion of the installation of the distributed generation system.

~~[8.]~~ *(h)* The estimated production of the distributed generation system in the first year of operation= **and an explanation that:**

(1) The purchaser will always receive a power bill if connected to the grid;

(2) The estimated production or offset is based upon available prior consumption data; and

(3) Any change in consumption by the purchaser will impact the estimated offset, or savings, in relation to the production.

~~[9.]~~ *(i)* Notice of the existence of the Recovery Fund administered by the State Contractors' Board pursuant to NRS 624.470.

~~[10.]~~ *(j)* Notice that a person financially damaged by a licensed contractor who performs work on a residence may be eligible to recover certain financial damages from the Recovery Fund.

~~[11.]~~ *(k)* Notice that a host customer may file a complaint with the Public Utilities Commission of Nevada.

~~[12.]~~ *(l)* Contact information for the State Contractors' Board and the Public Utilities Commission of Nevada, including, without limitation, a telephone number.

(m) Notice that the purchaser, before the execution of the agreement, may request any document used in the solicitation, offer or transaction for the agreement in any language.

Sec. 8. NRS 598.9816 is hereby amended to read as follows:

598.9816 A power purchase agreement for the sale of the output of a distributed generation system must include a cover page that ~~[provides]~~ :

1. Prominently displays the following information at the top of the cover page in at least 16-point font:

*(a) Notice of the right to **rescind or cancel the agreement, without any penalty or obligation, with within 3 business days after the execution of the agreement, as provided in section 3 of this act.***

*(b) An electronic mail address to which a notice of **rescission or cancellation may be sent pursuant to section 3 of this act and notice that the lessee may send such a notice to that electronic mail address.***

(c) Notice to the purchaser of the recording requirements in section 2 of this act.

(d) Notice that prior to installation of the distributed generation system that the purchaser will have the opportunity to confirm there were no representations, offers or promises made at any time concerning the purchase of the distributed generation system that are not contained in the agreement.

2. Provides the following information in at least 10-point font:

~~[1.]~~ *(a)* The rate of any increase in the payments to be made during the term of the agreement and, if applicable, the date of the first such increase.

~~[2.]~~ (b) An estimated timeline for the installation of the distributed generation system.

~~[3.]~~ (c) The rate of electricity per kilowatt-hour of electricity for the first year of the agreement.

~~[4.]~~ (d) The length of the term of the agreement.

~~[5.]~~ (e) The amounts due at the signing for and at the completion of the installation or any inspection of the distributed generation system.

~~[6.]~~ (f) The estimated production of the distributed generation system in the first year of operation= **and an explanation that:**

(1) The purchaser will always receive a power bill if connected to the grid;

(2) The estimated production or offset is based upon available prior consumption data; and

(3) Any change in consumption by the purchaser will impact the estimated offset, or savings, in relation to the production.

~~[7.]~~ (g) A description of the options available at the end of the term of the agreement.

~~[8.]~~ (h) A description of any option to purchase the distributed generation system before the end of the term of the agreement.

~~[9.]~~ (i) Notice of the existence of the Recovery Fund administered by the State Contractors' Board pursuant to NRS 624.470.

~~[10.]~~ (j) Notice that a person financially damaged by a licensed contractor who performs work on a residence may be eligible to recover certain financial damages from the Recovery Fund.

~~[11.]~~ (k) Notice that a host customer may file a complaint with the Public Utilities Commission of Nevada.

~~[12.]~~ (l) Contact information for the State Contractors' Board and the Public Utilities Commission of Nevada, including, without limitation, a telephone number.

(m) Notice that the host customer, before the execution of the agreement, may request any document used in the solicitation, offer or transaction for the agreement in any language.

Sec. 9. NRS 598.9822 is hereby amended to read as follows:

598.9822 1. A host customer may file a complaint concerning a solar installation company with the Public Utilities Commission of Nevada. Upon receipt of a complaint, the Commission may direct the host customer to the appropriate agency or person to resolve the complaint.

2. The failure of a person to comply with NRS 598.9801 to 598.9822, inclusive, **and sections 1.3 ~~2~~ and to 3, inclusive, of this act** constitutes a deceptive trade practice for the purposes of NRS 598.0903 to 598.0999, inclusive.

3. **~~If~~ Except for persons that conduct administrative duties and services directly to and for the benefit of the solar installation**

company, if a solar installation company executes with a purchaser or lessee an agreement for the purchase or lease of a distributed generation system or with a host customer a power purchase agreement and fails to knowingly comply with any requirement of NRS 598.9801 to 598.9822, inclusive, and sections 1.3 ~~2 and~~ to 3, inclusive, of this act, including, without limitation, by failing to include any disclosure or information required by NRS 598.9801 to 598.9822, inclusive, and sections 1.3 ~~2 and~~ to 3, inclusive, of this act, or knowingly failing to maintain a recording of a verbal communication as required by section 2 of this act, the agreement is voidable by the purchaser, lessee or host customer.

4. A violation of any provision of NRS 59.9809 to 598.9822, inclusive, *and sections 1.3 ~~2 and~~ to 3, inclusive, of this act* constitute consumer fraud for the purposes of NRS 41.600.

~~[4.]~~ 5. Any document described in NRS 598.9809 to 598.9821, inclusive, *and sections 1.3 ~~2 and~~ to 3, inclusive, of this act* must be provided in:

(a) English; or

(b) ~~[Spanish,]~~ Any other language, if any person so requests=

provided the request is made prior to execution of the contract or agreement.

(c) Notwithstanding the foregoing, a solar installation company who, in the course of his or her business or occupation advertises in a language other than English and negotiates orally or in writing any of the requirements of NRS 598.9801 to 598.9822, inclusive, and sections 1.3 to 3, inclusive, of this act, in a language other than English, or who allows an employee or agent of the person to advertise in a language other than English and to negotiate orally or in writing any of the requirements of NRS 598.9801 to 598.9822, inclusive, and in sections 1.3 to 3, inclusive, of this act, in a language other than English, shall deliver a translation of the contract, agreement, or notice, that results from such advertising and negotiations in the language that was used in the advertisement and negotiation of the contract, agreement, or notice to the person who is a party to the contract, agreement, or person entitled to receive the notice, and to any other person who may sign the contract or agreement or entitled to receive the notice.

(d) The translation of the contract, agreement, or notice required by paragraph (c) must:

(1) Be provided to the person who is a party to the contract or agreement, or person entitled to receive the notice, and to any other person who may sign the contract or agreement or entitled to receive the notice, before the execution of the contract or agreement; and

(2) Include, without limitation, every term and condition in the contract, agreement or notice.

~~6. A solar installation company, before the execution of an agreement for the purchase or lease of a distributed generation system or a power purchase agreement, shall provide the purchaser, lessee or host customer, as applicable, a copy of the cover page required by NRS 598.9809, 598.9813 or 598.9816, as applicable, in the language that the majority of the solicitation, offer or transaction for the agreement occurred, if the majority of the language that was used was a language other than English.~~

Sec. 10. NRS 624.860 is hereby amended to read as follows:

684.860 ~~1. A person shall not, directly or indirectly [;] on his or her own behalf or on behalf of another,~~ perform or offer to perform, **or provide any proposal or bid for, or execute a contract to perform,** any work concerning a residential photovoltaic system used to produce electricity ~~, or advertise, solicit or offer to enter into an agreement described in NRS 598.9801 to 598.9822, inclusive, and sections 2 and 3 of this act~~ unless the person **holds:**

~~1. A] :~~

(a) Holds a license issued pursuant to this chapter which authorizes the person to perform ~~[such]~~ work ~~[-or]~~ **concerning a residential photovoltaic system used to produce electricity; or**

(b) Is an employee of a person described in paragraph (a).

~~2. [Any other license, certificate, registration or permit under state law which authorizes the person to perform such work.] The provisions of this section do not prohibit a person who does not hold a license issued pursuant to this chapter and who is not an employee of a person who holds a license issued pursuant to this chapter from generating leads or referrals for a residential photovoltaic system used to produce electricity if the person does not provide a quote or offer for the sale or installation of such a residential photovoltaic system.~~

Sec. 11. **This act becomes effective on January 1, 2024.**