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# A BILL FOR AN ACT

RELATING TO CONSUMER PROTECTION.

**BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF HAWAII:**

1           SECTION 1. The legislature finds that deceptive or  
2 misleading solar energy device business practices undermine  
3 consumer confidence, impose hardship on homeowners, and impede  
4 the State's clean energy goals. This Act enhances enforcement  
5 of existing law without imposing new licensing requirements on  
6 legitimate sales activities.

7           Accordingly, the purpose of this Act is to:

- 8           (1) Require purchase, lease, and power purchase agreements  
9           to include a cover page with required disclosures  
10           about agreement terms and the right to rescind and  
11           cancel;
- 12           (2) Require any person or entity that markets, sells,  
13           leases, or solicits a residential solar energy device  
14           or that markets, sells, or solicits power purchase  
15           agreements to comply with consumer protection laws;
- 16           (3) Prohibit any person or entity from installing,  
17           marketing, offering financing, or engaging in customer



- 1 acquisition for residential solar energy devices  
2 without holding a contractor's license or having a  
3 contractual affiliation with a licensed contractor;
- 4 (4) Allow a purchaser, lessee, or host customer to rescind  
5 or cancel the agreement without penalty or obligation  
6 within a certain period; and
- 7 (5) Specify that an agreement executed in violation are  
8 voidable by the purchaser, lessee, or host customer.

9 SECTION 2. Section 481B-6, Hawaii Revised Statutes, is  
10 amended to read as follows:

11 **"§481B-6 [~~Sale of solar~~] Residential solar energy devices;**  
12 **disclosure requirements[-]; business practices.** (a) No person  
13 or entity shall advertise, offer to sell, or sell a residential  
14 solar energy device unless the person clearly discloses  
15 separately, and in writing, the following information concerning  
16 the sale price of the residential solar energy device to the  
17 consumer:

- 18 (1) The cost of the residential solar energy device and  
19 accessories related to the operation of the  
20 residential solar energy device and for their  
21 installation; and



1           (2) The cost of items unrelated to the operation of the  
2           residential solar energy device, including but not  
3           limited to[7] "free gifts", offers to pay electric  
4           bills, rebates, and other incentives designed to  
5           promote the sale of the residential solar energy  
6           device.

7           (b) An agreement for the purchase or lease of a  
8           residential solar energy device, or a power purchase agreement  
9           for the sale of the output of a residential solar energy device,  
10          shall include a cover page that:

11          (1) Prominently displays the following information at the  
12          top of the cover page in at least sixteen-point type:

13          (A) Notice of the right to rescind or cancel the  
14          agreement, without any penalty or obligation,  
15          within three business days after the execution of  
16          the agreement;

17          (B) An electronic mail address to which a notice of  
18          recission or cancellation may be sent and notice  
19          that the purchaser, lessee, or host customer may  
20          send a rescission or cancellation notice to that  
21          electronic mail address; and



- 1           (C) Notice that, before the installation of the
- 2                   residential solar energy device, the purchaser,
- 3                   lessee, or host customer will have the
- 4                   opportunity to confirm that no representations,
- 5                   offers, or promises were made at any time
- 6                   concerning the purchase or lease of the
- 7                   residential solar energy device or the power
- 8                   purchase agreement for the sale of the output of
- 9                   a residential solar energy device, other than
- 10                  what is contained in the agreement; and
- 11          (2) Provides the following information in at least ten-
- 12                  point type:
- 13                  (A) The total system price, including the total cash
- 14                   price and the total price with financing costs,
- 15                   where the cash price and the financed price
- 16                   differ;
- 17                  (B) The estimated annual energy production and
- 18                   methodology used to determine the estimate;
- 19                  (C) The estimated annual utility bill savings and
- 20                   assumptions used;



- 1           (D) The following tax incentive eligibility  
2           statement: "Eligibility for federal and state tax  
3           incentives depends on individual circumstances  
4           and is not guaranteed by the solar company.";  
5           (E) Payment terms;  
6           (F) The escalation rate, if applicable;  
7           (G) The ownership structure, whether purchase, lease,  
8           loan, or power purchase agreement;  
9           (H) The name and license number of the installing  
10           contractor;  
11           (I) Warranty terms; and  
12           (J) Consumer cancellation rights.  
13   The department of commerce and consumer affairs shall create a  
14   template of the standardized cover page described in this  
15   subsection. Beginning January 1, 2027, the department of  
16   commerce and consumer affairs shall publish and make available  
17   free of charge the template required by this subsection in  
18   electronic format on a website maintained by the department. In  
19   creating or revising the template required by this subsection,  
20   the department of commerce and consumer affairs may consult with  
21   a public utility, as defined in section 269-1, domestic



1 nonprofit corporation, or limited liability company that  
2 represents the interests of any person or entity that sells or  
3 leases residential solar energy devices.

4 (c) Any person or entity that markets, sells, leases, or  
5 solicits a residential solar energy device, or that markets,  
6 sells, or solicits power purchase agreements, associated with a  
7 residential solar energy device in the State shall comply with  
8 the consumer protection requirements of this chapter and chapter  
9 444, and any rules adopted thereunder, relating to truthful  
10 advertising, disclosures, contract terms, or cancellation  
11 rights. This subsection shall not apply to financial  
12 institutions.

13 (d) A person or entity that does not hold an active  
14 contractor's license under chapter 444 shall not:

15 (1) Represent that the person or entity is authorized to  
16 install or supervise the installation of a residential  
17 solar energy device;

18 (2) Enter into or offer to enter into a contract for the  
19 installation of a residential solar energy device; or

20 (3) Market, offer financing, or engage in customer  
21 acquisition or lead generation activities for a



1           residential solar energy device, without being  
2           contractually affiliated with one contractor holding a  
3           license allowing the contractor to install a  
4           residential solar energy device. The contractor's  
5           name and license number shall be disclosed on all  
6           marketing materials, proposal documents, and contract  
7           documents.

8           (e) Any purchaser or lessee who enters into or signs an  
9           agreement for the purchase or lease of a residential solar  
10          energy device or host customer who enters into a power purchase  
11          agreement may rescind or cancel the agreement, without any  
12          penalty or obligation, by giving notice in writing to the  
13          installer either by delivering or mailing notice in writing or  
14          sending notice by electronic mail no later than 11:59 p.m. on  
15          the third business day after the date the agreement was entered  
16          into or signed. The notice shall be addressed to the installer  
17          at the installer's place of business, or another place  
18          designated in the agreement, or sent to the electronic mail  
19          address set forth on the cover page required by this section, as  
20          applicable, and shall contain words indicating the intent of the



1 purchaser, lessee, or host customer to rescind or cancel the  
2 transaction previously entered into.

3 (f) If any person executes with a purchaser or lessee an  
4 agreement for the purchase or lease of a residential solar  
5 energy device or with a host customer a power purchase agreement  
6 and fails to comply with any requirement of this section, the  
7 agreement shall be voidable by the purchaser, lessee, or host  
8 customer.

9 (g) The department of commerce and consumer affairs may  
10 adopt rules pursuant to chapter 91 necessary for the purposes of  
11 this section.

12 [~~(b)~~] (h) As used in this section[~~, "solar"~~]:

13 "Financial institution" has the same meaning as defined in  
14 section 412:1-109.

15 "Host customer" means:

16 (1) The customer of record of an electric utility at the  
17 location where a residential solar energy device will  
18 be located; or

19 (2) A person who has been designated by the customer of  
20 record of an electric utility in a letter to the



1           utility explaining the relationship between that  
2           person and the customer of record.

3           "Power purchase agreement" means an agreement in which a  
4 person or entity:

5           (1) Arranges for the design, installation, maintenance,  
6           and energy output of a residential solar energy  
7           device; and

8           (2) Sells the electricity generated from a residential  
9           solar energy device to the host customer.

10          "Solar energy device" means any new identifiable facility,  
11 equipment, apparatus, or the like [~~which~~] that makes use of  
12 solar energy for energy storage or heating, cooling, or reducing  
13 the use of other types of energy dependent upon fossil fuel for  
14 its generation."

15          SECTION 3. This Act does not affect rights and duties that  
16 matured, penalties that were incurred, and proceedings that were  
17 begun before its effective date.

18          SECTION 4. If any provision of this Act, or the  
19 application thereof to any person or circumstance, is held  
20 invalid, the invalidity does not affect other provisions or  
21 applications of the Act that can be given effect without the



1 invalid provision or application, and to this end the provisions  
2 of this Act are severable.

3 SECTION 5. Statutory material to be repealed is bracketed  
4 and stricken. New statutory material is underscored.

5 SECTION 6. This Act shall take effect on July 1, 3000.



**Report Title:**

DCCA; Consumer Protection; Residential Solar Energy Devices;  
Power Purchase Agreements; Agreement Cover Page; Disclosures;  
Contractors; Voidable

**Description:**

Requires purchase, lease, and power purchase agreements for residential solar energy devices to include a cover page with certain required disclosures. Requires any person or entity that markets, sells, leases, or solicits a residential solar energy device or markets, sells, or solicits power purchase agreements to comply with consumer protection laws. Prohibits any person or entity from installing, marketing, offering financing, or engaging in customer acquisition for a residential solar energy device without holding a contractor's license or having a contractual affiliation with a licensed contractor. Allows for rescission or cancellation of the agreement. Specifies that agreements in violation of the law are voidable. Effective 7/1/3000. (SD1)

*The summary description of legislation appearing on this page is for informational purposes only and is not legislation or evidence of legislative intent.*

