OVERVIEW
SB 1465 provides disclosure requirements to be included in agreements for the sale or lease of a distributed energy generating system (system).

HISTORY
Arizona Revised Statutes § 44-1762 requires anyone who manufacturers, furnishes for installation or installs a solar energy device to provide a written warranty statement that includes responsibilities assumed or disclaimed and performance data of the device and components of the device. The statement is subject to approval by the Registrar of Contractors, in accordance to rules adopted, and the Governor’s Energy Office.

Statute requires a person who sells a solar energy device to provide the written warranty statement and requires solar devices sold and installed to comply with any consumer protection, rating, certification, performance, marking, installation and safety standards that have been adopted by the Governor’s Energy Office.

PROVISIONS
1. Requires an agreement governing the financing, sale or lease of a system to any person or a political subdivision to:
   a. Be signed and dated by the person buying, financing or leasing the system;
   b. Be in at least 10-point type;
   c. Include a provision granting the buyer or lessee to rescind the agreement within three business days after the agreement is signed and before the system is installed;
   d. Provide a description, including the make and model or a guarantee concerning energy production output that the system would provide;
   e. Separately set forth the total purchase price or cost for the life of the agreement, any interest or fees to be paid, and the total number of payments, payment frequency, the amount of payment and the payment due date, if the system is financed;
   f. Identify current tax obligations, including the assessed value and property tax assessments calculated in the year the agreement was signed;
   g. Disclose and separately identify tax incentives and rebates the buyer may be eligible for and any conditions or requirements to obtain these tax incentives, rebates or other incentives;
   h. Disclose whether the warranty or maintenance obligations may be sold or transferred to a third party;
   i. Disclose and separately acknowledge the ability to modify or transfer ownership of a system or the real property to which the system is affixed, including whether any
modification or transfer is subject to review or approval by a third party and include the contact information of the entity responsible for approving or modifying the transfer;
j. Provide a summary of the total costs of operating, maintaining, financing and constructing the system;
k. Include a disclosure stating utility rates, structures and projected savings are subject to change and tax incentives may change or be terminated by executive, legislative or regulatory action.
l. Disclose the make and model of the system’s major components; and
m. Disclose the system’s energy output over the life of the agreement.

2. Requires the person currently obligated to maintain or warrant the system to disclose the contact information of the person who will assume the obligation if the obligation is transferred.

3. Specifies that if the agreement or marketing materials contain an estimate of the future utility charges based on projected utility rates, the agreement or marketing materials must provide an estimate of the utility charges during the same period as impacted by potential rate changes from plus or minus 5% range from current utility costs.

4. Exempts an individual or company, acting through its officers, employees or agents, that markets, sells, solicits, negotiates or enters into an agreement for the sale, financing or lease of a system as part of a transaction involving the sale or transfer of real property to which the system is or will be affixed.

5. Specifies that agreements containing blank spaces affecting the timing, value or obligations of the agreement in a material manner will be voidable until the distributed energy generation system is installed.

6. Defines distributed energy generation system and seller or marketer.

Solar Power Options

Estimated System Size — 12.75 kW DC
System size and production will be determined after final engineering design.

<table>
<thead>
<tr>
<th></th>
<th>Utility</th>
<th>SolarLease Pay As You Go Plan</th>
<th>SolarLease Custom Plan</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Energy Price</strong></td>
<td>11.9¢ / kWh (avoided 1st yr avg.)</td>
<td>11.0¢ / kWh (1st yr avg.)</td>
<td>14.4¢ / kWh (20 yr avg.)</td>
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<tr>
<td><strong>Solar Energy Cost</strong></td>
<td>N/A</td>
<td>$187 (est. average)</td>
<td>$234 (est. average)</td>
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<td><strong>Out of Pocket</strong></td>
<td>N/A</td>
<td>$0</td>
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<tr>
<td><strong>Annual Increase</strong></td>
<td>4.3% (expected)</td>
<td>2.5% (fixed)</td>
<td>0% (fixed)</td>
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<tr>
<td><strong>Total Savings over 20 Years</strong></td>
<td>$0</td>
<td>$14,421</td>
<td>$17,942</td>
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<td><strong>Return on Investment (IRR-Post Tax)</strong></td>
<td>N/A</td>
<td>N/A</td>
<td>29.5%</td>
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</table>

**PREMIUM SERVICE PACKAGE**

- **SolarGuard® Monitoring**: We continuously monitor your system and will respond in the unlikely event that it underperforms.
- **Extended Warranty & Repair Service**: We take care of any repair costs such as the inverter replacement, so you will not have to worry about it.
- **Insurance Coverage**: Our all-inclusive system coverage protects against damage or theft.

- **Performance Guarantee**: Certain plans guarantee that your system will produce as much as we promise or we will pay you back!
Solar Service Agreement Summary
G1_SV_10.5 : Solar Lease

<table>
<thead>
<tr>
<th>Utility kWh Rate</th>
<th>Monthly Bill Without Solar Service</th>
<th>Annual Bill Without Solar Service</th>
<th>Next 25 Years Without Solar Service</th>
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<tr>
<td>$0.359</td>
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<td>Solar kWh Rate 2</td>
<td>Solar Service Payment 1</td>
<td>Solar Savings Next Year 2</td>
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<td>$0.139</td>
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1. Assumptions: averaged using known historical weather data
2. Savings are based on the simulated system production and are a function of the difference between the cost of the solar service agreement and the avoided cost of electricity from your utility. The energy usage and savings referenced herein are for illustration purposes only and should not be relied on.

Your Solar Service Agreement Includes:

- **Expert Design and Installation.** Our local partners are knowledgeable, experienced solar contractors with proven track records of quality solar installations.

- **System Maintenance and Warranty.** Sunnova owns the solar equipment and will take care of any repairs or replacements for the life of the system.

- **Insurance.** Our comprehensive coverage insures your system against damage and theft so you don’t have to.

- **System Monitoring.** We continually monitor your system’s performance. If we detect any issues, we will dispatch our service teams to diagnose and correct the problem.

- **Performance Guarantee.** If your system doesn’t produce what we say it will, we pay the difference.
### Detailed Cash Flow

<table>
<thead>
<tr>
<th>Year</th>
<th>Old Bill</th>
<th>New Bill</th>
<th>Solar Payments</th>
<th>Net Savings</th>
<th>Cumulative Savings</th>
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<td>Total</td>
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### Financial Summary

- **Initial Payment**: $50,000
- **Incentives**: $50,000
- **Current Utility Bill**: $904.56
- **New Utility Bill**: $51.63
- **Monthly Payment (Year 1)**: $804.75
- **Total New Bill**: $1,822.82
- **Savings First Month**: $217.76
- **Savings First Year**: $2,461.04
- **Lifetime Savings**: $58,041
- **Term (Years)**: 25
- **Annual Increase**: 2.5%

### System Information

- **System Size (DC/AC)**: 10.5 kW / 9.6 kW
- **Yr 1 Production**: 17,716 kWh
- **Lifetime Production**: 417,419 kWh

### Utility Assumptions

- **Monthly Electric Bill Avg**: $285
- **Monthly Electric Usage Avg**: 3,000 kWh
- **Annual Electric Usage**: 36,000 kWh
- **Electric Usage Offset**: 98%
- **Electric Bill Offset**: 11%
- **Electric Rate Increase**: 0.5%

- **Utility Provider**: Arizona Public Service Company
- **Current Plan**: Residential Service TUC Time A
- **Post-solar Plan**: Net Metered Residential Service

### FAQ's

- **What is the performance guarantee?**
  - The performance guarantee is a guarantee that the system will produce a certain amount of energy over a specified period, typically 25 years.
- **What happens if I move during the solar service agreement?**
  - If you move during the term of your agreement, you can transfer the system to your new home. The agreement terms and conditions may vary.
- **What options do I have at the end of my agreement?**
  - At the end of the agreement, you can choose to renew the agreement, extend the system's life, or have the system removed at no cost.

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Please note that this proposal is subject to change based on your specific needs and circumstances. The system design may change based on your specific needs and circumstances. The system design may change based on your specific needs and circumstances. The system design may change based on your specific needs and circumstances.
Solar

Let's face it, we all look to get the best price or value from any product we purchase. Our electricity is no different. When you initially set up your utility service account, you select the best rate plan for your needs that saves you the most money. With utility rates increase of 3%-5% annually, no matter which rate plan you choose your costs will continue to rise.

Solar offers consumers another choice.

Why Choose Solar?

1. Value - Solar will stabilize or reduce your energy costs by replacing the electricity you now buy from your local utility company with lower cost power.

2. "Locked-In" Rate - Once your solar panels are installed you have "locked-in" the utility rates you will be paying for your current and future electricity.

3. Investment - Solar gives outcomes an annual return on investment that increases every year electricity rates rise as well as increased property value and marketability.

4. Environment - Solar is clean energy that produces electricity with no emissions, no greenhouse gases, no pollutants and no waste products.

5. Independence - You're generating your own electricity and using it at the location where it's being produced.

6. Sustainability - There is an endless supply of sunlight as a fuel source, and it's free.

GO SOLAR FOR 0 DOWN

http://www.sundropsolar.net/solar/
Senator Debbie Lesko  
1700 West Washington ST  
Capitol Complex, Senate, Room 302  
Phoenix, AZ 85007

Dear Sen. Lesko,

Solar power sounds like a great idea for Arizonians. However, some solar companies are not being forthright about the true cost of having and using a solar system. The Consumer Financial Protection Bureau needs to protect Arizonians from the misleading information that some of the solar companies are giving people.

My wife, Marie, and I got false promises from SolarPower. Our original monthly bill to APS averaged $198.00. SolarPower's salesperson told us that if we leased panels from SunPower, we would be paying our original $198.00 to SunPower and an additional $5 to $10 dollars per month to APS. In reality, since having the solar system installed, our electric bills from APS ran as high as $85.00 a month. Given that we pay SunPower $198.00 each month for our panels and higher fees to APS, it is almost doubling our electric bill. After first complaining about this problem, SunPower send out a technician to install five more panels. The technician informed us that the panels could be under-producing because of the palm trees in my yard as well as my neighbor's yard which are shading the roof. There is no doubt that this shade issue should have been considered prior to my investment into solar because the extra panels still have not reduced my electricity bills.

For the past several months, I have written to SunPower several times requesting an adjustment to our monthly bill, but they have not responded. As a last resort, I have contacted an attorney. I have also reduced the amount of money I send SunPower every month toward my lease to reflect the amount that was quoted. I do not feel that it is right for me to have to send the full lease payment monthly since they are not producing enough power to cover the costs quoted to us. Please take the time to ask the CFPB to investigate these unethical practices of the solar industry.

Best,

[Signature]

Jonathan and Marie Ford