

Distributed Gen. (Residential Solar)



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Non-Negotiable Standard Form



1. Streamlines investor diligence.
2. Facilitates ability to scale.
3. Forces providers to find other ways to differentiate (e.g., technology, PeGus, etc.)

Source for Lease (SEIA)

Solar Energy Industries Association (SEIA) has published multiple different forms:

- Power Purchase Agreement for Residential Customers (Aggregated)
- Power Purchase Agreement for Residential Customers (Disaggregated)
- Lease Agreement for Residential Customers (Aggregated)
- Lease Agreement for Residential Customers (Disaggregated)

See: <https://www.seia.org/research-resources/model-leases-and-ppas>

Consumer Disclosures

- Federal Disclosures (Reg. M for a Lease)
- State-required disclosures (NY, CA, etc.)
- SEIA Proposed forms of disclosures.



SEIA® SOLAR LEASE DISCLOSURE

This disclosure is designed to help you understand the terms and costs of your lease of a solar electric system ("System"). It is not a substitute for the lease ("Lease") and other documents associated with this transaction. All information presented below is subject to the terms of your Lease.

Read all documents carefully so you fully understand the transaction.
For more information on being a smart solar consumer visit www.seia.org/consumers.



LESSOR: Address: Tel.: License # (if applicable): Email:	INSTALLER: Address: Tel.: State/County Contractor License #: Email:	WARRANTY/MAINTENANCE PROVIDER: (If Different from Installer or Provider): Address: Tel.: License # (If applicable): Email:	
LESSEE: Customer ID: System Installation Address: Lessee Mailing Address: Email:			
<p style="text-align: center;">* NOTE: YOU ARE ENTERING INTO AN AGREEMENT TO LEASE A SOLAR ELECTRICITY GENERATING SYSTEM. YOU WILL LEASE (NOT OWN) THE SYSTEM INSTALLED ON YOUR PROPERTY.</p>			
Amount & Term (A)	Amount Due Up-Front (B)	Total Estimated Lease Payments (C)	Other Possible Charges (D)
Your monthly payment during the first year of the Lease: \$ _____ The initial term of Lease: <input type="checkbox"/> ____ Years <input type="checkbox"/> ____ Months See Box G, "Lease Payment Escalator", for factors that may affect the amount of future monthly payments.	Amount you owe at Lease signing: \$ _____ Amount you owe at the commencement of installation: \$ _____ Amount you owe at the completion of installation: \$ _____ Total up-front payments: \$ _____	Total of all your monthly payments and estimated taxes over the course of Lease: _____ Your estimated total Lease payments over the initial term of the Lease excluding taxes are \$ _____ Your estimated total tax payments over the initial term of the Lease are \$ _____ based on estimated average monthly tax payment of \$ _____ Incentives Included in Your Estimated Lease Payments: <input type="checkbox"/> None <input type="checkbox"/> _____ _____ _____	Other charges you may have to pay under your Lease: Late Charge: <input type="checkbox"/> If a payment is more than ____ days late, you will be charged \$ _____ OR <input type="checkbox"/> Late payments accrue interest at ____% annually not to exceed the maximum allowable by law Estimated System Removal Fee: \$ _____ UCC Notice Removal and Re-filing Fee: If you refinance your mortgage, you may have to pay \$ _____ Returned Checks: If any check or withdrawal right is returned or refused by your bank, you may be charged: \$ _____ (or a lower amount if required by law) Non-Connection to Internet: If you do not maintain a high-speed internet connection, you will be charged a monthly fee of \$ _____ and/or your monthly payments may be based upon estimates. Non-connection may affect any guarantee. See Box N. Automatic Bank Withdrawals (ACH): [\$ _____ per month fee for not paying your Lease using automatic bank withdrawals] OR [\$ _____ per month discount if you pay your Lease using automatic bank withdrawals] Other: You may be charged \$ _____ for _____

Number of Lease Payments (E)	When Payments Are Due (F)	Lease Payment Escalator (G)
Number of Lease payments: _____	The first payment on your Lease is due on the _____ day of the first calendar month after your System is connected. You will receive: <input type="checkbox"/> Electronic Invoices (sent to your email address above) <input type="checkbox"/> Paper Invoices (sent to your U.S. mail address above)	Your Lease <input type="checkbox"/> HAS <input type="checkbox"/> DOES NOT HAVE a payment escalator. If your Lease HAS a payment escalator: Your Lease payment will increase: <input type="checkbox"/> Annually <input type="checkbox"/> Other _____ Your Lease payment will increase by the following amount _____% The first Lease payment increase will occur in _____, 20____ or with your 13 th payment, whichever comes later.



Site & Design Assumptions for your Leased System (H)

- Estimated size of the System in kilowatts: _____ (kWdc)
- Estimated gross annual electricity production in kilowatt-hours (kWh) from your leased System in the first year of the Lease: _____
- Estimated annual System production decrease due to natural aging of the System: _____%
- System location on your property: _____
- System WILL WILL NOT be connected to the electric grid
- At the time of installation, your local utility DOES DOES NOT credit you for excess energy your System generates. The rules applying to such credit are set by your jurisdiction.

Security Filings (I)

Lessor WILL WILL NOT place a lien on your home as part of entering the Lease.
 Lessor WILL WILL NOT file a fixture filing or a UCC-1 on the System. The UCC-1 is a public filing providing notice that Lessor owns the System, but is not a lien.

System Maintenance & Repairs (J)

"System maintenance" refers to the upkeep and services required or recommended to keep your System in proper operation. System maintenance IS IS NOT included for _____ years by _____ (e.g., Installer, Maintenance Provider).
 "System repairs" refers to actions needed to fix your System if it is malfunctioning. System repairs ARE ARE NOT provided by the _____ (e.g. Installer, Other).
 Please review your Lease for additional information about any warranties on the System installation and equipment. Certain exclusions may apply. Note that equipment warranties for hardware are not required to include labor/workmanship.

Roof Warranty (K)

Your roof IS IS NOT warranted against leaks from the System installation for _____ years by _____ (e.g. Provider, Installer, Other).
 Your roof IS IS NOT warranted against leaks caused by removal of the System for a period of _____ years following System removal. Any portions of your roof impacted by the System WILL WILL NOT be substantially returned to their original condition upon the removal of the System (ordinary wear and tear excepted).

Transferring Your Lease and Selling Your Home (L)

If you sell your home, you MAY MAY NOT transfer the Lease to the purchaser(s) of your home. If you may transfer the Lease, the transfer will be subject to the following conditions:

- Credit check on the purchaser(s)
- Minimum FICO score requirement: _____
- Transfer fee of \$ _____
- Assumption of Lease by purchaser(s)
- Other _____

If you sell your home, you ARE ARE NOT permitted to move the System to a new home.
 You may also have the options to purchase the System or prepay some or all of the Lease balance as part of or prior to a transfer.



Transfer of Obligations by Lessor (M)

The Lease may be assigned, sold or transferred by Lessor without your consent to a third-party that will be bound to all the terms of the Lease. If such a transfer occurs, you will be notified if this will change the address or phone number to use for Lease questions, payments, maintenance or service requests.

System Guarantee (N)

In terms of your full System, Lessor is providing you with a:

- System performance or electricity production guarantee
- Other type of System guarantee
- No System guarantee

You may have additional guarantees or warranties in addition to those that cover the entire System.

Utility and Electricity Usage/Savings Assumptions (O)

You HAVE HAVE NOT been provided with a savings estimate ("Estimate") based on your Lease.

If you HAVE been provided with an Estimate, Lessor provides the following:

Lessor IS IS NOT guaranteeing these savings.

Lessor IS IS NOT using savings calculations that conform to the SEIA Solar Business Code. See Box R or www.seia.org/code.

Your Estimate was calculated based on:

- Your estimated prior electricity use
- Your actual prior electricity use
- Your estimated future electricity use
- Any escalator in your monthly Lease price

Your Estimate assumes the following:

- Years of electricity production from the System: _____
- A current estimated utility electricity rate of _____ [cost per kilowatt-hour] during the first Lease year with estimated increases of _____ percent annually. Lessor based this estimate on the following source(s): _____
- Your utility will continue to credit you for excess energy your System generates at ESTIMATED FUTURE CURRENT utility electricity rates

NOTE: It is important to understand that utility rates may go up or down and actual savings may vary. Historical data are not necessarily representative of future results. For further information regarding rates, you may contact your local utility or the public regulation commission. Tax and other state and federal incentives are subject to change or termination by executive, legislative or regulatory action, which may impact savings estimates. Please read your Lease carefully for more details.

Renewable Energy Certificates (RECs) (P)

Any renewable energy certificates or credits (RECs) from producing renewable solar energy with the System WILL WILL NOT be assigned to the Lessor. If Lessor is assigned the RECs, you will not own the RECs to sell, use or claim them, and Lessor may sell the RECs to a third party.

Cooling Off Period/ Right to Cancel (Q)

In addition to any rights you have under state or local law, you HAVE DO NOT HAVE the right to terminate this Lease without penalty within _____ [no less than three] business days of _____ by notifying Lessor in writing at the above address.

SEIA Solar Business Code (R)

Installer and Lessor DO DO NOT abide by and agree to be bound by the SEIA Solar Business Code (www.seia.org/code) and its complaint resolution process. For more information about the SEIA Solar Business Code and complaint resolution process, please visit www.seia.org/consumers or email SEIA at consumer@seia.org.





Individual Completing this Form:

Name: _____ Signature: _____

Title: _____ Company: _____ Date: _____

Common Terms

1. 20-year term (driven by financing);
2. \$0 money down;
3. Right to file UCC Informative Fixture Filing;
4. Requires Internet connection;
5. Customer cooperation to obtain all incentives;
6. Obligation to repair and maintain for term of lease;
7. Roof warranty;
8. Right to assign lease upon transfer/sale (subject to credit requirements); and
9. Cooling off period after execution.

Compliance



1. SEIA Consumer Protection Committee;
2. Local counsel well-versed in Home Improvement Contract laws and equipment leases;
3. Training of salesperson (different rules for door-to-door sales vs. over-the-phone);
4. Telephone Consumer Protection Act; and
5. Data Privacy (Privacy Policy)

See:

<https://www.seia.org/initiatives/consumer-protection-industry-resource-portal>

Federal Consumer Disclosure Laws

- Consumer Leasing Act ("CLA") and Regulation M (12 C.F.R. Part 1013) → **See Model Form; Late Payments; NSF Fees.**
- Equal Credit Opportunity Act ("ECOA") & Reg. B (12 C.F.R. Part 1002) → **No Discrimination**
- FTC Cooling Off Rule (16 C.F.R. Part 429) → **3 business days**
- Fair Credit Reporting Act ("FCRA") (15 U.S.C. 1681 et seq.) → **Consumer Reporting (Uses by Provider: Permissible Purposes; Notification of Adv Action; Identify source of credit report)**
- Fair Debt Collection Practices Act ("FDCPA") (15 U.S.C. Section 1692 et seq.) → **Determine if covered.**

Solar System as Severable Personal Property

- Facts and Circumstance Test (for example):
 - (1) the degree to which the solar equipment is permanently attached to the real property, (Note: The system can be removed within a couple of hours)
 - (2) the degree to which the solar equipment is adapted for the use at that particular building and
 - (3) the parties' intent.
- Common practice to file fixture filings to put mortgage lenders and potential buyers on notice as to ownership of solar system.

Questions?

