



## SEFA Consumer Solar Contract Best Practices Checklist

[Intended to be made available to public via SEFA website]

Congratulations on considering adding a solar system to your home! As with any significant home project, before committing to move forward, you should confirm a few best practices with your chosen solar company and installer. Below, you'll find a checklist of important questions that will help you evaluate your solar professional and have clear expectations from the beginning.

### 1) **Confirm The Solar Installer Is Licensed And Insured.**

- Anyone installing a photovoltaic solar system on your property should be licensed and insured, and be able to provide you with both an active contractor's license number and proof of insurance.
- You can check the status of an installer's license by going to your state contractor's board website. Here's a useful website with state by state information: <http://www.contractors-license.org/>

### 2) **Confirm That You Understand The Details Outlined In Your Solar Contract, And That Every Commitment Is Stated In Writing.**

- A good contract should be clear and easy to follow, and explain the rights and obligations of you, the solar installer and the solar company that will own the system (if different from you or the solar installer).
- A good contract provides you with the following important details:
  - A reasonable estimate, either up front or after your home has been surveyed, of how much electricity your solar system will produce;
  - Monthly or prepaid payment terms, and how you will be billed;
  - The length of the contract;
  - If your solar company guarantees production, how it is computed and what the true-up process is in case the system underperforms;
  - Whether the solar installer insures the system against loss or damage, and for what amount and how long; and

- Whether the solar installer covers accidental damage it might cause to your home during installation and removal of the system.
  - If you have discussed any additional services or commitments with your solar installer in person or in email, be sure they are detailed in the contract. Remember: the contract is the deal.
  - Look for the “SEFA Compliant” stamp in the footer of your contract. That stamp indicates that you are dealing with a standard form approved as a best practice in the solar industry.
- 3) **Be Aware That Solar Proposals Or Quotes Are Estimates Only And Are Not Part Of Your Final Contract**
- A proposal will often model your savings by estimating system production, your electricity consumption, your utility rates and your solar contract payments. Based on a number of factors, these estimates may change.
  - If you change your electricity consumption by adding an electric car, installing a pool or hot tub, switching to LED bulbs, expanding your home, or dozens of other activities, you can dramatically change how much electricity you use, and therefore how much solar power you might need and what savings that solar power might create.
  - As a result, it is impossible to *guarantee* savings, and reputable solar companies will not put savings guarantees in the contract.
- 4) **Confirm Your Responsibilities For Care And Maintenance Of The Solar System.**
- Is it your obligation to clean the panels?
  - Is it your obligation to keep nearby trees trimmed? Who is going to repair damage to the system that might be caused by you, your family or friends, your contractors and/or your neighbors?
  - Are you required to maintain Internet access for monitoring purposes?
  - What items are covered by the warranty, e.g. inverter replacement?
  - Are you able to monitor your system performance online?
  - What monitoring service is provided with your contract?
  - Who should you call if something breaks?
- 5) **Confirm The Process In The Case That You Sell Your Home**
- Your solar contract should have a clear process detailing what you can do with the system when you sell your home.

- All reputable solar companies allow you to transfer the solar contract and use of the system to your home buyer (usually subject to the requirements that applied to you).
- In addition, some may allow you to either prepay the rest of the solar contract and transfer the use of the system to your home buyer, or to buy the system outright and transfer ownership to your home buyer.
- Confirm your solar contract covers the option you prefer.
- Confirm there are no restrictions in the contract that could block the sale of your home.

**6) Understand Your Options To Prepay For The System Before The Contract Term Is Complete Or To Buy Out The Contract.**

- Your solar contract should have clear terms on whether you can buy your system during the term of the agreement or whether you can prepay the remaining payments at a discount.
- Leases, PPAs and loan products have different tax rules related to a prepayment or buyout option, so if you think you may consider either, understand these rules thoroughly.

**7) Confirm How Your Privacy Is Protected**

- Confirm that both the solar company and the installer have privacy policies available that tells you what each will and will not do with your personal customer information, and that you are comfortable with the solar company's or installer's possible uses of your personal information.
- Confirm the policies and procedures the solar company or installer uses to safeguard your personal information.

**8) Confirm How Your Roof Will Be Protected**

- Solar systems are designed to last decades, and while your roof is too, they might not be on the same schedule.
- Make sure your solar contract has specific terms on how the installation of a system affects your existing roof warranty.
- Make sure your solar contract states how your installer will handle any leaks that might arise.
- Make sure your solar contract is clear on whether your roof will be returned to its original condition if the system is removed.

**9) Ask If The Solar Installer Has Adopted A Code Of Ethics Defined By A Reputable Solar Industry Trade Group**

- The solar industry has trade groups such as the Solar Energy Industry Association (SEIA) and the Solar Energy Finance Association (SEFA) that have adopted a "Code of Ethics" for

industry members. Make sure your solar company has adopted the Code of Ethics (e.g. by joining SEIA or SEFA or supporting the Code of Ethics).