Solar Energy Industries Association®

SEIA Solar Business Code

www.seia.org

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SEIA Solar Business Code

1 GUIDING PRINCIPLES

1.1 The Solar Energy Industries Association ("SEIA") has created this pro-competitive business code ("Code") to promote transparency, good faith, and understanding in the U.S. solar energy industry.

1.2 Members of the greater solar industry ("Company" or "Companies") are expected to abide by this Code in their regular business practices.

1.2.1 SEIA recognizes that the Code cannot cover every circumstance and expects Companies to follow both its letter and spirit.

1.2.2 In addition to the Code, Companies shall abide by the law (e.g., common law as to contracts), and all applicable ethical business guidelines set forth by the Council of Better Business Bureaus (BBB), Federal Trade Commission (FTC), Consumer Financial Protection Bureau (CFPB), relevant state consumer protec tion bureaus, and other regulatory bodies with jurisdiction.

1.3 As part of their membership in the association, SEIA member Companies expressly agree to follow the Code, cooperate with SEIA and any designated third party during any investigations into alleged violations of the Code, and comply with any authorized actions by SEIA or third parties to enforce findings made with due process.

1.4 SEIA endorses the BBB Business Partner Code of Conduct and incorporates its terms as part of the Code.

1.5 Companies should always act in full compliance with federal, state, and local laws regarding truth in advertising, consumer protection, contract law and other relevant regulations.

1.5.1 Where a Company uses contractors, service providers or agents to perform activities covered by this Code, Company shall take commercially reasonable measures to require such contractors, service providers or agents to abide by this Code. In such instances, references to "Company" in this Code shall be read to include a reference to such contactors, service providers or agents.

1.5.2 Where compliance with a Code provision would cause non-compliance with a relevant law or regulation in a specific jurisdiction, a Company should act in full compliance with the relevant law or regulation for that jurisdiction instead of the Code provision.

1.6 SEIA will cooperate with federal, state, and local law enforcement and partner business organizations regarding violations of the Code and any related laws.

1.7 Companies shall provide a copy of this Code to all employees and representatives who have contact with consumers ("Consumers") or consumer interests as part of their job responsibilities.

2 UNFAIR, DECEPTIVE, OR ABUSIVE ACTS OR PRACTICES

No acts or practices shall be unfair, deceptive or abusive.

2.1 As a guiding principle, each Company shall conduct all aspects of its business that touch on Consumers or their interests without any unfair, deceptive, or abusive acts or practices ("UDAAP").

2.2 Each Company shall regularly examine and consider the possibility of UDAAP violations in all aspects of its business that touch on Consumers or their interests, including but not limited to marketing, sales, origination, contract terms, contract options, installation, servicing, and loss mitigation.

2.3 Each Company shall regularly remind and train each employee, from sales to senior management, to always consider consumer interests and to avoid UDAAP violations.

2.4 This Code must be followed with an understanding that UDAAP rules also apply to each provision below.

3 ADVERTISING

Claims should be accurate, easily understandable and based on facts.

3.1 No advertising claim by any Company should be deceptive or misleading, whether by affirmative statement, implication or omission, including claims:

- 3.1.1 About products or services.
- 3.1.2 About pricing, quality and performance.
- 3.1.3 Made in print, electronic, verbal, and any other medium.

3.2 All claims must be supported by factual, verifiable sources.

3.3 Companies should be familiar with all advertising laws, rules, regulations and guidance, including the FTC guidance on advertising and marketing.

3.4 Companies should avoid referring to a solar system as "free" in oral or written marketing or sales discussions unless the Consumer will not pay anything for the solar system or the energy it generates.

- 3.4.1 Any other use of "free" in sales or marketing must present to the Consumer precisely what is being offered with and without any current or future cost in a clear and obvious manner.

3.5 Prices quoted must be accurate and complete, covering all products or services offered or requested, with prices for optional or additional products or services clearly identified as such, with payment terms clearly stated, and with the period of availability of the quoted prices specified.

3.6 If advertised prices include incentives, such as from a government or utility program, that have eligibility requirements or qualifications, the Company shall fully disclose the incentives and appropriate details regarding the eligibility requirements and qualifications or otherwise provide resources that are reasonably necessary for Consumer to make an informed decision, subject to limitations and disclosures regarding providing tax advice.

3.7 If estimated prices, whether denominated as "estimated," "suggested," "prospective," or other similar term, are presented to a Consumer, must be reasonably based on the information the Company possesses. Additionally, they should be clearly disclosed or labeled as estimates or similar terms.

3.8 Comparisons of current pricing, contract terms, products or services must not be mislead ing, and must include all relevant facts to fully understand the pricing, terms, products or services being compared.

3.9 If advertised prices include initial pricing reductions, such as teaser rates, or future in creases, all material terms of such initial reductions or future increases shall be disclosed when such prices are marketed or otherwise communicated to Consumers.

System production calculations must take into account material factors.

3.10 Depending on the installation, material factors ("Material Factors") for production calculations of the system should include:

- o Hardware specifications,
- o Tilt,
- o Azimuth,

o Size,
o Roof layout,
o Geographic location,
o Shading, and
o Any other reasonably evident or anticipated factors impacting system performance.

3.11 In the event a performance calculation is unable to include the Material Factors stated above, production projections should clearly identify the omitted factors and the reason for any such omission.

Projections of future utility prices must be based on accepted sources and methods.

3.12 Utility electricity price projections must be clearly identified, verifiable, and be based upon one or more of the following sources ("Sources"):
o Energy Information Agency ("EIA") data from Annual Energy Review, Annual Energy Forecast, Monthly Energy Forecast, or similar official EIA publications for the state in which the system is located;
o State utility commission, energy office or commission, or similar official agency publications from the state in which the system is located;
o Retail utility or electricity generation source servicing the system location;
o Official rate case filings or forecasts from the state's PUC/PSC;
o Historical utility price data for the system location;
o Industry experts or other qualified consultants; or
o Other similar reliable sources qualified by SEIA.

3.13 Accepted methods for utility electricity price projections include:

3.13.1 If based on historical data for the utility serving the installation site, combined average growth rate using no less than five years of data ending with the most recent year for which data is publicly available;

3.13.2 If based on projections of third-party Sources,

3.13.2.1 Accurate representation of any data within the timeframe of the Source;

3.13.2.2 When projecting beyond the timeframe of the Source data, combined average growth rate projection using a time period that is the greater of:

- Source data timeframe, or
- Five years.

Endorsements must be genuine and authorized by the endorser.

3.14 Endorsements of Company or its products or services by individuals used in any media format either owned by the Company or initiated or sponsored by the Company through media owned by a third-party (such as social networking sites) must be:

3.14.1 Authorized by the endorser;

3.14.2 Accurate, genuine and in proper context;

3.14.3 Without misrepresentation by affirmative statement or omission;

3.14.4 Clear as to whether the endorser is providing an opinion as a consumer with true firsthand experience, solar expert, or well-known spokesperson; and

3.14.5 Transparent as to whether any connections exist between the endorser and the Company beyond that which a Consumer would ordinarily expect.

4 SALES AND MARKETING INTERACTIONS

Companies must respect consumer privacy.

4.1 Companies shall comply with, and shall ensure that all of its employees, agents and contractors comply with, any and all federal, state, and local laws regarding restrictions on contacting its Consumers, including but not limited to the federal Do Not Call Registry, the CAN-SPAM Act of 2003, the Telemarketing Sales Rule, the Telephone Consumer Protection Act of 1991, Direct Marketing Association's Business Code Article 47, 48, and any analogous state or local laws.

4.2 Companies must respect the wishes of Consumers who do not want to be contacted by maintaining accurate and current "do-not-contact" lists of such Consumers, and/or requiring their contractors, service providers and agents to maintain such lists.

- 4.2.1 Companies that receive Consumer "do-not-contact" requests through an employee, agent or contractor must add the Consumer to their "do-not-contact" lists.
- 4.2.2 Companies must ensure that employees, agents and contractors (e.g., solar lead generators) have access to up-to-date "do-not-contact" lists, and that all comply with this Code section.
- 4.2.3 Companies must have reasonable protocols to ensure that employees, agents and contractors do not initiate contact with Consumers on their "do-not-contact" lists.

4.3 Companies, their agents and contractors may contact Consumers previously listed on a "do-not-contact" list who later initiate contact with Companies, their agents or contractors, but subject to all applicable local, state and federal limitations on the breadth of such contact.

4.4 Companies, their agents and contractors shall also comply with all other aspects of the foregoing laws, including the following aspects:

o Prohibitions against manually dialed calls to wireless numbers;
o Call time restrictions;
o Call curfews and banning calls to consumers on statutory holidays or during a declared state of emergency;
o No autodial or text wireless numbers without prior express written consent;
o Limitations on the length of time callers may allow phones may ring;
o If using automated or prerecorded messages, ensuring compliant opt-out mechanisms are available, including a toll-free number to allow Consumers to easily opt-out of future calls;
o All applicable email requirements, including properly identifying the type of email and opt out provisions.

4.5 For additional information on consumer privacy, see:

o Telephone Consumer Protection Act (FCC enforcement).
o CAN-SPAM Act (FTC enforcement).
o Direct Marketing Association's Business Code Article 47, 48.

Company representatives should treat Consumers fairly and honestly.

4.6 Representatives must clearly and truthfully identify the Company they represent. Each Company is responsible for ensuring that its contractors, subcontractors, and any other agents who interact with Consumers on the Company's behalf comply with this identification requirement.

4.7 Companies shall not harass, threaten, or badger Consumers.
4.8 Companies should avoid high-pressure sales techniques.
4.9 Companies should seek openness and transparency and not seek to take advantage of a Consumer's lack of knowledge. If a Company becomes aware that a Consumer clearly misunderstands a material issue in a solar transaction or that the system will not work as intended to be used by the Consumer, the Company should correct that misunderstanding.
4.10 Companies should consider a Consumer's capacity to understand the terms and ramifications of a contract before entering into such contract.
4.11 Companies should not misrepresent the reason for any contact with a Consumer.
4.12 Companies should not market products or services they know will not work as expected.
4.13 Consumer questions must be answered honestly. If a Company representative or agent does not know an answer to a Consumer question, he or she must:
o Tell the Consumer he or she doesn't know the answer;
o Find and report on the answer within a reasonable period of time; and/or
o Direct the Consumer to someone who can answer the question.
4.14 Companies may not make statements that are false or without reasonable basis in fact.
4.15 Companies must not omit material information when interacting with Consumers if the omission makes any statement or other communication with consumer misleading.

5 CONTRACTS

Contract terms should reflect verbal representations.

5.1 Companies shall ensure that written contract terms and verbal representations do not conflict.
5.2 Company representatives shall not make promises or guaranties about system performance, results, or services to a Consumer that exceed the promises or guaranties that will be in the Company's agreements with that Consumer.

Contracts should be clear and understandable to Consumers.

5.3 Contracts must be written in legible font and in clear language, be structured in a way that is easy to understand, and avoid unclear or deceptive spacing or layout.
5.4 Material terms should be prominently placed in the contract and not hidden in non-obvious portions of the contract.
5.5 Companies must list any applicable costs or the method for calculating applicable costs.
5.6 Proper headings should be assigned to sections.

Contracts should contain all material terms.

5.7 Companies must include all material terms ("Material Terms") in their contracts.
5.8 Material Terms are those important to a knowledgeable understanding of an agreement between Company and Consumer including, but not limited to:
o Costs,
o Ownership terms,
o Financing terms,
o Warranties,
o Consumer options in the event of a home sale,
o Termination and system removal options and costs, and
o Consumer rights regarding damage to property from installation.

5.9 Material Terms must be part of a contract; it's recommended they be placed above the Consumer's signature. Separate documents containing or referencing Material Terms should only be used in agreements that are reasonably and customarily contained in separate stand-alone documents, such as service agreements, promissory notes, security agreements, warranties and guarantees.

Companies should allow Consumers the ability to rescind contracts.

5.10 Except in the case of solar systems included as part of a new home sale transaction, Company must provide each Consumer at least three business days from either the time of final contract execution or the time that a SEIA-approved solar disclosure form was provided for the Consumer to rescind a contract, and clear written notice of that right with reasonably convenient means of exercising such rescission.

Renewable energy certificates

5.11 "Clean energy," as used below, includes use of the terms "solar energy," "green energy," "renewable energy," and any other synonyms commonly used in trade.

5.12 Renewable Energy Certificate ("REC") ownership is a Material Term in a solar contract, regardless of ownership structure (e.g., purchase, lease, power purchase agreement).

5.13 RECs may not be double counted. If a Company sells a REC, after the sale, it may no longer count the sold REC towards any REC or "clean energy" requirements, renewable portfolio standard requirements, greenhouse gas emission requirements, or similar government, utility or voluntary compliance, incentive or similar program.

5.14 Many Consumers are unfamiliar with RECs and their characteristics. In a solar transaction

o in a state in which a REC market exists;
o in a state in which a Company mentions RECs or implies their value in calculations in any advertisement or promotional material;
o where RECs are included in the contract, sales materials, calculations of cost or value;
o in which Company discusses RECs with Consumer; or
o in which Consumer asks about RECs;

The Company must take steps to educate its Consumer about RECs, including providing the Consumer with a copy of or link to the following publication or a similarly informative publication:

o Guidelines for Renewable Energy Claims: Guidance for Consumers and Electricity Providers, Center for Resource Solutions (Feb. 26, 2015),

5.15 If an agreement assigns RECs to a Company instead of a Consumer, the Company should explain to the Consumer that:

5.15.1 The Consumer does not have the right to trade or sell RECs from the solar system.

5.15.2 The Consumer is hosting a solar system that generates "clean energy," but a third-party, not the Consumer, owns the right to claim the "clean energy" attributes for such energy.

5.15.3 The Company may state to the Consumer that sells its RECs that, by purchasing, leasing or hosting a solar system, the Consumer is helping advance solar energy in the United States, or similar broad policy or market statements.

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For more information about SEIA's efforts to protect consumers and develop best practices, visit www.seia.org/consumerprotection or contact SEIA at consumer@seia.org.

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