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ATTORNEY GENERAL

ENFORCEMENT ADVISORY TO ARKANSAS SOLAR COMPANIES

October 5, 2023 – This advisory is directed to solar energy sales and installation companies in Arkansas. Although most solar companies are acting in accordance with Arkansas Law, there are a few bad actors that are non-compliant.

The Office of the Attorney General is charged with protecting consumers from deceptive, false, and unconscionable business practices. Over the past several months, numerous solar company customers have reported sales misrepresentations; predatory sales tactics; receiving false information regarding tax rebates, credits, and government-funded grants; non-receipt of contracts and notices of cancellation rights; systems/arrays for which companies have not obtained permission to operate as outlined within contracts or that do not produce as promised; and poor to nonexistent customer service. These allegations indicate likely violations of the Home Solicitation Sales Act and the Arkansas Deceptive Trade Practices Act.

Consumers report high pressure and misleading sales tactics. Sales misrepresentations include alluding to a company's partnership with the consumer's electric utility; implying that the consumer will never have another electric bill; or stating that the consumer will "save money" when, in fact, after the consumer pays for the solar installation, he or she may not realize any savings at all. Many consumers have been told they would be receiving tax refunds, rebates, or credits that could be applied to reduce their loan payments. Others are told the solar system would be covered by a grant. Consumers on fixed incomes purchase the systems on the basis of the salesperson's representations, only to later find they do not qualify for tax benefits and cannot afford the actual cost of the system. Such predatory sales tactics are in violation of Arkansas law.

Consumer protection investigations have found numerous problems with solar energy system contracts. Many Arkansans report not receiving copies of contracts. Some contracts reviewed by our office do not include two copies of a separate cancellation form. Spanish speakers have the right to receive contracts and accompanying documentation and sales literature in Spanish; however, many report receiving contracts written in English. The aforementioned issues are violations of the Home Solicitation Sales Act.

Investigations by our office have also shown that several solar companies are not submitting system/array plans to the customer's utility provider prior to installation, which hinders the timely approval of the solar system outlined in contracts. Some companies misrepresent to lenders that systems/arrays have been installed so that companies can receive loan proceeds prior

to the contracted installation taking place, requiring consumers to begin paying their loans *before* any solar panels are installed.

The use of predatory sales tactics and misrepresentations constitute deceptive, false, and unconscionable practices in violation of the Arkansas Deceptive Trade Practices Act.

The Office of the Attorney General is committed to taking all measures necessary to stop the use of unlawful sales tactics in the state. An enforcement action by the Attorney General may result in a judgment for civil penalties of up to \$10,000 for each and every violation of the ADTPA and the Arkansas Home Solicitation Sales Act occurring within the preceding five years, as well as injunctive relief to prohibit further unlawful business conduct. Fines are doubled when the consumer is sixty years of age or older or disabled.

If you have any questions or wish to discuss this matter, please contact the Office of the Attorney General at (501) 682-2007.