CLIENT ALERTS & INSIGHTS

Increased Enforcement Scrutiny on Solar Industry Targets Savings Claims

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Featured Practices: Litigation, State Attorneys General Investigations & Enforcement, False Advertising & Unfair Competition

Key Takeaways

- Regulators at both the state and federal levels are ramping up enforcement in the solar industry-with a growing focus on whether companies are overstating projected energy savings, system performance, pricing and financing terms-following a new Texas Attorney General initiative and similar actions nationwide.
- Marketing, sales and financing claims around solar savings are now a primary enforcement trigger. Even well-intentioned projections or loosely supported claims can lead to investigations, civil demands, reputational damage and costly litigation as scrutiny expands across the entire customer lifecycle.
- Solar companies should review the following to be ahead of future enforcement actions:
  - **Align marketing with performance:** Marketing materials should accurately reflect system capabilities and avoid overstating benefits. Ensure all representations regarding energy savings are supported by reliable data and reasonable assumptions.
  - **Review sales and financing practices:** Scrutinize disclosures related to pricing, financing terms and tax incentives for accuracy and completeness.
  - **Monitor customer complaints:** Consumer complaints frequently trigger regulatory inquiries; implement processes to identify and address issues early.
  - **Engage counsel early:** Promptly involve experienced counsel if contacted by federal or state regulators.

As rising temperatures drive higher energy costs, consumers are increasingly drawn to solar energy as a means of reducing utility bills. Companies may be tempted to capitalize on this demand-particularly amid elevated gas prices-but should proceed with caution. State attorneys general are intensifying enforcement efforts focused on marketing claims related to consumer savings and product performance.

On April 4, 2026, the Texas Attorney General launched an initiative targeting fraudulent and deceptive practices in the solar panel industry. The initiative focuses on alleged misrepresentations concerning projected energy savings, system performance, installation practices and contractual terms.

In connection with this effort, the Texas Attorney General has issued Civil Investigative Demands ("CIDs") to multiple solar companies for potential violations of the Texas Deceptive Trade Practices-Consumer Protection Act. The CIDs seek documentation regarding how companies substantiate energy savings claims, as well as warranties, marketing materials and contract terms. The requests signal a clear enforcement focus on whether companies are overstating anticipated consumer benefits.

This action reflects a broader trend of heightened scrutiny at both federal and state levels. Federal regulators-including the Federal Trade Commission ("FTC")-have brought enforcement actions and issued guidance addressing allegedly deceptive sales practices and misrepresentations regarding costs, financing and expected benefits of solar systems. In 2023, the FTC and the Arizona Attorney General filed suit against a solar provider and its telemarketing partner for alleged misrepresentations relating to fees, installation timelines, affiliations and cost savings.[1] The FTC reinforced these priorities in 2024 through public guidance emphasizing the need for accurate disclosures concerning financing terms, savings projections and tax incentives. Other agencies, including the U.S. Department of the Treasury and the Consumer Financial Protection Bureau, have also issued warnings regarding solar-related scams.[2]

State attorneys general have similarly targeted sales practices and financing disclosures. In 2023, the Florida and Connecticut Attorneys General brought actions alleging high-pressure sales tactics, unaffordable financing arrangements and misleading statements regarding tax credits and installation timelines.[3] In 2026, the New York Attorney General filed suit alleging deceptive pricing and misconduct throughout the sales process.[4] Regulators have also focused on deficient installation practices, signaling scrutiny across the full lifecycle of solar transactions.[5]

The Texas initiative is notable for its explicit focus on representations concerning projected energy savings, suggesting a potential expansion of enforcement priorities. This focus is likely to persist and broaden, particularly as multistate and parallel federal investigations often follow initial enforcement actions.

Regulatory scrutiny of the solar sector is likely to continue and intensify. Companies should proactively assess their compliance posture to mitigate enforcement risk in this evolving landscape.

The Benesch team stands ready to help navigate federal and state attorneys general enforcement actions, and to advise on regulatory updates and developments, as well as compliance strategies. If you have any questions, please contact the author or your contact point at Benesch.

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[1] FTC, *Case and Proceedings-U.S. v. Solar Xchange* (Jul. 18, 2023), https://www.ftc.gov/legal-library/browse/cases-proceedings/2223063-solar-xchange-us-v

[2] U.S. Dep't of Treasury, *Consumer Advisory: Solar Energy Scams Are Against the Law* (2024), https://home.treasury.gov/system/files/136/Consumer-Advisory-Solar-eng.pdf

; CFPB, Issue Spot - Solar Financing (Aug. 7, 2024), https://www.consumerfinance.gov/data-research/research-reports/issue-spotlight-solar-financing/

[3] Office of Attorney General, James Uthmeier, *Video: AG Moody Releases Scans at a Glance: The Dark Side of Solar During National Consumer Protection Week* (Mar. 5, 2024), https://www.myfloridalegal.com/newsrelease/video-ag-moody-releases-scams-glance-dark-side-solar-duri ; Office of Attorney General, Willaim Tong, *Press release- Attorney General Tong Sues Vision Solar Over Unfair and Deceptive Sales, Violations of Home Improvement Act* (Mar. 16, 2023), https://portal.ct.gov/AG/Press-Releases/2023-Press-Releases/Attorney-General-Tong-Sues-Vision-Solar-O

[4] Letita James, New York Attorney General, *Attorney General James Sues Home Solar Power Company and Lenders for Cheating New Yorkers Out of Hundreds of Millions of Dollar*s (Mar. 17, 2026), https://ag.ny.gov/press-release/2026/attorney-general-james-sues-home-solar-power-company-and-lende

[5] NYC Consumer and Worker Protection*, DCWP Sues Solar Firm and Operator for Predatory Loans, Junk Fees, and Shoddy Installations* (Jan. 28, 2026), https://www.nyc.gov/site/dca/news/010-26/dcwp-sues-solar-firm-operator-predatory-loans-junk-fees-shod