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HOUSE JOINT RESOLUTION

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WHEREAS, Attorney General Lisa Madigan initiated Senate Bill 1531 to increase oversight of alternative retail electric and alternative gas suppliers and to guard against aggressive and misleading marketing and sales practices in the competitive energy supply market; and

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WHEREAS, Currently in Illinois, there are nearly 55 alternative retail electric suppliers that are authorized to sell electricity to residential customers; and

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WHEREAS, According to the Illinois Commerce Commission, alternative retail electric supplier customers in Illinois as a whole paid more than \$198 million more for electricity than traditional utility customers from June 1, 2016 through May 31, 2017 and, statewide, residential, and small commercial customers enrolled with alternative retail electric suppliers have paid almost \$400 million more in electricity costs in the last three years; and

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WHEREAS, According to the Attorney General, nearly all customers that switch to alternative retail electric or alternative gas suppliers pay more for their energy bills than traditional utility customers, and residential customers do not have the ability to determine whether a company's

1 money-saving claims are true; and

2 WHEREAS, Allegations exist that certain alternative retail
3 electric and alternative gas suppliers frequently target older
4 citizens, low-income customers, and individuals for whom
5 English is a second language and use bait and switch marketing
6 tactics where they entice consumers with savings claims and low
7 teaser rates and then end up charging consumers up to three
8 times the traditional utility rate; and

9 WHEREAS, The goal of the legislation is to rein in bad
10 actors in the competitive energy supply industry who use
11 aggressive and misleading marketing practices to lure people
12 into paying more than they need to for their electricity and to
13 create transparency and equip consumers with meaningful
14 information so that they can make educated decisions about
15 energy supply service; and

16 WHEREAS, Senate Bill 1531 intends to improve enforcement
17 actions against alternative retail energy suppliers' unlawful
18 and deceptive marketing practices by giving the Attorney
19 General's Office additional legal tools under the Illinois
20 Consumer Fraud Act; and

21 WHEREAS, Senate Bill 1531 intends to increase transparency
22 around rate pricing by requiring alternative retail electric

1 suppliers and alternative gas suppliers to include a
2 "price-to-compare" utility supply rate on all marketing
3 materials, during phone or door-to-door solicitations and on
4 every customer's utility bill; and

5 WHEREAS, The legislation will require disclosure of price
6 changes and will prevent suppliers from automatically renewing
7 a customer's contract without the customer affirmatively
8 opting-in to new terms; and

9 WHEREAS, Alternative retail electric and alternative gas
10 suppliers will also be required to submit their rates to the
11 Illinois Commerce Commission and the Attorney General's Office
12 quarterly under this legislation; and

13 WHEREAS, The legislation intends to protect public energy
14 assistance funds by ensuring that Low-Income Home Energy
15 Assistance Program and the Percentage of Income Payment Plan
16 funds do not go toward paying the higher prices for electric
17 and gas supply that alternative retail electric or alternative
18 gas suppliers charge; and

19 WHEREAS, Senate Bill 1531 is supported by a coalition of
20 consumer advocates including AARP, Illinois PIRG, Center for
21 Changing Lives, Citizen Action, Citizens Utility Board,
22 Community Organizing and Family Issues (COFI), Heartland

1 Alliance for Human Needs & Human Rights, Housing Action
2 Illinois, Pilsen Alliance, and the Environmental Law and Policy
3 Center; and

4 WHEREAS, The legislation has also received support from the
5 City of Chicago, the Spanish Community Center, the Inner-City
6 Muslim Action Network, LUCHA, and Preservation of Affordable
7 Housing (POAH); and

8 WHEREAS, The Illinois Competitive Energy Association, the
9 Retail Energy Supply Association, and other competitive energy
10 suppliers, who provide consumers with customized energy
11 products and services in addition to electric supply service,
12 support stronger enforcement measures to root out unscrupulous
13 suppliers from the competitive energy market, additional rate
14 disclosure requirements, and further consumer education and
15 protection improvements; and

16 WHEREAS, The Illinois Commerce Commission is a
17 quasi-judicial body responsible for regulating several
18 industries, as directed by the Illinois General Assembly,
19 including licensing alternative retail electric and
20 alternative gas suppliers, and regulating their marketing and
21 sales practices; and

22 WHEREAS, The Illinois Commerce Commission's mission is to

1 promote the development of an effectively competitive
2 electricity market that operates efficiently and is equitable
3 to all consumers consistent with the Electric Service Customer
4 Choice and Rate Relief Law of 1997, the Retail Electric
5 Competition Act of 2006, the Alternative Gas Supplier Law; the
6 Public Utilities Act, and Commission Rules; and

7 WHEREAS, The Illinois Commerce Commission provides
8 analysis, policy development, public safety, and enforcement
9 activities related to electric and natural gas companies;
10 therefore, be it

11 RESOLVED, BY THE HOUSE OF REPRESENTATIVES OF THE ONE
12 HUNDREDTH GENERAL ASSEMBLY OF THE STATE OF ILLINOIS, THE SENATE
13 CONCURRING HEREIN, that the Illinois Commerce Commission shall
14 study the provisions of and circumstances surrounding Senate
15 Bill 1531 and any other pertinent pending or proposed
16 legislation; and be it further

17 RESOLVED, That the Illinois Commerce Commission shall
18 conduct at least three public meetings in which comments and
19 proposals can be presented that address the concerns and
20 allegations regarding the alternative retail electric and
21 alternative gas suppliers and competitive energy markets from
22 the Attorney General's Office, the aforementioned coalition of
23 consumer advocates, the Illinois Competitive Energy

1 Association, the Retail Energy Supply Association, other
2 competitive energy suppliers, and any other interested party;
3 and be it further

4 RESOLVED, That the Illinois Commerce Commission shall
5 submit its findings, conclusions, and recommendations, either
6 through changes in future legislation, or Commission Rules, or
7 Commission Docketed Proceedings, in a report to the Illinois
8 General Assembly on or before January 9, 2019; and be it
9 further

10 RESOLVED, That the report filed with the General Assembly
11 shall be filed with the Clerk of the House of Representatives
12 and the Secretary of the Senate in electronic form only, in the
13 manner that the Clerk and Secretary shall direct.