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Marianne Manko

Office: (217) 782-5793

Mobile: (217) 993-1000

mmanko@icc.illinois.gov

ICC Issues Second Notice Order to Strengthen Rules for Retail Electric Suppliers

CHICAGO, IL – By unanimous vote, the Illinois Commerce Commission (ICC) today issued a Second Notice Order in a rule which would make significant changes to the marketing guidelines retail electric suppliers must follow in Illinois.

Following electricity price spikes during the “polar vortex” winter of 2013-2014, the Commission’s Consumer Services Division recorded a sharp increase in complaints from the public about the marketing practices of certain retail electric suppliers.

“The Electric Service Customer Choice and Rate Relief Act of 1997 and the Retail Electric Competition Act of 2006 direct the Commission to promote the development of an effective competitive electricity market that operates efficiently and is equitable to all consumers,” said ICC Chairman Brien Sheahan. “This unanimous decision is another example of the Commission’s continued efforts to ensure a robust competitive market with a level playing field, properly informed consumers and protections against bad actors.”

“This is an important step towards protecting customers from bad actors and requiring marketing practices that ensure they can make informed choices,” said Commissioner Miguel del Valle.

“The Commission is committed to ensuring that Illinois citizens have the necessary information to make educated decisions regarding retail electric services and suppliers,” said Commissioner Sherina Maye Edwards. “The marketing and communication standards set forth in this rule promote transparency and protect consumers from misleading practices.”

“This proceeding has been a long time in the making, and we have tried to be comprehensive in addressing the processes and protections needed moving forward,” said Commissioner John Rosales.

“Today’s Order to begin the second notice period carries out the mission of the ICC mandating that consumer protections be in place to ensure consumers benefit from retail competition and receive sufficient details to make informed choices among suppliers and services,” added Acting Commissioner Sadzi Oliva. “These proposed amendments serve to safeguard customers from being misled when entering into contracts and require a transparent process during the transaction.”

The new rules include the following key provisions, many of which reflect best practices currently used by some retail electric suppliers:

- Expanded consumer protections through additional quality marketing controls of sales solicitations. Controls will include recorded third party verification of door-to-door sales and require that the salesperson is not present during the verification. Telemarketing sales calls and verification calls will be available to the ICC to ensure compliance with rules. Retail electric suppliers will also be restricted from using utility names and logos.
- Standardized contract content and descriptions, including a Uniform Disclosure Statement for all retail electric supplier solicitations that will allow consumers to better compare offers and make informed decisions. Descriptions of “fixed rate” offers must include only those rates that do not change; rates that can change must be called “variable rates” and rates that can change more often than monthly must be called “time-of-use rates.” Suppliers are to follow appropriate restrictions when marketing “renewable” or “green” energy offers.
- Written notification of rate changes for non-time-of-use customers, and in the case of contract renewals, a Uniform Disclosure Statement and side by side comparison of material contract terms.

To view the Commission’s Second Notice Order and accompanying proposed rule, visit the ICC’s eDocket website at <https://www.icc.illinois.gov/docket/files.aspx?no=15-0512&docId=253712>

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About the Illinois Commerce Commission

The Illinois Commerce Commission (ICC) is a quasi-judicial body made up of five Commissioners. Through its Public Utility Program, the Commission oversees the provision of adequate, reliable, efficient and safe utility services at the least possible cost to Illinois citizens served by electric, natural gas, telecommunications, water and sewer public utility companies. Through its Transportation Regulatory Program, the Commission oversees public safety and consumer protection programs with regard to intrastate commercial motor carriers of general freight, household goods movers, relocation towers, safety towers, personal property warehouses and repossession agencies. The Commission’s Rail Safety Program also inspects and regulates the general safety of railroad tracks, facilities and equipment in the state.

To learn more about the Commission, its offices and bureaus, click [here](#). If you are a consumer who needs help resolving a utility dispute call 800-524-0795 or file an online complaint [here](#). For a complaint related to transportation, call 217-782-6448.