



CITIZENS UTILITY BOARD

Fighting for Illinois Consumers

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STATEMENT BY CUB EXECUTIVE DIRECTOR DAVID KOLATA ON NEW CONSUMER PROTECTIONS FOR IL ELECTRIC CUSTOMERS

Although we disagree with efforts by the Joint Committee on Administrative Rules to weaken certain consumer protections, the new rules are a step in the right direction to protect Illinois consumers from misleading marketing by alternative power suppliers. You can't have a healthy electricity market without strong consumer protections. We thank the Illinois Commerce Commission (ICC) for its efforts to strengthen the rules and we look forward to working with the commission to protect all consumers from being preyed upon by bad actors in the electric market.

Background:

*Prompted by an increase in complaints about alternative electricity suppliers, the Illinois Commerce Commission (ICC) in September 2016 voted for new marketing rules for suppliers, subject to review by the Illinois General Assembly's Joint Committee on Administrative Rules (JCAR).

*Today, JCAR, a bipartisan legislative committee, approved the new supplier rules—with the condition that the ICC make certain changes. For example, the ICC must:

- Eliminate the new requirement that all suppliers obtain third-party verifications of door-to-door sales, in addition to a "Letter of Agency" (documentation in which a customer authorizes a switch). As a result of this change, suppliers may now choose one or the other.
- Soften the new requirement that a supplier notify customers by phone and a letter that a contract is being renewed. (Instead, a letter and "one additional means of communication"—possibly another letter or even notification on a supplier website—are required.)

*Given those changes and others, these are some of the key reforms approved today:

- Provide 12 months of pricing history for a variable rate offer (an offer that can change monthly).
- Send customers a separate written notice when a variable rate will increase by at least 20 percent.
- Limit door-to-door marketing to 9 a.m. to 7 p.m. or dusk, whichever comes first.
- Require a supplier that promises savings to provide a written statement to the customer detailing such a claim.

*Consumers who have questions about alternative suppliers should visit CUB's Electric Page, at CitizensUtilityBoard.org. The page includes a free tool to help electricity shoppers: CUBPowerCalculator.com.

Created by the Illinois Legislature, CUB opened its doors in 1984 to represent the interests of residential and small-business utility customers. Since then, the nonprofit utility watchdog group has saved consumers more than \$20 billion by helping to block rate hikes and secure refunds. For more details, call CUB's Consumer Hotline, 1-800-669-5556, or visit CUB's award-winning website, www.CitizensUtilityBoard.org.

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