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ATTORNEY GENERAL RAOUL URGES LAWMAKERS TO STRENGTHEN OVERSIGHT OF ALTERNATIVE RETAIL ENERGY SUPPLIERS AND PROTECT CONSUMERS FROM DECEPTIVE PRACTICES

Chicago — Attorney General Kwame Raoul today urged the General Assembly to support legislation that will protect consumers from high-priced alternative retail electric and gas suppliers, which claim to offer cheaper energy rates than traditional utility companies but are almost always more expensive.

Attorney General Raoul initiated Senate Bill 651, or the Home Energy Affordability and Transparency (HEAT) Act, to create transparency by equipping consumers with meaningful information so that they can understand what signing up with an alternative supplier will mean for their utility bills. The bill also protects energy assistance funds by ensuring public dollars cannot be expended on overpriced energy supplier contracts. SB 651 is sponsored by Senate Majority Leader Kimberly Lightford.

“Alternative retail electric and gas suppliers use misleading and deceptive marketing practices to prey upon Illinois’ most vulnerable consumers. Many families in Illinois struggle to pay for essentials, and spending money on high-priced energy contracts could mean that families are forced to choose between necessities like groceries or medications and heat,” Raoul said. “I encourage members of the General Assembly to pass the HEAT Act to stop these predatory companies and protect Illinois families.”

“Illinois residents, especially those who sign up for alternative retail electric and gas suppliers, have overpaid for energy services for too long,” Lightford said. “I’m proud to stand with Attorney General Raoul in fighting the actors in this industry who take advantage of consumers, and I encourage my colleagues in the General Assembly to do the same and support the HEAT Act.”

Alternative retail energy suppliers entice customers with false claims of free electricity only to routinely trap customers in bad contracts that result in significantly higher utility rates. Over the last four years, consumers enrolled with alternative retail electric suppliers have paid over \$600 million more in electricity costs than consumers who stayed with their public utility. Both alternative electric and gas suppliers engage in misleading marketing practices that take advantage of customer confusion and lack of information. Consumers in low-income neighborhoods and communities of color have been disproportionately harmed by suppliers’ deception and high costs.

The HEAT Act (SB 651) would protect consumers by:

- Improving the Attorney General’s existing authority to protect consumers from suppliers’ unlawful and deceptive marketing practices;
- Protecting public energy assistance funds, LIHEAP (Low Income Home Energy Assistance Program) and PIPP (Percentage of Income Payment Plan), from being wasted to pay the higher prices charged by alternative retail energy supporters;
- Requiring the utility’s comparison price to be included on all supplier marketing materials, during telephone or door-to-door solicitations, and on every consumer’s utility bill so consumers can make informed price comparisons;
- Requiring suppliers to notify customers before their rates rise so consumers can take informed action;
- Preventing suppliers from renewing a consumer’s contract and raising rates without notifying the consumer of the new rate and obtaining the consumer’s consent; and
- Requiring suppliers to report their rates to the Illinois Commerce Commission and Attorney General.

Attorney General Raoul's HEAT Act is supported by a number of consumer advocacy groups, including: AARP, Citizen Action Illinois, Community Organizing and Family Issues, Illinois Public Interest Research Group, Citizen Utility Board, Heartland Alliance, Legal Aid Society of Metropolitan Family Services, Housing Action Illinois, and the Environmental Law and Policy Center.

SB 651 is part of Attorney General Raoul's effort to protect public utilities customers from increasing rates and strengthen oversight of alternative retail energy suppliers.