



August 8, 2016

MADIGAN REACHES SETTLEMENT WITH ETHICAL ELECTRIC FOR MISLEADING MARKETING ABOUT ITS RENEWABLE ENERGY PRODUCT

Attorney General Madigan Secures Refund for Residential Customers and Demands Company Provide More Detailed Information on the Source of Renewable Energy

Chicago — Attorney General Lisa Madigan today announced a settlement with Ethical Electric Inc., an alternative retail electricity supplier (ARES), for misleading consumers about the source of the “green” energy provided through its Clean Energy Option product. The settlement requires the company to issue refunds to customers, to discontinue the use of its misleading product name and to provide more detailed information on the nature of renewable energy. Madigan estimates that the refunds could amount to nearly \$3 million depending on the number of consumers who request them.

The settlement stems from Ethical Electric’s direct mail solicitations promoting its Clean Energy Option product as powering customers’ homes with electricity generated exclusively from renewable energy sources like wind and solar. Instead, the electricity provided was a mixture of sources from the electric grid paired with the purchase of renewable energy certificates or RECs, which represent proof that one megawatt-hour (MWh) of electricity was generated from a renewable energy source. Madigan alleges the company’s statements confused consumers and lured them into purchasing a product based on misrepresentations about what it means to provide renewable energy.

“Consumers deserve to know what they’re buying, and this company sold a product that was misleading to consumers interested in conserving energy and protecting our environment,” Madigan said. “That type of blatant consumer fraud will not be tolerated.”

Madigan also alleges Ethical Electric claimed the price of its Clean Energy Option product was comparable to ComEd’s when in fact it was routinely more than 5 percent higher than ComEd’s price and often was substantially more than ComEd’s price. As an ARES, Ethical Electric is certified by the Illinois Commerce Commission (ICC) to provide electricity supply to residential and commercial customers who can choose to purchase their electricity supply from an ARES rather than ComEd or their regulated public utility.

All Illinois residential customers who enrolled in the Clean Energy Option supply through a direct mail solicitation – whether they are still enrolled in the product or not – will automatically receive a refund of approximately \$10 in the form of a credit for current customers and via check for former customers. In addition, any customer who believes they were misled by Ethical Electric’s marketing materials may request an additional refund for the amount they paid over the ComEd price by completing and returning a refund request that will be mailed to all customers within the next 45 days.

Ethical Electric has agreed to more accurately describe the nature of the electricity delivered to its customers by disclosing the purchase of RECs in all solicitations and providing an explanation of RECs in all future direct mail solicitations. In addition, the company will stop making inaccurate claims about the price of its product and explain how variable rates are determined. Ethical Electric also will stop using the misleading and confusing product name “Clean Energy Option.”

The ICC recently proposed new rules to limit ARES from marketing renewable energy as “green” and requiring them to provide more detailed disclosures about where the power is sourced, which Madigan has called a positive step forward in providing transparency and protecting consumers.

The settlement was handled by Assistant Attorney General Anna Crane for Madigan’s Public Interest Division, as well as Madigan’s Public Utilities and Consumer Fraud Bureaus.

[Return to August 2016 Press Releases](#)



[© 2020 Illinois Attorney General](#)

[Home](#) • [Privacy Policy](#) • [Contact Us](#)