

May 30, 2019

**ATTORNEY GENERAL RAOUL APPLAUDS PASSAGE OF LEGISLATION TO STRENGTHEN
REGULATION OF ALTERNATIVE RETAIL ENERGY SUPPLIERS**

***Raoul's HEAT Act Ensures Consumers Have Information to Better Understand How Switching to
Alternative Suppliers Will Impact Utility Bills***

Chicago — Attorney General Kwame Raoul today applauded the Illinois House's passage of 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 come at a high cost to consumers.

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, which is sponsored by House Assistant Majority Leader Jehan Gordon-Booth, passed the House unanimously.

"Energy suppliers rely on sales gimmicks and misleading sales pitches in order to lure consumers into high-priced energy contracts, and the HEAT Act will force suppliers to change the way they do business," Raoul said. "I appreciate the work and dedication of the HEAT Act's sponsors and I am pleased to see this very important consumer protection measure pass out of the House on a bipartisan roll call."

"Alternative retail suppliers have gotten rich at the expense of consumers who are struggling save money on their energy bills," Gordon-Booth said. "I would like to thank Attorney General Raoul for protecting vulnerable communities and communities of color across Illinois from being used to pad retail suppliers' pockets. This is the toughest and strongest consumer protection law against this industry and can serve as a model for other states."

Some alternative retail energy suppliers entice customers with false savings claims and other inducements only to routinely trap customers in bad contracts that result in significantly higher utility rates. Over the last four years, consumers across Illinois who are enrolled with alternative retail electric suppliers have paid more than \$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:

- 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.
- 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 suppliers to end solicitations in which the consumer does not understand or cannot speak English.
- Requiring training for suppliers that engage in in-person solicitations and marketing.

- Ensuring that consumers receive clear information about the duration of a contract, and that suppliers provide consumers with 30 to 60 days' notice before the contract's renewal.
- Requires suppliers to obtain consumers' express consent before the contract is switched from a fixed rate to a variable rate contract.
- Preventing suppliers from charging consumers termination fees or penalties.
- Improving the Attorney General's existing authority to protect consumers from suppliers' unlawful and deceptive marketing practices.
- Requiring suppliers to report their rates annually to the Illinois Commerce Commission and Attorney General.

Attorney General Raoul's HEAT Act is supported by a number of advocacy organizations, 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, Woodstock Institute, as well as by the Environmental Law and Policy Center, Elevate Energy, Ameren Illinois and SEIU Healthcare Illinois.

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