



## 101ST GENERAL ASSEMBLY

### State of Illinois

2019 and 2020

SB1896

Introduced 2/15/2019, by Sen. Don Harmon

#### SYNOPSIS AS INTRODUCED:

220 ILCS 5/4-604 new

Amends the Public Utilities Act. Provides for licensure of persons and entities engaged in the procurement or sale of retail electricity supply, retail natural gas supply, energy efficiency products or services, or demand response services for third parties as energy services agents and energy services entities and for licensure of energy services course providers by the Illinois Commerce Commission. Provides for mandatory disclosures by energy services agents or energy services entities. Requires all energy services agents engaged in the marketing of retail electricity supply, retail natural gas supply, energy efficiency products or services, or demand response services, before providing any sales information to a potential customer, to disclose that they are not employed by the local utility within the territory they are selling retail electricity supply, retail natural gas supply, energy efficiency products, or demand response services. Requires the Commission to establish procedures for licensure as an energy services agent, energy services entity, or energy services course provider, and specifies certain criteria. Provides that the Commission has jurisdiction over disciplinary proceedings and complaints for violations. Requires the Commission to maintain a list of disciplined and suspended energy services agents and a list of all disciplined, suspended, or revoked energy services entities.

LRB101 07787 JRG 52837 b

FISCAL NOTE ACT  
MAY APPLY

A BILL FOR

1 AN ACT concerning regulation.

2 **Be it enacted by the People of the State of Illinois,**  
3 **represented in the General Assembly:**

4 Section 5. The Public Utilities Act is amended by adding  
5 Section 4-604 as follows:

6 (220 ILCS 5/4-604 new)

7 Sec. 4-604. Licensure of persons and entities engaged in  
8 the procurement or sale of retail electricity supply, retail  
9 natural gas supply, energy efficiency products or services, or  
10 demand response services for third parties.

11 (a) In this Section:

12 "Energy services agent" means a person that attempts to  
13 procure or sell retail electric service, retail natural gas  
14 supply, energy efficiency products or services, or demand  
15 response services for third parties to a residential or small  
16 business customer in this State.

17 "Energy services entity" means a corporation, a company, a  
18 partnership, or another business entity that attempts to  
19 procure or sell retail electric service, retail natural gas  
20 supply, energy efficiency products or services, or demand  
21 response services for third parties to a residential or small  
22 business customer in this State.

23 "Energy services agent" and "energy services entity" do not

1 include the following:

2 (1) the Illinois Power Agency or any of its employees;

3 (2) an alternative retail electric supplier as defined  
4 in Section 16-102 that offers retail electric service,  
5 energy efficiency products or services, or demand response  
6 services or any of the alternative retail electric  
7 supplier's employees;

8 (3) an alternative gas supplier as defined in Section  
9 19-105 of this Act that offers gas service, energy  
10 efficiency products or services, or demand response  
11 services or any of the alternative gas supplier's  
12 employees;

13 (4) a person or entity representing a municipal power  
14 agency as defined in Section 11-119.1-3 of the Illinois  
15 Municipal Code within its service territory;

16 (5) a person or entity representing an electrical  
17 cooperative as defined in Section 3.4 of the Electric  
18 Suppliers Act within its service territory;

19 (6) a person or entity certified as an energy  
20 efficiency installer under Section 16-128B of this Act;

21 (7) a person or entity licensed as an agent, broker,  
22 and consultant engaged in the procurement or sale of retail  
23 electricity for third parties under Section 16-115C of this  
24 Act; or

25 (8) a person or entity licensed under Section 16-128A  
26 of this Act with regard to distributed generation

1 facilities.

2 "Energy services course provider" means a business entity  
3 that provides training course materials and a training program  
4 to energy services agents. Alternative retail electric  
5 suppliers and alternative gas suppliers are eligible to be an  
6 energy services course provider if the training course  
7 materials and training program are approved by the Commission.

8 "Residential customer" has the meaning given to that term  
9 in Section 16-103.1 of this Act with respect to electric  
10 service and in Section 19-105 of this Act with respect to  
11 natural gas service.

12 "Small commercial customer" has the meaning given to that  
13 term in Section 16-102 of this Act with respect to electric  
14 service and in Section 19-105 of this Act with respect to  
15 natural gas service.

16 (b) The purpose of this Section is to adopt licensing and  
17 code of conduct rules in a competitive energy market where  
18 retail electricity supply, retail natural gas supply, energy  
19 efficiency, or demand response products are sold in order to  
20 protect Illinois consumers from unfair or deceptive acts or  
21 practices and to provide persons acting as energy services  
22 agents engaged in the sale to residential and small commercial  
23 customer of retail electricity supply, retail natural gas  
24 supply, energy efficiency products, or demand response  
25 services for third parties with notice of the illegality of  
26 those acts or practices.

1       (c) All energy services agents engaged in the marketing of  
2 retail electricity supply, retail natural gas supply, energy  
3 efficiency products or services, or demand response services,  
4 before providing any sales information to a potential customer,  
5 shall disclose that they are not employed by the local utility  
6 within the territory they are selling retail electricity  
7 supply, retail natural gas supply, energy efficiency products,  
8 or demand response services.

9       (d) Beginning one year after the effective date of this  
10 amendatory Act of the 101st General Assembly, no person or  
11 entity shall act as an energy services agent or as an energy  
12 services entity engaged in the procurement or sale of retail  
13 electricity supply, retail natural gas supply, energy  
14 efficiency products or services, or demand response services  
15 for third parties unless that person or entity is licensed by  
16 the Commission under this Section. Any individual or entity  
17 found by the Commission in violation of this provision may be  
18 prohibited from being licensed for up to 2 years.

19       (e) The Commission shall establish procedures for  
20 licensure as an energy services agent, which shall include all  
21 of the following criteria:

22           (1) Certification of completion of an energy course by  
23 an energy course provider as long as the course, the course  
24 fee, and the provider have been approved by the Commission.

25           (2) Payment to the Commission for deposit into the  
26 Public Utility Fund an annual fee of no more than \$50 to

1 defray the cost of administration by the Commission.

2 (3) Annual certification of course completion and  
3 license renewal.

4 (4) Failure to comply with the Consumer Fraud and  
5 Deceptive Practices Act or any related consumer protection  
6 provisions for sales as determined by the Commission, and  
7 the provisions of this Section shall subject an energy  
8 services agent to the discipline procedures of the  
9 Commission.

10 (f) The Commission shall create requirements for licensure  
11 as an energy services entity, which shall include all of the  
12 following criteria:

13 (1) An energy services entity shall ensure and certify  
14 the completion of an annual energy course through an energy  
15 course provider. The certification must include all  
16 employees acting as an energy services agent and  
17 contractors acting as an energy services agent including  
18 any employee or contractor with direct supervisory  
19 responsibility of energy services agents.

20 (2) Certification by the energy services entity that  
21 the entity and all energy services agents it employs or  
22 contracts with will comply with all rules of the Commission  
23 with regard to consumer protection as it relates to the  
24 retail electricity supply, retail natural gas supply,  
25 energy efficiency products, or demand response services  
26 being sold.

1           (3) Certification by the entity that the entity and all  
2           energy services agents it employs or contracts with shall  
3           comply with the requirements of Sections 2EE, 2FF, 2GG, and  
4           2HH of the Consumer Fraud and Deceptive Business Practices  
5           Act.

6           (4) Payment to the Commission for deposit into the  
7           Public Utility Fund an annual fee of no less than \$250 to  
8           defray the cost of administration by the Commission.

9           (5) As part of the annual license application or  
10          renewal, an energy services entity shall file a report  
11          detailing: (1) a list of employees and contractors that are  
12          energy services agents; and (2) a list, by agent, of  
13          complaints filed against the entity's energy services  
14          agents and the action taken to resolve such complaints.

15          A public redacted version of the verified report may be  
16          submitted to the Commission along with a proprietary  
17          version. The public redacted version may redact from the  
18          verified report the name or names of the energy services  
19          agents. The information shall be afforded proprietary  
20          treatment for 2 years after the date of the filing of the  
21          verified report.

22          (6) Failure to comply with the provisions of this  
23          Section shall subject an energy services entity to the  
24          discipline procedures of the Commission.

25          (7) Any energy services entity that knowingly allows an  
26          employee or contractor to sell retail electricity supply,

1 retail natural gas supply, energy efficiency products, or  
2 demand response services without a valid license, hides the  
3 ownership of any individual that has been the subject of a  
4 disciplinary action under this Section, or awards false  
5 certificates or licenses to unqualified or suspended  
6 energy services agents shall be subject to Commission  
7 discipline.

8 (g) The Commission shall establish procedures for  
9 licensure, course administration, course subject matter  
10 approval, and licensure renewal by energy services course  
11 providers.

12 The Commission may act as the energy services course  
13 provider or establish a process to allow a separate entity to  
14 act as an energy services course provider.

15 (1) Courses must be offered at a minimum online; an  
16 energy services course provider may also establish a  
17 physical location for training.

18 (2) Courses must not take more than one day to  
19 complete.

20 (3) Courses shall separately present consumer  
21 protection requirements and basic information about energy  
22 products related to retail electricity supply, retail  
23 natural gas supply, energy efficiency products, or demand  
24 response services as applicable to that energy services  
25 agent but need not contain specific products or services,  
26 unless used as examples.



1           (4) A license shall only be issued for the specific  
2           course. However, the Commission may issue a master license  
3           which covers retail electricity supply, retail natural gas  
4           supply, energy efficiency products, or demand response  
5           services in total.

6           (5) Each course taken by an energy services agent or  
7           applicant a unique identifier or pin number associated with  
8           the applicant to verify completion.

9           (6) The Commission may delegate registration of course  
10           completion certificates to energy services course  
11           providers provided there is a master registry maintained by  
12           the Commission.

13           (7) Payment to the Commission, or if the Commission  
14           approves the use of an energy services course provider then  
15           to the energy services course provider, an annual fee of no  
16           more than \$50 per energy services agent license and \$50 per  
17           renewal license to defray the cost of administration.

18           (8) Any energy services course provider that knowingly  
19           awards licenses or gives a passing grade to unqualified or  
20           suspended energy services agents shall be subject to  
21           Commission discipline.

22           (h) The Commission jurisdiction over disciplinary  
23           proceedings and complaints for violations of this Section. For  
24           any energy services agent or energy services course provider,  
25           the findings of a violation of this Section by the Commission  
26           shall result in a progressive disciplinary scale. For a first

1 violation, the Commission may, in its discretion, suspend the  
2 license of the person or entity so disciplined for a period of  
3 no less than one month. For a second violation within a 5-year  
4 period, the Commission shall suspend the license for the person  
5 or entity so disciplined for a period of not less than 6  
6 months. For a third or subsequent violation within a 5-year  
7 period, the Commission shall suspend the license of the  
8 disciplined person or entity for a period of not less than 2  
9 years.

10 The Commission has jurisdiction over disciplinary  
11 proceedings and complaints for violations of this Section. For  
12 any energy services agent, energy services entity, or energy  
13 services course provider, for a first violation, the Commission  
14 may, in its discretion, suspend the license of the person or  
15 entity so disciplined for a period of not less than one month.  
16 For a second violation within a 5-year period, the Commission  
17 shall suspend the license for the person or entity so  
18 disciplined for a period of not less than 6 months. For a third  
19 or subsequent violation within a 5-year period, the Commission  
20 shall suspend the license of the disciplined person or entity  
21 for a period of not less than 2 years.

22 The Commission shall maintain a list of disciplined and  
23 suspended energy services agents and a list of all disciplined,  
24 suspended, or revoked energy services entities. This list shall  
25 be made available to any alternative retail electric supplier  
26 or alternative gas supplier upon request.