



99TH GENERAL ASSEMBLY

State of Illinois

2015 and 2016

HB2498

Introduced 2/18/2015, by Rep. Kelly Burke

SYNOPSIS AS INTRODUCED:

220 ILCS 5/Art. XX heading
220 ILCS 5/20-101
220 ILCS 5/20-102
220 ILCS 5/20-110
220 ILCS 5/20-130

Amends the Retail Electric Competition Article of the Public Utilities Act. Renames the Article the Retail Electric and Natural Gas Competition Act. Adds findings related to the development and evolution of an effectively competitive retail natural gas market. Provides that solutions proposed by the Office of Retail Market Development of the Illinois Commerce Commission to promote retail competition must also promote safe, reliable, and affordable natural gas service (in addition to electric service), and makes conforming changes in an annual report to the General Assembly and the Governor. Provides that the Commission shall consult with natural gas utilities and suppliers to expand access to natural gas suppliers for residential and small business consumers.

LRB099 06840 HAF 26914 b

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 changing
5 the heading of Article XX and Sections 20-101, 20-102, 20-110,
6 and 20-130 as follows:

7 (220 ILCS 5/Art. XX heading)

8 ARTICLE XX. RETAIL ELECTRIC AND NATURAL GAS COMPETITION

9 (Source: P.A. 94-1095, eff. 2-2-07.)

10 (220 ILCS 5/20-101)

11 Sec. 20-101. This Article may be cited as the Retail
12 Electric and Natural Gas Competition Act ~~of 2006~~.

13 (Source: P.A. 94-1095, eff. 2-2-07.)

14 (220 ILCS 5/20-102)

15 Sec. 20-102. Findings and intent.

16 (a) A competitive wholesale electricity market alone will
17 not deliver the full benefits of competition to Illinois
18 consumers. For Illinois consumers to receive products, prices
19 and terms tailored to meet their needs, a competitive wholesale
20 electricity market must be closely linked to a competitive
21 retail electric market.

1 (b) To date, as a result of the Electric Service Customer
2 Choice and Rate Relief Law of 1997, thousands of large Illinois
3 commercial and industrial consumers have experienced the
4 benefits of a competitive retail electricity market.
5 Alternative electric retail suppliers actively compete to
6 supply electricity to large Illinois commercial and industrial
7 consumers with attractive prices, terms, and conditions.

8 (c) A competitive retail electric market does not yet exist
9 for residential and small commercial consumers. As a result,
10 millions of residential and small commercial consumers in
11 Illinois are faced with escalating heating and power bills and
12 are unable to shop for alternatives to the rates demanded by
13 the State's incumbent electric utilities.

14 (d) The General Assembly reiterates its findings from the
15 Electric Service Customer Choice and Rate Relief Law of 1997
16 that the Illinois Commerce Commission should promote the
17 development of an effectively competitive retail electricity
18 market that operates efficiently and benefits all Illinois
19 consumers.

20 (e) The General Assembly also finds that the success of the
21 retail electric market for residential and small business
22 consumers has brought millions of dollars in savings, improved
23 products and services in the electric market, and increased
24 competition, while also improving consumer protections.
25 Therefore, the General Assembly echoes its findings with regard
26 to the electric market and finds that the Illinois Commerce

1 Commission should promote the development and evolution of an
2 effectively competitive retail natural gas market that
3 operates efficiently and benefits and protects all Illinois
4 consumers and removes any barriers to competition.

5 (Source: P.A. 94-1095, eff. 2-2-07.)

6 (220 ILCS 5/20-110)

7 Sec. 20-110. Office of Retail Market Development. Within 90
8 days after the effective date of this amendatory Act of the
9 94th General Assembly, subject to appropriation, the
10 Commission shall establish an Office of Retail Market
11 Development and employ on its staff a Director of Retail Market
12 Development to oversee the Office. The Director shall have
13 authority to employ or otherwise retain at least 2
14 professionals dedicated to the task of actively seeking out
15 ways to promote retail competition in Illinois to benefit all
16 Illinois consumers.

17 The Office shall actively seek input from all interested
18 parties and shall develop a thorough understanding and critical
19 analyses of the tools and techniques used to promote retail
20 competition in other states.

21 The Office shall monitor existing competitive conditions
22 in Illinois, identify barriers to retail competition for all
23 customer classes, and actively explore and propose to the
24 Commission and to the General Assembly solutions to overcome
25 identified barriers. The Director may include municipal

1 aggregation of customers and creating and designing customer
2 choice programs as tools for retail market development.
3 Solutions proposed by the Office to promote retail competition
4 must also promote safe, reliable, and affordable electric
5 service and natural gas service.

6 On or before June 30 of each year, the Director shall
7 submit a report to the Commission, the General Assembly, and
8 the Governor, that details specific accomplishments achieved
9 by the Office in the prior 12 months in promoting retail
10 ~~electric~~ competition and that suggests administrative and
11 legislative action necessary to promote further improvements
12 in retail ~~electric~~ competition.

13 (Source: P.A. 94-1095, eff. 2-2-07.)

14 (220 ILCS 5/20-130)

15 Sec. 20-130. Retail choice and referral programs.

16 (a) The Commission shall have the authority to establish
17 retail choice and referral programs to be administered by an
18 electric utility or the State in which residential and small
19 commercial customers receive incentives, including, but not
20 limited to, discounted rate introductory offers for switching
21 to participating electric suppliers.

22 (b) Reasonable costs associated with the implementation
23 and operation of customer choice and referral programs may be
24 recovered in an electric utility's distribution rates, except
25 that any costs associated with any introductory discount for

1 switching to a supplier shall be assumed by that supplier.
2 Reasonable costs associated with the implementation and
3 operation of a customer choice program may also be recovered
4 from retail electric suppliers participating in a customer
5 choice and referral program. In no event, however, shall the
6 Commission mandate a cost recovery mechanism without first
7 providing all interested parties notice and an opportunity to
8 be heard in a hearing before the Commission.

9 (c) The Office of Retail Market Development shall serve as
10 the clearinghouse for the development of retail choice and
11 referral programs and shall work with electric utilities and
12 interested parties on a continuous basis to implement and
13 improve upon the programs. Nothing in this Section, however,
14 shall prevent an electric utility on its own accord from
15 implementing retail choice and referral programs.

16 (d) Only customers that qualify for utility service shall
17 be eligible for retail choice and referral programs.

18 (e) The Office of Retail Market Development shall
19 immediately upon the effective date of this amendatory Act of
20 the 95th General Assembly explore for possible implementation
21 on as expedited a basis as possible the following retail choice
22 and referral programs:

23 (1) An introductory fixed discount program in which
24 suppliers participating in the program offer customers a
25 fixed percentage discount off of the electric utility's
26 supply rate for a set number of billing periods. Customers

1 would be able to enroll in the program by using an online
2 enrollment form, completing an enrollment card found in
3 their monthly electric utility bill, or by calling a
4 toll-free number. Customers would be free to withdraw from
5 the program at any time and select another alternative
6 retail electric supplier or return to the electric utility.

7 (2) A new customer program in which electric utilities
8 would offer consumers initiating new electric service a
9 choice of offers from participating electric suppliers to
10 provide the consumer's electric supply service. Customers
11 expressing a preference for a specific electric supplier
12 would be enrolled with that supplier. Customers not
13 expressing a preference for a specific electric supplier
14 would be offered the opportunity to enroll with an electric
15 supplier selected randomly on a rotating basis.

16 (3) A customer service call center referral program in
17 which customers calling an electric utility's call center
18 would be offered enrollment with an alternative retail
19 electric supplier and informed that they have the option to
20 receive immediate savings or introductory offers by
21 participating in the referral program. Customers choosing
22 to participate would be transferred to a customer service
23 representative for the program and would either select the
24 electric supplier from which they would like to take
25 service or be placed with a participating electric supplier
26 chosen at random on a rotating basis.

1 Nothing in this Section shall prevent the Office of Retail
2 Market Development or the Commission from considering retail
3 choice and referral programs in addition to the programs
4 outlined in this Section. The Commission shall consult with
5 natural gas utilities and natural gas suppliers to expand,
6 where necessary, options for residential and small business
7 consumers to have full access to natural gas suppliers.

8 (Source: P.A. 95-700, eff. 11-9-07.)