

HOUSE No. 2823

The Commonwealth of Massachusetts

PRESENTED BY:

Tackey Chan

To the Honorable Senate and House of Representatives of the Commonwealth of Massachusetts in General Court assembled:

The undersigned legislators and/or citizens respectfully petition for the adoption of the accompanying bill:

An Act to protect consumers from predatory electric supplier practices.

PETITION OF:

NAME:	DISTRICT/ADDRESS:
<i>Tackey Chan</i>	<i>2nd Norfolk</i>
<i>José F. Tosado</i>	<i>9th Hampden</i>
<i>Jason M. Lewis</i>	<i>Fifth Middlesex</i>
<i>James J. O'Day</i>	<i>14th Worcester</i>
<i>Brian W. Murray</i>	<i>10th Worcester</i>
<i>Mary S. Keefe</i>	<i>15th Worcester</i>
<i>Michael O. Moore</i>	<i>Second Worcester</i>

HOUSE No. 2823

By Mr. Chan of Quincy, a petition (accompanied by bill, House, No. 2823) of Tackey Chan and others relative to predatory electric supplier practices. Telecommunications, Utilities and Energy.

The Commonwealth of Massachusetts

**In the One Hundred and Ninety-First General Court
(2019-2020)**

An Act to protect consumers from predatory electric supplier practices.

Be it enacted by the Senate and House of Representatives in General Court assembled, and by the authority of the same, as follows:

1 SECTION 1. Chapter 164 of the General Laws is hereby amended by inserting after
2 Section 1K the following section:-

3 Section 1L. (a) A supplier shall provide the following notices to customers prior to the
4 expiration of a fixed term contract or prior to a change in contract terms:

5 (1) An initial notice shall be provided to affected customers 60 days prior to the
6 expiration date of the fixed term contract or the effective date of the proposed change in terms.
7 The notice shall be transmitted in the manner chosen by the customer, whether by mail or
8 electronically. The initial notice must include: (i) a description of the proposed changes in terms
9 of service; (ii) the effective date for the proposed changes or when the fixed term contract is to
10 expire; (iii) an explanation of why a change in contract terms is necessary; (iv) the date of the
11 follow up notice to be issued with details regarding the proposed change; and (v) a statement

12 disclosing whether the existing fixed term contract has a cancellation fee, which cannot exceed
13 the amount of fifty dollars per twelve-month period of the electricity supply agreement.

14 (2) A final notice shall be provided to affected customers 30 days prior to the
15 expiration date of the fixed term contract or the effective date of the proposed change in terms.

16 (3) All notices to customers shall be provided in the preferred language of the
17 customer, in a clear and consistent manner.

18 b) No supplier or entity acting on the supplier's behalf shall extend an electricity
19 supply agreement with a residential customer beyond the agreement's stated term without
20 receiving the customer's affirmative written consent to do so, unless the rate provided for the
21 extended term is equal to or less than the rate applied to the stated terms.

22 c) Each electric distribution company who bills on behalf of a supplier pursuant to
23 section 1D of Chapter 164 shall include the following information on the first page of each bill
24 for each residential customer receiving electric generation service from a supplier:

25 (1) the electric generation service rate;

26 (2) the term and expiration date of such rate;

27 (3) the cancellation fee, if applicable;

28 (4) notification that such rate is variable, if applicable;

29 (5) the fixed basic service rate for the same period;

30 (6) the term and expiration date of the fixed basic service rate;

31 (7) the dollar amount that would have been billed for the electric generation service
32 component had the residential retail customer been receiving fixed basic service;

33 (8) an electronic link or internet web site address to the department's website,
34 energyswitchma.gov or a successor website and a toll-free telephone number and other
35 information necessary to enable the residential retail customer to obtain further information or
36 make the switch to another supplier or to basic service; and

37 (9) if a residential retail customer is enrolled in automatic electronic bill payments
38 and does not receive a bill through United States mail, a link to the customer's bill in electronic
39 mail with confirmation of bill payment.

40 An electric distribution company that implements the billing information requirements of
41 this subsection may recover from suppliers all reasonable costs for such implementation.

42 A supplier shall, if it chooses to provide its own billing and collection services, provide
43 on its bills, at a minimum, the requirements listed in subsection (b).

44 d) As a condition of licensure under subsection 1 of section 1F of chapter 164, each
45 supplier shall:

46 (1) no less than quarterly, provide to the department for each month in the quarter
47 reported (i) a list detailing each rate the supplier charged to residential retail customers that are
48 not currently employees or independent contractors of the supplier; (ii) the number of residential
49 retail customers charged each rate included in such list by rate class; (iii) the total number of
50 kilowatt hours consumed under each rate; and (iv) the weighted average rate charged to such
51 residential retail customers. The Department shall publish the weighted average rate for each

52 supplier in each month of the quarter reported on the department's website, energyswitchma.gov
53 (or any successor website);

54 (2) guarantee that each low-income customer will pay a rate that is either equal to or
55 less than the fixed basic service rate charged by the low-income customer's electric distribution
56 company for the same period of time.

57 The Department of Public Utilities shall, on a quarterly basis, publish the number of
58 complaints filed against each supplier in the corresponding quarter. Said complaints include
59 those made to the department and to the attorney general and the distribution companies.

60 e) The Department of Public Utilities shall establish a licensing structure for
61 independent marketing companies hired by suppliers to solicit sales. All sales agents under this
62 section shall be subject to the licensing provisions of subsection (c) of section 34 of chapter 101.

63 f) There shall be the competitive supply ombudsman office within the Department
64 of Public Utilities. The office shall assist families in their efforts to not only access state services,
65 but to resolve conflicts with predatory actors. It shall receive complaints, investigate complaints,
66 and verify solicitor licensure. It shall report to the commissioners of the Department of Public
67 Utilities with its findings and make recommendations for corrections, changes in operations, set
68 conditions of licensing and if necessary, punitive action.

69 g) Failure to comply with the above may result in license revocation, fines and or
70 penalties, consistent with subsection 7 of section 1F of chapter 164.