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Illinois Commerce Commission Orders \$1 Million Penalty on Retail Electric Supplier LifeEnergy

Chicago, IL - On Wednesday, the Illinois Commerce Commission, on a vote of 3-2, ordered LifeEnergy, LLC, an alternative retail electric supplier, to pay \$1 million in penalties and over \$34,000 in customer refunds for admitted violations of state marketing and sales rules.

In its Final Order, the Commission found that LifeEnergy harmed Illinois residential consumers and the competitive retail electric market. Although LifeEnergy voluntarily forfeited its certificate of service authority to operate in Illinois and agreed to refund affected customers, the Commission chose to assess the penalty against the Company, because LifeEnergy allowed agents to market and sell to Illinois customers on its behalf without having received proper training and did not file the necessary reports to the ICC to certify that its sales agents had been trained by the May 1, 2018 deadline. In addition, the ICC identified multiple instances of sales agents approaching customers repeatedly within a 24-hour period, a prohibited act, and found that the Company failed to timely process customer requests to rescind enrollments.

From the bench, ICC Chairman Zalewski stated, “LifeEnergy not only harmed Illinois consumers by using methods contrary to Illinois rules and regulations, but also harmed the Illinois retail market. This is not what competition is supposed to be about.” Chairman Zalewski also noted LifeEnergy’s wanton disregard for Illinois’ citizens.

A staff report, referencing at least three informal complaints from consumers to the Commission’s Consumer Services (“CSD”), resulted in the initiation of Docket No. 18-1540 on September 24, 2018, to investigate whether LifeEnergy had complied with recent amendments to 83 Ill. Adm. Code 412 (“Part 412”).

LifeEnergy stopped marketing to customers a week after the investigation was initiated by the Commission, and later surrendered its certificate to operate as an ARES in Illinois, after having entered into an asset purchase agreement with NRG for the sale of all customer contracts, including those in Illinois.

Alternative retail electric suppliers are obligated to comply with the Commission's Code Part 412, which sets forth compliance requirements for selling or marketing to residential and/or small commercial customers. These rules pertain to in-person solicitations, telemarketing, inbound enrollment calls, direct mail, and online marketing solicitations. Additionally, provisions of the rules relate to customer notice, training of RES agents, records retention, rescission of contracts, early termination fees, among others.

The Company will refund all customers enrolled with LifeEnergy between May 1, 2018 and July 2, 2018 in an amount which is equal to the difference between what the customer actually paid and the amount that they would have paid to the default service (ComEd), which is estimated to be approximately \$34,178. Under the Final Order, the Company must issue the refunds within 45 days of the Order taking effect, and to file proof of the distribution of refunds with the ICC within 30 days of the refund issuance. The Company also has 45 days of the Order taking effect to pay the \$1,000,000 penalty.

The Company has 30 days to file for rehearing with the Commission.

The ICC's Final Order for Docket No. 18-1540 can be found [here](#).

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About the Illinois Commerce Commission

The Illinois Commerce Commission (ICC) is a quasi-judicial body made up of five Commissioners. Through its Public Utility Program, the Commission oversees the provision of adequate, reliable, efficient and safe utility services at the least possible cost to Illinois citizens served by electric, natural gas, telecommunications, water and sewer public utility companies. Through its Transportation Regulatory Program, the Commission oversees public safety and consumer protection programs with regard to intrastate commercial motor carriers of general freight, household goods movers, relocation towers, safety towers, personal property warehouses and repossession agencies. The Commission's Rail Safety Program also inspects and regulates the general safety of railroad tracks, facilities and equipment in the state.

To learn more about the Commission, its offices and bureaus, click [here](#). If you are a consumer who needs help resolving a utility dispute call 800-524-0795 or file an online complaint [here](#). For a complaint related to transportation, call 217-782-6448.

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