



---

## ICC Approves Settlement Agreement with Great American Power to Provide \$325,000 in Relief for Consumers

### *Settlement Includes Five-Year Halt on Sales and Marketing, and Ongoing Compliance Measures to Resolve Litigation Against Company*

Chicago, IL – The Illinois Commerce Commission voted on July 1<sup>st</sup> to approve a settlement and release agreement under which Great American Power, an alternative electric retail supplier, agreed to pay a total of \$325,000 in refunds to customers and energy assistance for low-income residents. Great American Power (GAP) also agreed to a Commission Compliance Plan which includes a five-year ban on all marketing and enrollments in Illinois and additional restrictions to further ensure appropriate market behavior by the Company in the future. The agreement was reached and signed by Commission Staff, the Illinois Attorney General, the Citizen’s Utility Board and GAP following an investigation into allegations of non-compliance with state rules and regulations governing ARES.

The relief for consumers includes a total refund of \$200,000 to GAP’s current and former residential customers who enrolled on or after May 1, 2018, and who received electric supply service from GAP for at least 120 days during the period. Eligible customers can expect refund checks to be delivered through the mail. The remaining \$125,000 will be deposited into the Department of Commerce and Economic Opportunity (DCEO) Low Income Home Energy Assistance Program (LIHEAP) which provides economic assistance to low-income residents struggling to pay their home energy bills.

“This settlement agreement and compliance plan demonstrate the ICC’s ongoing commitment to protecting consumers and fostering a healthy competitive market through the enforcement of state rules and regulations against ARES,” **said ICC Executive Director Michael Merchant.**

As part of the agreement, the company must hire a settlement administrator, subject to approval by the Attorney General, to take all reasonable efforts to locate eligible customers and ensure the checks are issued in a timely manner. Any funds not distributed by the end of the customer refund reporting period must be directed into the State of Illinois Unclaimed Fund, with the list of names, telephone numbers and last known address of all eligible customers provided to the AG.

The Commission initiated Docket No. 18-1773 on December 4, 2018, to investigate “GAP sales, solicitation, and marketing practices during the period of May 1, 2018 to December 4, 2018.

On November 5, 2019, staff of the ICC’s Consumer Service Division and Office of Retail Marketing Development filed a charging document and direct testimony alleging that the GAP’s training, marketing, and sales practices during the period in question failed to comply with nineteen provisions of Part 412, the Commission’s rules governing ARES. Staff alleged GAP failed to ensure agents received proper training; failed to prevent agents from using deceptive materials to incentivize Illinois customers to enroll with GAP; and failed to adhere to rules regarding multi-unit dwelling and no-solicitation restrictions.

Without an admission of criminal, civil or any other liability on the part of GAP, the company

acknowledged the seriousness of the alleged conduct and has agreed to undertake remedial measures to minimize the potential of future compliance issues.

The settlement and release agreement include a compliance plan, which includes the following provisions:

- A voluntary five-year marketing and enrollment stand-down period in Illinois;
- Staggered reentry into the Illinois market after the stand-down period;
- Submission of a reengagement plan that demonstrates the company has developed a sales and marketing strategy that meets requirements of the compliance plan prior to reentering the market;
- The hiring of a corporate compliance officer to ensure compliance with Illinois statutes, rules, regulations, and directives, as well as the hiring of an independent or internal auditor to prepare quarterly compliance reports;
- Submission of company marketing and training materials for review by the ICC Staff;
- Limitations on third-party vendors hired to market in Illinois;
- Limits on sales and marketing practices, including increased obligations to record all in-person and telephone solicitations; the prohibition of in-person solicitations in multi-unit residential dwellings; the monitoring of customer complaints, as well as the development of an enrollment validation confirmation process;
- In-person training sessions of all sales agents must be conducted by a qualified individual and all virtual and in-person training sessions must be recorded and retained by the company;
- The submission of quarterly compliance filings with the ICC; and
- Guidelines regarding sales, mergers, transfers, and bankruptcy.

In the event GAP fails to comply with any terms of the settlement, Staff, CUB, or the AG may request the Commission reopen the docket. Copies of the Commission's Order approving the signed settlement agreement and release and compliance plan can be read [here](#).

###

