



ICC Approves Settlement Agreement with Star Energy Partners, Provides \$300,000 in Customer Relief

Terms of the settlement include a two-year halt on sales and marketing, and ongoing compliance measures to resolve litigation against the company

Chicago, IL – The Illinois Commerce Commission recently approved a settlement and release agreement under which Star Energy Partners, LLC, an alternative electric retail supplier, has agreed to pay a total of \$300,000 in refunds to customers and energy assistance for low-income residents. Star Energy (“Star”) also entered into a Commission Compliance Plan as part of the settlement, which includes an agreement to conduct no sales, marketing or enrollments in Illinois for two years and restrictions to ensure compliance with state rules in the future. The agreement was negotiated and signed by the ICC Staff, the Illinois Attorney General, the Citizen’s Utility Board and Star.

As part of the agreement, Star will issue \$275,000 in refunds to current and former customers who were enrolled with Star between May 1, 2018 and October 25, 2018 and who received electric supply service from the company for at least 30 days during the period. Eligible customers can expect refund checks to be delivered through the mail. The remaining \$25,000 will be deposited into the Department of Commerce and Economic Opportunity (DCEO) Low Income Home Energy Assistance Program (LIHEAP) which provides financial assistance to low-income residents unable to afford their home energy bills.

“The Illinois Commerce Commission is responsible for fostering a healthy retail electric market and protecting consumers. This agreement is another example of the ICC’s ongoing commitment to the enforcement of state rules that govern ARES,” said Illinois Commerce Commission Executive Director Michael Merchant.

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

On October 25, 2018 the Illinois Commerce Commission entered an Order initiating this proceeding (Docket 18-1652), as recommended in a Staff Report to the Commission, to investigate allegations of misconduct by Star Energy in connection with its customer sales, solicitation, marketing and enrollment practices, policies and procedures, and to ascertain whether had violated provisions of Part 412 rules which govern the obligations of retail electric suppliers, and if so, what penalties are appropriate.

Without admission of criminal, civil, or any other liability on the part of the Company or of any violations of Part 412, Star recognizes and understands 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 two-year marketing and enrollment stand-down period in Illinois;
- A three year compliance term including 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 in Illinois that meets requirements of the compliance plan prior to reentering the market;
- The hiring of personnel to oversee compliance efforts and an internal auditor to prepare quarterly compliance reports for submission to the ICC.
- 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 solicitation in multi-unit residential dwellings; the monitoring of customer complaints, as well as the development of an enrollment validation confirmation process;
- All training of sales agents must be conducted in-person by a qualified individual, and all virtual and in-person training must be recorded and retained by the company.

Should the company fail to comply with any terms of the settlement, Staff, CUB, or the AG may request the Commission reopen Docket 18-1652. Copies of the Commission's Order approving the signed settlement agreement and release and compliance plan can be read [here](#).

If you need utility bill assistance, enrollment for LIHEAP is now open. Click [here](#) to see if you qualify and how to apply.

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