

THE GENERAL ASSEMBLY OF PENNSYLVANIA

HOUSE BILL

No. 1578 Session of 2023

INTRODUCED BY MULLINS, MADDEN, GALLAGHER, FREEMAN, MALAGARI, SANCHEZ, STURLA, MADSEN, KIM AND GREEN, JULY 18, 2023

AS REPORTED FROM COMMITTEE ON CONSUMER PROTECTION, TECHNOLOGY AND UTILITIES, HOUSE OF REPRESENTATIVES, AS AMENDED, SEPTEMBER 30, 2024

AN ACT

1 Amending Title 66 (Public Utilities) of the Pennsylvania
2 Consolidated Statutes, in natural gas competition, further
3 providing for requirements for natural gas suppliers; and, in
4 restructuring of electric utility industry, further providing
5 for requirements for electric generation suppliers.

6 The General Assembly of the Commonwealth of Pennsylvania
7 hereby enacts as follows:

8 Section 1. Sections 2208(c)(1)(i) and 2809(c)(1) of Title 66
9 of the Pennsylvania Consolidated Statutes are amended, THE <--
10 SUBSECTIONS ARE AMENDED BY ADDING PARAGRAPHS and the sections
11 are amended by adding subsections to read:

12 § 2208. Requirements for natural gas suppliers.

13 * * *

14 (c) Financial fitness.--

15 (1) In order to ensure the safety and reliability of the
16 natural gas supply service in this Commonwealth, no natural
17 gas supplier license shall be issued or remain in force
18 unless the applicant or holder, as the case may be, complies

1 with all of the following:

2 (i) Furnishes a bond or other security in a form and
3 amount to ensure the financial responsibility of the
4 natural gas supplier. The criteria each natural gas
5 distribution company shall use to determine the amount
6 and form of such bond or other security shall be set
7 forth in the natural gas distribution company's
8 restructuring filing. In approving the criteria,
9 commission considerations shall include, but not be
10 limited to, the financial impact on the natural gas
11 distribution company or an alternative supplier of last
12 resort of a default or subsequent bankruptcy of a natural
13 gas supplier. The commission shall periodically review
14 the criteria upon petition by any party. The amount and
15 form of the bond or other security may be mutually agreed
16 to between the natural gas distribution company or the
17 alternate supplier of last resort and the natural gas
18 supplier or, failing that, shall be determined by
19 criteria approved by the commission. A natural gas
20 supplier engaging in person-to-person sales of natural
21 gas at a residence of a retail residential class gas
22 customer shall furnish a bond or other security with the
23 commission in the amount of \$1,000,000. The bond or
24 security required for a natural gas supplier engaging in
25 person-to-person sales of natural gas at a residence of a
26 retail gas customer shall be in addition to the bond or
27 security required by the commission and conform with any
28 other bonding and security requirements for a company
29 licensed in this Commonwealth to write surety types of
30 insurance. For the purpose of this subparagraph, a

1 person-to-person sale at a residence shall not include a
2 transaction at a residence in which there was a
3 prearranged meeting between a retail gas customer and
4 natural gas supplier.

5 * * *

6 (3) IN ADDITION TO ANY OTHER REMEDY SPECIFIED UNDER THE <--
7 LAWS OF THIS COMMONWEALTH, THE COMMISSION MAY DIRECT THE
8 PAYMENT OF A REFUND, INCLUDING INTEREST, TO A RETAIL GAS
9 CUSTOMER FOR VIOLATION BY A NATURAL GAS SUPPLIER OF THE
10 PROVISIONS OF THIS CHAPTER. AS A CONDITION FOR THE ISSUANCE
11 OR RENEWAL OF A LICENSE OF A NATURAL GAS SUPPLIER, AN
12 APPLICANT FOR A LICENSE OR A HOLDER OF A LICENSE SHALL
13 CONSENT TO THE COMMISSION'S JURISDICTION TO DIRECT THE
14 PAYMENT OF REFUNDS UNDER THIS PARAGRAPH.

15 * * *

16 (i) Training and education program requirements.--

17 (1) The commission shall develop a WEB-BASED, ONLINE <--
18 training and education program for an entity licensed by the
19 commission to engage in the business of a natural gas
20 supplier AND WHICH ENGAGES IN PERSON-TO-PERSON SALES OF <--
21 NATURAL GAS AT A RESIDENCE OF A RETAIL RESIDENTIAL CLASS GAS
22 CUSTOMER.

23 (2) The commission shall develop the program in
24 consultation with interested stakeholders, including natural
25 gas suppliers. THE COMMISSION MAY CONTRACT WITH A THIRD-PARTY <--
26 VENDOR TO DEVELOP THE PROGRAM.

27 (3) The program shall require that a ~~designated~~ <--
28 ~~representative~~ AN EMPLOYEE, REPRESENTATIVE OR CONTRACTOR of a <--
29 natural gas supplier ENGAGING IN PERSON-TO-PERSON SALES OF <--
30 NATURAL GAS AT A RESIDENCE OF A RETAIL RESIDENTIAL CLASS GAS

1 CUSTOMER demonstrate a thorough understanding of the
2 commission's regulations regarding sales, consumer protection
3 and any other matter the commission deems appropriate through
4 online training.

5 (4) At the conclusion of the training under paragraph
6 (3), the commission shall conduct an online examination for a<--
7 designated representative AN EMPLOYEE, REPRESENTATIVE OR <--
8 CONTRACTOR of a natural gas supplier ENGAGING IN PERSON-TO- <--
9 PERSON SALES OF NATURAL GAS AT A RESIDENCE OF A RETAIL
10 RESIDENTIAL CLASS GAS CUSTOMER and, upon achieving a score
11 satisfactory to the commission, certify that the <--
12 designated <--
13 representative EMPLOYEE, REPRESENTATIVE OR CONTRACTOR has <--
14 successfully completed the training.

15 (5) The commission shall determine the schedule and
16 frequency by which a <--
17 designated representative AN EMPLOYEE, <--
18 REPRESENTATIVE OR CONTRACTOR of a natural gas supplier
19 ENGAGING IN PERSON-TO-PERSON SALES OF NATURAL GAS AT A <--
20 RESIDENCE OF A RETAIL RESIDENTIAL CLASS GAS CUSTOMER shall
21 complete the program. The commission may not issue a new
22 natural gas supplier license to an <--
23 applicant until a <--
24 designated representative APPLICANT UNTIL AN EMPLOYEE, <--
25 REPRESENTATIVE OR CONTRACTOR of the natural gas supplier
26 completes the program. A NATURAL GAS SUPPLIER ENGAGING IN <--
27 PERSON-TO-PERSON SALES OF NATURAL GAS AT A RESIDENCE OF A
28 RETAIL RESIDENTIAL CLASS GAS CUSTOMER THAT HOLDS A NATURAL
29 GAS SUPPLIER LICENSE BEFORE OR ON THE EFFECTIVE DATE OF THIS
30 PARAGRAPH SHALL ENSURE THAT AN EMPLOYEE, REPRESENTATIVE OR
CONTRACTOR OF THE NATURAL GAS SUPPLIER SUCCESSFULLY COMPLETES
THE PROGRAM NO LATER THAN 180 DAYS AFTER THE COMMISSION
DEVELOPS THE PROGRAM.

1 (6) The commission may adopt regulations as necessary to
2 implement this subsection, including appropriate penalties or
3 sanctions for failure to comply with this subsection.

4 (7) The commission shall use the assessments and fees
5 received, collected or recovered under this part for the
6 initial development of the program. The commission may
7 establish, by order or rule, on a reasonable cost basis, fees
8 to fund the program as authorized under subsection (h).

9 (8) NOTHING IN THIS SUBSECTION SHALL BE CONSTRUED TO <--
10 PROVIDE CRIMINAL OR CIVIL IMMUNITY TO A NATURAL GAS SUPPLIER
11 OR AN EMPLOYEE, REPRESENTATIVE OR CONTRACTOR OF THE NATURAL
12 GAS SUPPLIER DUE TO THE SUCCESSFUL COMPLETION OF THE PROGRAM.
13 A NATURAL GAS SUPPLIER OR AN EMPLOYEE, REPRESENTATIVE OR
14 CONTRACTOR OF THE NATURAL GAS SUPPLIER MAY NOT USE A
15 CERTIFICATION OF COMPLETION OF THE PROGRAM OR TRAINING
16 MATERIALS DISTRIBUTED UNDER THE PROGRAM AS A DEFENSE IN A
17 LEGAL PROCEEDING.

18 (9) FOR THE PURPOSE OF THIS SUBSECTION, A PERSON-TO-
19 PERSON SALE AT A RESIDENCE SHALL NOT INCLUDE A TRANSACTION AT
20 A RESIDENCE IN WHICH THERE WAS A PREARRANGED MEETING BETWEEN
21 A RETAIL GAS CUSTOMER AND NATURAL GAS SUPPLIER.

22 § 2809. Requirements for electric generation suppliers.

23 * * *

24 (c) Financial responsibility.--

25 (1) In order to ensure the safety and reliability of the
26 generation of electricity in this Commonwealth, no energy
27 supplier license shall be issued or remain in force unless
28 the holder complies with all of the following:

29 (i) Furnishes a bond or other security approved by
30 the commission in form and amount to ensure the financial

1 responsibility of the electric generation supplier and
2 the supply of electricity at retail in accordance with
3 contracts, agreements or arrangements. An electric
4 generation supplier engaging in person-to-person sales of
5 electricity at a residence of a retail residential class
6 customer shall furnish a bond or other security with the
7 commission in the amount of \$1,000,000. The bond or
8 security required for an electric generation supplier
9 engaging in person-to-person sales of electricity at a
10 residence of a retail customer shall be in addition to
11 the bond or security required by the commission and
12 conform with any other bonding and security requirements
13 for a company licensed in this Commonwealth to write
14 surety types of insurance. For the purpose of this
15 subparagraph, a person-to-person sale at a residence
16 shall not include a transaction at a residence in which
17 there was a prearranged meeting between a retail customer
18 and an electric generation supplier.

19 (ii) Certifies to the commission that it will pay
20 and in subsequent years has paid the full amount of taxes
21 imposed by Articles II and XI of the act of March 4, 1971
22 (P.L.6, No.2), known as the Tax Reform Code of 1971, and
23 any tax imposed by this chapter.

24 (iii) Provides the commission with the address of
25 the participant's principal office in this Commonwealth
26 or the address of the participant's registered agent in
27 this Commonwealth, the latter being the address at which
28 the participant may be served process.

29 (iv) Agrees that it shall be subject to all taxes
30 imposed by the Tax Reform Code of 1971 and any tax

1 imposed by this chapter.
2 Failure of an electricity supplier to pay a tax or post a
3 bond or other security referred to in this paragraph or to
4 otherwise comply with the provisions of this paragraph shall
5 be cause for the commission to revoke the license of the
6 electricity supplier.

7 * * *

8 (3) IN ADDITION TO ANY OTHER REMEDY SPECIFIED UNDER THE <--
9 LAWS OF THIS COMMONWEALTH, THE COMMISSION MAY DIRECT THE
10 PAYMENT OF A REFUND, INCLUDING INTEREST, TO A RETAIL ELECTRIC
11 CUSTOMER FOR VIOLATION BY AN ELECTRIC GENERATION SUPPLIER OF
12 THE PROVISIONS OF THIS CHAPTER. AS A CONDITION FOR THE
13 ISSUANCE OR RENEWAL OF A LICENSE OF AN ELECTRIC GENERATION
14 SUPPLIER, AN APPLICANT FOR A LICENSE OR A HOLDER OF A LICENSE
15 SHALL CONSENT TO THE COMMISSION'S JURISDICTION TO DIRECT THE
16 PAYMENT OF REFUNDS UNDER THIS PARAGRAPH.

17 * * *

18 (h) Training and education program requirements.--

19 (1) The commission shall develop a WEB-BASED, ONLINE <--
20 training and education program for an entity licensed by the
21 commission to engage in the business of an electric
22 generation supplier AND WHICH ENGAGES IN PERSON-TO-PERSON <--
23 SALES OF ELECTRICITY AT A RESIDENCE OF A RETAIL RESIDENTIAL
24 CLASS CUSTOMER.

25 (2) The commission shall develop the program in
26 consultation with interested stakeholders, including electric
27 generation suppliers. THE COMMISSION MAY CONTRACT WITH A <--
28 THIRD-PARTY VENDOR TO DEVELOP THE PROGRAM.

29 (3) The program shall require that ~~a designated~~ <--
30 ~~representative~~ AN EMPLOYEE, REPRESENTATIVE OR CONTRACTOR of <--

1 an electric generation supplier ENGAGING IN PERSON-TO-PERSON <--
2 SALES OF ELECTRICITY AT A RESIDENCE OF A RETAIL RESIDENTIAL
3 CLASS CUSTOMER demonstrate a thorough understanding of the
4 commission's regulations regarding sales, consumer protection
5 and any other matter the commission deems appropriate through
6 online training.

7 (4) At the conclusion of the training under paragraph
8 (3), the commission shall conduct an online examination for a <--
9 ~~designated representative~~ AN EMPLOYEE, REPRESENTATIVE OR <--
10 CONTRACTOR of an electric generation supplier ENGAGING IN <--
11 PERSON-TO-PERSON SALES OF ELECTRICITY AT A RESIDENCE OF A
12 RETAIL RESIDENTIAL CLASS CUSTOMER and, upon achieving a score
13 satisfactory to the commission, certify that the ~~designated~~ <--
14 ~~representative~~ EMPLOYEE, REPRESENTATIVE OR CONTRACTOR has <--
15 successfully completed the training.

16 (5) The commission shall determine the schedule and
17 frequency by which a ~~designated representative~~ AN EMPLOYEE, <--
18 REPRESENTATIVE OR CONTRACTOR of an electric generation
19 supplier ENGAGING IN PERSON-TO-PERSON SALES OF ELECTRICITY AT <--
20 A RESIDENCE OF A RETAIL RESIDENTIAL CLASS CUSTOMER shall
21 complete the program. The commission may not issue a new
22 electric generation supplier license to an applicant until a <--
23 ~~designated representative~~ AN EMPLOYEE, REPRESENTATIVE OR <--
24 CONTRACTOR of the electric generation supplier completes the
25 program. AN ELECTRIC GENERATION SUPPLIER ENGAGING IN PERSON- <--
26 TO-PERSON SALES OF ELECTRICITY AT A RESIDENCE OF A RETAIL
27 RESIDENTIAL CLASS CUSTOMER THAT HOLDS AN ELECTRIC GENERATION
28 SUPPLIER LICENSE BEFORE OR ON THE EFFECTIVE DATE OF THIS
29 PARAGRAPH SHALL ENSURE THAT AN EMPLOYEE, REPRESENTATIVE OR
30 CONTRACTOR OF THE ELECTRIC GENERATION SUPPLIER SUCCESSFULLY

1 COMPLETES THE PROGRAM NO LATER THAN 180 DAYS AFTER THE
2 COMMISSION DEVELOPS THE PROGRAM.

3 (6) The commission may adopt regulations as necessary to
4 implement this subsection, including appropriate penalties or
5 sanctions for failure to comply with this subsection.

6 (7) The commission shall use the assessments and fees
7 received, collected or recovered under this part for the
8 initial development of the program. The commission may
9 establish, by order or rule, on a reasonable cost basis, fees
10 to fund the program as authorized under subsection (g).

11 (8) NOTHING IN THIS SUBSECTION SHALL BE CONSTRUED TO <--
12 PROVIDE CRIMINAL OR CIVIL IMMUNITY TO AN ELECTRIC GENERATION
13 SUPPLIER OR AN EMPLOYEE, REPRESENTATIVE OR CONTRACTOR OF THE
14 ELECTRIC GENERATION SUPPLIER DUE TO THE SUCCESSFUL COMPLETION
15 OF THE PROGRAM. AN ELECTRIC GENERATION SUPPLIER OR AN
16 EMPLOYEE, REPRESENTATIVE OR CONTRACTOR OF THE ELECTRIC
17 GENERATION SUPPLIER MAY NOT USE A CERTIFICATION OF COMPLETION
18 OF THE PROGRAM OR TRAINING MATERIALS DISTRIBUTED UNDER THE
19 PROGRAM AS A DEFENSE IN A LEGAL PROCEEDING.

20 (9) FOR THE PURPOSE OF THIS SUBSECTION, A PERSON-TO-
21 PERSON SALE AT A RESIDENCE SHALL NOT INCLUDE A TRANSACTION AT
22 A RESIDENCE IN WHICH THERE WAS A PREARRANGED MEETING BETWEEN
23 A RETAIL CUSTOMER AND AN ELECTRIC GENERATION SUPPLIER.

24 Section 2. This act shall take effect as follows:

25 (1) The addition of 66 Pa.C.S. §§ 2208(i) and 2809(h)
26 shall take effect in 180 days.

27 (2) The remainder of this act shall take effect
28 immediately.