

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 AMENDED ON SECOND CONSIDERATION, HOUSE OF REPRESENTATIVES, OCTOBER 22, 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
19 with all of the following:

1 (i) Furnishes a bond or other security in a form and
2 amount to ensure the financial responsibility of the
3 natural gas supplier. The criteria each natural gas
4 distribution company shall use to determine the amount
5 and form of such bond or other security shall be set
6 forth in the natural gas distribution company's
7 restructuring filing. In approving the criteria,
8 commission considerations shall include, but not be
9 limited to, the financial impact on the natural gas
10 distribution company or an alternative supplier of last
11 resort of a default or subsequent bankruptcy of a natural
12 gas supplier. The commission shall periodically review
13 the criteria upon petition by any party. The amount and
14 form of the bond or other security may be mutually agreed
15 to between the natural gas distribution company or the
16 alternate supplier of last resort and the natural gas
17 supplier or, failing that, shall be determined by
18 criteria approved by the commission. A natural gas
19 supplier engaging in person-to-person sales of natural
20 gas at a residence of a retail residential class gas <--
21 customer TO RESIDENTIAL CUSTOMERS shall furnish a bond or <--
22 other security with the commission in the amount of
23 \$1,000,000. The bond or security required for a natural
24 gas supplier engaging in person-to-person sales of
25 natural gas at a residence of a retail gas customer TO <--
26 RESIDENTIAL CUSTOMERS 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 RESIDENTIAL customer for violation by a natural gas supplier <--
10 of the provisions of ~~this chapter~~ PARAGRAPH (1) (I). As a <--
11 condition for the issuance or renewal of a license of a
12 natural gas supplier, an applicant for a license or a holder
13 of a license shall consent to the commission's jurisdiction
14 to direct the 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 TO RESIDENTIAL CUSTOMERS. <--

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 an employee,
28 representative or contractor of a natural gas supplier
29 engaging in person-to-person sales of natural gas at a <--
30 residence of a ~~retail residential class gas customer~~ TO <--

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

5 (4) At the conclusion of the training under paragraph
6 (3), the commission shall conduct an online examination for
7 an employee, representative or contractor of a natural gas
8 supplier engaging in person-to-person sales of natural gas at <--
9 a residence of a retail residential class gas customer TO <--
10 RESIDENTIAL CUSTOMERS and, upon achieving a score
11 satisfactory to the commission, certify that the employee,
12 representative or contractor has successfully completed the
13 training. A CERTIFICATION OF COMPLETION OF THE PROGRAM ISSUED <--
14 BY THE COMMISSION SHALL BE TRANSFERABLE WHEN A CERTIFIED
15 EMPLOYEE, REPRESENTATIVE OR CONTRACTOR OF A NATURAL GAS
16 SUPPLIER TRANSITIONS TO A DIFFERENT NATURAL GAS SUPPLIER,
17 SUBJECT TO ANY ORDERS, RULES OR REGULATIONS ADOPTED BY THE
18 COMMISSION.

19 (5) The commission shall determine the schedule and
20 frequency by which an employee, representative or contractor
21 of a natural gas supplier engaging in person-to-person sales
22 of natural gas at a residence of a retail residential class <--
23 gas customer TO RESIDENTIAL CUSTOMERS shall complete the <--
24 program. The commission may not issue a new natural gas
25 supplier license to an applicant until an employee,
26 representative or contractor of the natural gas supplier
27 completes the program. A natural gas supplier engaging in
28 person-to-person sales of natural gas at a residence of a <--
29 retail residential class gas customer TO RESIDENTIAL <--
30 CUSTOMERS that holds a natural gas supplier license before or

1 on the effective date of this paragraph shall ensure that an
2 employee, representative or contractor of the natural gas
3 supplier successfully completes the program no later than 180
4 days after the commission develops the program.

5 (6) The commission may adopt regulations as necessary to
6 implement this subsection, including appropriate penalties or
7 sanctions for failure to comply with this subsection. IN <--
8 ADDITION TO ANY OTHER REMEDY SPECIFIED UNDER THE LAWS OF THIS
9 COMMONWEALTH, THE COMMISSION MAY DIRECT THE PAYMENT OF A
10 REFUND, INCLUDING INTEREST, TO A RESIDENTIAL CUSTOMER FOR THE
11 FAILURE OF A NATURAL GAS SUPPLIER OR AN EMPLOYEE,
12 REPRESENTATIVE OR CONTRACTOR OF THE NATURAL GAS SUPPLIER
13 ENGAGING IN PERSON-TO-PERSON SALES TO COMPLY WITH THIS
14 SUBSECTION. AS A CONDITION FOR THE ISSUANCE OR RENEWAL OF A
15 LICENSE OF A NATURAL GAS SUPPLIER, AN APPLICANT FOR A LICENSE
16 OR A HOLDER OF A LICENSE SHALL CONSENT TO THE COMMISSION'S
17 JURISDICTION TO DIRECT THE PAYMENT OF REFUNDS UNDER THIS
18 PARAGRAPH.

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

24 (8) Nothing in this subsection shall be construed to
25 provide criminal or civil immunity to a natural gas supplier
26 or an employee, representative or contractor of the natural
27 gas supplier due to the successful completion of the program.
28 A natural gas supplier or an employee, representative or <--
29 contractor of the natural gas supplier may not use a
30 certification of completion of the program or training

1 ~~materials distributed under the program as a defense in a~~
2 ~~legal proceeding.~~

3 ~~(9) For the purpose of this subsection, a person to~~
4 ~~person sale at a residence shall not include a transaction at~~
5 ~~a residence in which there was a prearranged meeting between~~
6 ~~a retail gas customer and natural gas supplier.~~

7 (J) DEFINITION.--AS USED IN THIS SECTION, THE TERM "PERSON- <--
8 TO-PERSON SALES OF NATURAL GAS TO RESIDENTIAL CUSTOMERS" MEANS
9 AN INTERACTION WHEN A PERSON, INCLUDING AN EMPLOYEE,
10 REPRESENTATIVE OR CONTRACTOR OF A NATURAL GAS SUPPLIER, DIRECTLY
11 ENGAGES WITH RESIDENTIAL CUSTOMERS IN PERSON, BY TELEPHONE OR
12 THROUGH A DIGITAL PLATFORM TO MARKET, SELL OR PROMOTE THE
13 NATURAL GAS SUPPLIER.

14 § 2809. Requirements for electric generation suppliers.

15 * * *

16 (c) Financial responsibility.--

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

21 (i) Furnishes a bond or other security approved by
22 the commission in form and amount to ensure the financial
23 responsibility of the electric generation supplier and
24 the supply of electricity at retail in accordance with
25 contracts, agreements or arrangements. An electric
26 generation supplier engaging in person-to-person sales of <--
27 electricity at a residence of a retail residential class
28 customer TO RESIDENTIAL CUSTOMERS shall furnish a bond or <--
29 other security with the commission in the amount of
30 \$1,000,000. The bond or security required for an electric

1 ~~generation supplier engaging in person-to-person sales of~~<--
2 ~~electricity at a residence of a retail customer TO~~ <--
3 ~~RESIDENTIAL CUSTOMERS shall be in addition to the bond or~~
4 ~~security required by the commission and conform with any~~
5 ~~other bonding and security requirements for a company~~
6 ~~licensed in this Commonwealth to write surety types of~~
7 ~~insurance. For the purpose of this subparagraph, a~~ <--
8 ~~person to person sale at a residence shall not include a~~
9 ~~transaction at a residence in which there was a~~
10 ~~prearranged meeting between a retail customer and an~~
11 ~~electric generation supplier.~~

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

17 (iii) Provides the commission with the address of
18 the participant's principal office in this Commonwealth
19 or the address of the participant's registered agent in
20 this Commonwealth, the latter being the address at which
21 the participant may be served process.

22 (iv) Agrees that it shall be subject to all taxes
23 imposed by the Tax Reform Code of 1971 and any tax
24 imposed by this chapter.

25 Failure of an electricity supplier to pay a tax or post a
26 bond or other security referred to in this paragraph or to
27 otherwise comply with the provisions of this paragraph shall
28 be cause for the commission to revoke the license of the
29 electricity supplier.

30 * * *

1 (3) In addition to any other remedy specified under the
2 laws of this Commonwealth, the commission may direct the
3 payment of a refund, including interest, to a ~~retail electric~~<--
4 RESIDENTIAL customer for violation by an electric generation <--
5 supplier of the provisions of ~~this chapter~~ PARAGRAPH (1)(I). <--
6 As a condition for the issuance or renewal of a license of an
7 electric generation supplier, an applicant for a license or a
8 holder of a license shall consent to the commission's
9 jurisdiction to direct the payment of refunds under this
10 paragraph.

11 * * *

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

13 (1) The commission shall develop a web-based, online
14 training and education program for an entity licensed by the
15 commission to engage in the business of an electric
16 generation supplier and which engages in person-to-person
17 sales of electricity at a ~~residence of a retail residential~~ <--
18 ~~class customer~~ TO RESIDENTIAL CUSTOMERS. <--

19 (2) The commission shall develop the program in
20 consultation with interested stakeholders, including electric
21 generation suppliers. The commission may contract with a
22 third-party vendor to develop the program.

23 (3) The program shall require that an employee,
24 representative or contractor of an electric generation
25 supplier engaging in person-to-person sales of electricity at <--
26 a ~~residence of a retail residential class customer~~ TO <--
27 RESIDENTIAL CUSTOMERS demonstrate a thorough understanding of
28 the commission's regulations regarding sales, consumer
29 protection and any other matter the commission deems
30 appropriate through online training.

1 (4) At the conclusion of the training under paragraph
2 (3), the commission shall conduct an online examination for
3 an employee, representative or contractor of an electric
4 generation supplier engaging in person-to-person sales of
5 electricity at a residence of a retail residential class <--
6 customer TO RESIDENTIAL CUSTOMERS and, upon achieving a score <--
7 satisfactory to the commission, certify that the employee,
8 representative or contractor has successfully completed the
9 training. A CERTIFICATION OF COMPLETION OF THE PROGRAM ISSUED <--
10 BY THE COMMISSION SHALL BE TRANSFERABLE WHEN A CERTIFIED
11 EMPLOYEE, REPRESENTATIVE OR CONTRACTOR OF AN ELECTRIC
12 GENERATION SUPPLIER TRANSITIONS TO A DIFFERENT ELECTRIC
13 GENERATION SUPPLIER, SUBJECT TO ANY ORDERS, RULES OR
14 REGULATIONS ADOPTED BY THE COMMISSION.

15 (5) The commission shall determine the schedule and
16 frequency by which an employee, representative or contractor
17 of an electric generation supplier engaging in person-to-
18 person sales of electricity at a residence of a retail <--
19 residential class customer TO RESIDENTIAL CUSTOMERS shall <--
20 complete the program. The commission may not issue a new
21 electric generation supplier license to an applicant until an
22 employee, representative or contractor of the electric
23 generation supplier completes the program. An electric
24 generation supplier engaging in person-to-person sales of
25 electricity at a residence of a retail residential class <--
26 customer TO RESIDENTIAL CUSTOMERS that holds an electric <--
27 generation supplier license before or on the effective date
28 of this paragraph shall ensure that an employee,
29 representative or contractor of the electric generation
30 supplier successfully completes the program no later than 180

1 days after the commission develops the program.

2 (6) The commission may adopt regulations as necessary to
3 implement this subsection, including appropriate penalties or
4 sanctions for failure to comply with this subsection. IN <--
5 ADDITION TO ANY OTHER REMEDY SPECIFIED UNDER THE LAWS OF THIS
6 COMMONWEALTH, THE COMMISSION MAY DIRECT THE PAYMENT OF A
7 REFUND, INCLUDING INTEREST, TO A RESIDENTIAL CUSTOMER FOR THE
8 FAILURE OF AN ELECTRIC GENERATION SUPPLIER OR AN EMPLOYEE,
9 REPRESENTATIVE OR CONTRACTOR OF THE ELECTRIC GENERATION
10 SUPPLIER ENGAGING IN PERSON-TO-PERSON SALES TO COMPLY WITH
11 THIS SUBSECTION. AS A CONDITION FOR THE ISSUANCE OR RENEWAL
12 OF A LICENSE OF AN ELECTRIC GENERATION SUPPLIER, AN APPLICANT
13 FOR A LICENSE OR A HOLDER OF A LICENSE SHALL CONSENT TO THE
14 COMMISSION'S JURISDICTION TO DIRECT THE PAYMENT OF REFUNDS
15 UNDER THIS PARAGRAPH.

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

21 (8) Nothing in this subsection shall be construed to
22 provide criminal or civil immunity to an electric generation
23 supplier or an employee, representative or contractor of the
24 electric generation supplier due to the successful completion
25 of the program. An electric generation supplier or an <--
26 employee, representative or contractor of the electric
27 generation supplier may not use a certification of completion
28 of the program or training materials distributed under the
29 program as a defense in a legal proceeding.

30 (9) For the purpose of this subsection, a person to

1 ~~person sale at a residence shall not include a transaction at~~
2 ~~a residence in which there was a prearranged meeting between~~
3 ~~a retail customer and an electric generation supplier.~~

4 (I) DEFINITION.--AS USED IN THIS SECTION, THE TERM "PERSON- <--
5 TO-PERSON SALES OF ELECTRICITY" MEANS AN INTERACTION WHEN A
6 PERSON, INCLUDING AN EMPLOYEE, REPRESENTATIVE OR CONTRACTOR OF
7 AN ELECTRIC GENERATION SUPPLIER, DIRECTLY ENGAGES WITH
8 RESIDENTIAL CUSTOMERS IN PERSON, BY TELEPHONE OR THROUGH A
9 DIGITAL PLATFORM TO MARKET, SELL OR PROMOTE THE ELECTRIC
10 GENERATION SUPPLIER.

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

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

14 (2) The remainder of this act shall take effect
15 immediately.