



HOUSE COMMITTEE ON APPROPRIATIONS

FISCAL NOTE

HOUSE BILL NO. 1578

PRINTER'S NO. 3790

PRIME SPONSOR: Mullins

COST / (SAVINGS)

FUND	FY 2024/25	FY 2025/26
General Fund	\$0	\$0

SUMMARY: HB 1578 PN 3678 establishes bonding, training, and education program requirements for natural gas and energy generation suppliers who provide person-to-person sales to residential customers. The bonding requirement provision of the legislation will take effect immediately, while training program provisions will take effect in 180 days.

ANALYSIS: This legislation amends Title 66 (Public Utilities) to require the Public Utilities Commission (PUC) to:

- Establish a web-based, online **Training and Education Program** for natural gas and energy generation suppliers who engage in person-to-person sales at a residence of retail residential customers:
 - Require an employee, representative, or contractor of the business to undergo training and thorough understanding of PUC’s sales regulations, consumer protection, and other matters deemed appropriate
 - Commission would determine the schedule and frequency of the program as well as adopt regulations for program implementation
 - Commission shall establish assessments and fees to administer the program
 - At the conclusion of the training PUC shall conduct an online exam which would determine and certify successful participants scores
 - A third-party vendor may be contracted to develop the program
- Establish **Bonding and Security Requirements** for natural gas and energy generation suppliers who engage in person-to-person sales at a residence of retail residential customers:
 - \$1 million bond or other security furnished to the Commission and be in addition to other PUC bonding/security requirements
 - Bond requirements shall not apply if the person-to-person sale is part of a prearranged meeting between a retail customer and natural gas or energy generation suppliers
 - Legislation also allows for the revocation of an electric generation supplier’s license, if they don’t comply with the bonding requirements under this bill

Additionally, the bill provides for the payment of refunds, including interest, to a retail gas or electric customers for violations by suppliers included under the legislation. Furthermore, an applicant for a license by natural gas and energy generation supplier shall consent to the PUC’s jurisdiction to direct such payment of refunds.

FISCAL IMPACT: According to the PUC, the enactment of this legislation would have no fiscal impact on commonwealth funds, specifically the General Fund, as the legislation simply provides for bonding requirements and the completion of a training program.

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House Appropriations Committee (D)

DATE: October 23, 2024

Estimates are calculated using the best information available. Actual costs and revenue impact incurred may vary from estimates.