
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

REFERRED TO COMMITTEE ON CONSUMER PROTECTION, TECHNOLOGY AND
UTILITIES, JULY 18, 2023

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 and the
10 sections are amended by adding subsections to read:

11 § 2208. Requirements for natural gas suppliers.

12 * * *

13 (c) Financial fitness.--

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

19 (i) Furnishes a bond or other security in a form and

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

1 prearranged meeting between a retail gas customer and
2 natural gas supplier.

3 * * *

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

5 (1) The commission shall develop a training and
6 education program for an entity licensed by the commission to
7 engage in the business of a natural gas supplier.

8 (2) The commission shall develop the program in
9 consultation with interested stakeholders, including natural
10 gas suppliers.

11 (3) The program shall require that a designated
12 representative of a natural gas supplier demonstrate a
13 thorough understanding of the commission's regulations
14 regarding sales, consumer protection and any other matter the
15 commission deems appropriate through online training.

16 (4) At the conclusion of the training under paragraph
17 (3), the commission shall conduct an online examination for a
18 designated representative of a natural gas supplier and, upon
19 achieving a score satisfactory to the commission, certify
20 that the designated representative has successfully completed
21 the training.

22 (5) The commission shall determine the schedule and
23 frequency by which a designated representative of a natural
24 gas supplier shall complete the program. The commission may
25 not issue a new natural gas supplier license to an applicant
26 until a designated representative of the natural gas supplier
27 completes the program.

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

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

6 § 2809. Requirements for electric generation suppliers.

7 * * *

8 (c) Financial responsibility.--

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

13 (i) Furnishes a bond or other security approved by
14 the commission in form and amount to ensure the financial
15 responsibility of the electric generation supplier and
16 the supply of electricity at retail in accordance with
17 contracts, agreements or arrangements. An electric
18 generation supplier engaging in person-to-person sales of
19 electricity at a residence of a retail residential class
20 customer shall furnish a bond or other security with the
21 commission in the amount of \$1,000,000. The bond or
22 security required for an electric generation supplier
23 engaging in person-to-person sales of electricity at a
24 residence of a retail customer shall be in addition to
25 the bond or security required by the commission and
26 conform with any other bonding and security requirements
27 for a company licensed in this Commonwealth to write
28 surety types of insurance. For the purpose of this
29 subparagraph, a person-to-person sale at a residence
30 shall not include a transaction at a residence in which

1 there was a prearranged meeting between a retail customer
2 and an electric generation supplier.

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

8 (iii) Provides the commission with the address of
9 the participant's principal office in this Commonwealth
10 or the address of the participant's registered agent in
11 this Commonwealth, the latter being the address at which
12 the participant may be served process.

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

16 Failure of an electricity supplier to pay a tax or post a
17 bond or other security referred to in this paragraph or to
18 otherwise comply with the provisions of this paragraph shall
19 be cause for the commission to revoke the license of the
20 electricity supplier.

21 * * *

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

23 (1) The commission shall develop a training and
24 education program for an entity licensed by the commission to
25 engage in the business of an electric generation supplier.

26 (2) The commission shall develop the program in
27 consultation with interested stakeholders, including electric
28 generation suppliers.

29 (3) The program shall require that a designated
30 representative of an electric generation supplier demonstrate

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

4 (4) At the conclusion of the training under paragraph
5 (3), the commission shall conduct an online examination for a
6 designated representative of an electric generation supplier
7 and, upon achieving a score satisfactory to the commission,
8 certify that the designated representative has successfully
9 completed the training.

10 (5) The commission shall determine the schedule and
11 frequency by which a designated representative of an electric
12 generation supplier shall complete the program. The
13 commission may not issue a new electric generation supplier
14 license to an applicant until a designated representative of
15 the electric generation supplier completes the program.

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

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 (g).

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.