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**Testimony Neither For Nor Against**

**LD 508 – An Act To Improve Regulation of Door-to-door Marketing of Retail Energy Supply**

March 9, 2021

Senator Lawrence, Representative Berry, honorable members of the Committee on Energy, Utilities, and Technology, the Public Utilities Commission (Commission) testifies neither for nor against [LD 508](#), *An Act To Improve Regulation of Door-to-door Marketing of Retail Energy Supply*. The Act establishes specific consumer protections registration requirements applicable to “3<sup>rd</sup>-party sales agents” that engage in door-to-door marketing pursuant to a business relationship with a competitive electricity provider (CEP). The Act also would require “3<sup>rd</sup>-party sales agents” to register or be subject to penalty<sup>1</sup> with the Commission.

The Commission has in place comprehensive consumer protection rules governing CEP marketing activities.<sup>2</sup> These protections already mirror those contained in the Act, such as disclosure requirements, a prohibition on representations that the sales agent is associated with a utility, and compliance with the Maine Unfair Trade Practices Act. The Commission’s consumer protection rules explicitly apply to “representatives or agents” that act on behalf of a CEP, which would include “3<sup>rd</sup>-party sales agents” as defined in the Act. Thus, pursuant to Commission rules, “3<sup>rd</sup>-party sales agents” are currently subject to the same protections contemplated in the Act.

The Act does contain provisions that would authorize the Commission to place sanctions directly on the “3<sup>rd</sup>-party sales agents” including cease and desist orders, and administrative penalties. The Commission notes that any investigation of violations of consumer protection rules would focus on the CEP’s overall marketing activities, including the CEP’s oversight of any “3<sup>rd</sup>-party sales agents” and any resulting sanctions would be imposed directly on the CEP, because the CEP bears ultimate responsibility for its agents and must ensure compliance with all rules and laws in order to maintain its license. However,

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<sup>1</sup> The lesser of \$5,000 or .25% of the annual gross revenue, up to a maximum of \$500,000 or 5% of annual gross revenue, pursuant to [Title 35-A, section 1508-A\(1\)\(A-B\)](#).

<sup>2</sup> [Chapter 305](#), section 4.

the Act's additional authority directly over "3<sup>rd</sup>-party sales agents" may be a useful tool in circumstances in which there are repeated violations by the direct employees of a particular sales agent.

Finally, the Commission notes that the "3<sup>rd</sup>-party sales agents" registration requirement in the Act is administratively workable and would in fact be necessary for the Commission to ensure application of the consumer protections directly to such agents.

Sincerely,

A handwritten signature in black ink, appearing to read "Garrett Corbin", is placed on a white rectangular background.

Garrett Corbin  
Legislative Liaison

cc: Energy, Utilities, and Technology Committee Members  
Deirdre Schneider, Legislative Analyst