



Legislation Text

File #: Res 1804-2009, **Version:** *

Res. No. 1804

Resolution calling upon the New York State Assembly to pass A. 1558, which would create an “ESCO Consumer Bill of Rights” for New York State.

By Council Members de Blasio, Brewer, Gerson, Jackson, James, Liu, Weprin and White Jr.

Whereas, An Energy Service Company (ESCO) is a business that sells energy services to customers through an existing utility company’s distribution system; and

Whereas, ESCOs are often responsible for developing, financing and installing projects that would improve energy efficiency and maintain a reliable supply of energy to their customers; and

Whereas, The regulation of ESCOs is important to the economic health of New York City residents; and

Whereas, The New York State Public Service Commission currently allows ESCOs to sell electricity and/or natural gas to utility customers; and

Whereas, Consumers who switch to an ESCO purchase their electricity and gas from the ESCO, but continue to have their energy delivered by their existing utility; and

Whereas, Despite the potential savings one could gain from using an ESCO, many New York City residents have been the targets of the door-to-door solicitation of problematic ESCOS, known as “ESCO Slamming,” which promise rate reductions and increased energy savings; and

Whereas, The introductory rates often increase over the long term leaving residents paying dramatically higher fees; and

Whereas, Upon realizing the scam, ESCO customers are often required to pay hefty fees to cancel multi-year contracts; and

Whereas, The New York State Assembly is working to protect residents by enforcing tighter ESCO

regulation through an “ESCO Consumer Bill of Rights;” and Whereas, If passed, A. 1558 would create such a Bill of Rights, and would regulate ESCO identification, prepayments, cancellation fees, disclosure of variable charges, and changes to the terms of the contract; and

Whereas, Consequences of violating this law would include a penalty not to exceed one thousand dollars per violation, and costs of reasonable attorney’s fees; now, therefore, be it

Resolved, That the Council of the City of New York calls on the New York State Assembly to pass A. 1558, which would create an “ESCO Consumer Bill of Rights” for New York State.

LS# 7016
DMB
2/4/09