



# Public Service Commission

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Rory M. Christian, Chair

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**24034/23-M-0106; 15-M-0180; 98-M-1343**

## **PSC Strengthens Customer Protections In New York’s Rapidly Growing Clean Energy Market**

### **Commission Reinforces Consumer Protection Rules and Regulations Regarding Energy Brokers and Consultants**

**ALBANY** — The New York State Public Service Commission (Commission) today reinforced rules requiring persons, firms, associations or corporations acting as an energy broker or consultant to register with the Commission. Establishing a registration process for energy brokers and consultants allows the Commission to oversee these entities and establish enforcement procedures and consumer protections.

“Our action today brings further accountability to a formerly unregulated area of the retail access energy market in New York,” **said Commission Chair Rory M. Christian.** “Equally important, by increasing transparency and oversight of an important and rapidly growing market, we have significantly strengthened consumer protections.”

In several related decisions, the Commission today said it would grant a rehearing regarding the prohibition on payments to unregistered brokers or consultants by energy service companies or ESCOs for contracts that were executed prior to when the changes were made earlier last year. Further, the Commission issued a declaratory ruling that determined these rules do not apply to sub-meterers or submetering service providers.

In 2023, new rules established a registration process for energy brokers and energy consultants that requires an annual registration package consisting of a registration form, a \$500 registration fee, and a demonstration of financial accountability. In addition, the new rules require disclosure of compensation by brokers and consultants, and also establish enforcement procedures. Brokers and consultants are now required to fully register with the Commission, which increases transparency in the formerly opaque brokers and consultants market.

The registration form for brokers and consultants requires:

- Contact information for the company and identification of any affiliates of the applicant conducting energy-related business;
- Identification of any corporate entity with an ownership interest of 10 percent or more in the applicant, and information on the methods by which the applicant intends to market energy products and services;

- Identification of other states in which the applicant operates, and identification of any criminal or regulatory sanctions from any jurisdiction imposed against the applicant or any senior officer of the applicant; and
- Identification of any pending regulatory actions or investigations from any jurisdiction involving the applicant, identification of any acquisitions, mergers, dissolutions, or bankruptcy involving the applicant in the previous 36 months; and a list and description of any security breaches associated with customer information.

A broker or consultant would be subject to an enforcement action for a violation of any law, rule, or regulation. The new requirements also require compensation disclosure to customers so customers will be aware of how and why the broker and consultant are being paid, and whether the payments could misalign the interests of consumers and the market. The law also prohibits rebates from the broker/consultant to the ratepayer or any representative of the ratepayer, since such rebates could tend to obscure the actual price of clean energy products. If there is customer harm, the Commission can order the broker/consultant to provide refunds to customers. If the broker/consultant is unwilling or unable to pay, then the Commission can provide refunds to customers by drawing upon a letter of credit the brokers/consultants will have to provide as financial accountability.

Today's decisions may be obtained by going to the Commission Documents section of the Commission's Web site at [www.dps.ny.gov](http://www.dps.ny.gov) and entering Case Numbers 23-M-0106, 15-M-0180 or 98-M-1343 in the input box labeled "Search for Case/Matter Number". Many libraries offer free Internet access. Commission documents may also be obtained from the Commission's Files Office, 14th floor, Three Empire State Plaza, Albany, NY 12223 (518-474-2500). If you have difficulty understanding English, please call us at 1-800-342-3377 for free language assistance services regarding this press release.