



NEW YORK STATE SENATOR

Kevin S. Parker

Senator Protects Consumers Against Energy Bill Increases

KEVIN S. PARKER September 2, 2010

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(ALBANY, NEW YORK) Governor Paterson signed into law a bill that will establish consumer safeguards to end aggressive tactics by energy companies offering energy supply contracts to residential and small business customers. “This legislation will ensure that New Yorkers are protected from door-to-door scammers peddling unfavorable energy supply contracts,” said Senator Kevin Parker (D-21). “No more will energy predators be able to target the most vulnerable citizens,”

Many New Yorkers have complained over the past decade about misleading sales tactics, difficult to read contracts and “come ons” that eventually cost much more than asserted. Under the Energy Services Company Consumers Bill of Rights, an Energy Services Company (ESCO) representative must present potential customers with identification and a short, plain language statement with the customer’s rights. No contract will require prepayment for energy services, although a customer may elect to prepay if they so choose. Any and all variable charges will be clearly and conspicuously identified, and early cancellation penalties will be capped at \$200. In addition, the Attorney General is authorized by this new law to seek penalties of \$1,000 per violation of any contract.

“Energy costs are of paramount concern to many older New Yorkers who are on fixed incomes and are least able to bear the brunt of deceptive marketing practices,” noted AARP NYS Director Lois Aronstein.

“With this new law we are ensuring that older customers in particular will not be subject to false business practices and artificially inflated energy rates,” Senator Parker added. “From this moment forward, Customers will be able to select a private energy company without the nightmare of false promises and economic hardship that gave rise to this legislation.”