



For Immediate Release: 10/19/17

John B. Rhodes, Chair

Contact:

Jon Sorensen | Jon.Sorensen@dps.ny.gov | (518) 474-7080

<http://www.dps.ny.gov>

<http://twitter.com/NYSDPS>

17082/15-M-0180

Public Service Commission Enacts First Consumer Protection Standards for Distributed Energy Resources

— New regulations will protect residential and small business customers with price comparisons, plain-language contracts and billing documents —

ALBANY — The New York State Public Service Commission (Commission) today enacted the first consumer protection standards for the robust Distributed Energy Resources (DER) market in the state.

“Thanks to Reforming the Energy Vision – Governor Cuomo’s strategy to create a cleaner, affordable and more-resilient energy system – consumers are now offered new ways to save money and conserve energy through Distributed Energy Resources,” **said Commissioner Chair John Rhodes.** “While DERs are creating a cleaner and more resilient power system here in New York, we must ensure that consumers are protected from fraud and dishonest marketing, protecting consumers as well as the integrity of the budding DER markets.”

For companies providing residential rooftop solar systems, on-site generating systems for small business, large community-solar projects or other community distributed generation, today’s order will establish registration requirements, a standard disclosure statement, detailed marketing requirements, rules for handling customer inquiries and complaints, and penalties for any violations. For other types of DER systems and services, other new requirements will give New York State the authority to address fraudulent business practices without imposing costly and burdensome regulations that might stifle innovation.

The Commission’s experience in regulating energy services companies (ESCOs) in the gas and electric supply market has demonstrated that oversight is needed to prevent false promises, exploitative pricing, and other deceptive or intentionally confusing behavior in marketing to residential customers and small businesses.

Today’s order for DER products and services includes a manual of Uniform Business Practices for DER providers which will provide clear and robust guidance on appropriate marketing and contracting practices. The new manual will help create a level playing field for DER suppliers and support fair competition between suppliers of various DER options.

These requirements are part of a framework of regulation and contractual agreements, including interconnection agreements and tariffs, which will govern the integration of DERs into New York's electric system, along with a clear understanding of the rights and responsibilities of DER suppliers.

As DER markets continue to evolve, these requirements will receive ongoing review and possible modifications by the Commission to ensure that customers are appropriately protected and that DER markets are able to thrive, the Commission's order states. Depending on the severity of a violation, penalties can range from a warning up to a complete ban from future participation in programs or markets authorized by the Commission or operated by the state or private utility. If individual customers are harmed, the Commission will consider whether a DER supplier should offer refunds or provide corrective pricing before that supplier can resume sales in New York.

Among the new requirements for large community solar projects and other community distributed generation projects, DER providers must:

- Provide information on request regarding customer complaints, as well as particular transactions and information related to a DER supplier's business operations and financials. Staff of the Department of Public Service may conduct audits or other reviews of DER suppliers, and must have access to the books, accounts, contracts, records, and documents of the DER supplier as necessary;
- Register with the state and provide sample contracts and bills for their generally-available products or services. (This order will not impose an approval requirement on community distributed generation and on-site mass market distributed generation providers that are already in operation. Instead, staff will review each registration and will contact the provider if any deficiencies or issues of concern are identified.);
- As with ESCOs, an application must disclose any criminal or regulatory sanctions against the DER supplier, senior officers or any entities holding ownership interests of 10 percent or more in the DER supplier;
- If the DER provider offers to cut a customer's energy bills, the company must provide customers with a price forecast using a three-year average of actual, historical utility prices or some similar forecasting model;
- Contracts must be written in plain language and be provided in the same language that the provider has used to market to the customer; and,
- Among the new requirements for contracts and customer disclosure statements, residential customers will be given the right to cancel the contract within three business days after its receipt without charge or penalty and that the contract include essential terms including pricing, cancellation rules, information on tax incentives, and details of the product or service provided.

Today's decision may be obtained by going to the Commission Documents section of the Commission's Web site at www.dps.ny.gov and entering Case Number 15-M-0180 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.

About Reforming the Energy Vision:

Reforming the Energy Vision (REV) is Governor Andrew M. Cuomo's strategy to lead on climate change and grow New York's economy. REV is building a cleaner, more resilient and affordable energy system for all New Yorkers by stimulating investment in clean technologies like solar, wind, and energy efficiency and generating 50 percent of the state's electricity needs from renewable energy by 2030. Already, REV has driven 600 percent growth in the statewide solar market, enabled over 105,000 low-income households to permanently cut their energy bills with energy efficiency, and created thousands of jobs in manufacturing, engineering, and other clean tech sectors. REV is ensuring New York State reduces statewide greenhouse gas emissions 40 percent by 2030 and achieves the internationally-recognized target of reducing emissions 80 percent by 2050. To learn more about REV, including the Governor's \$5 billion investment in clean energy technology and innovation, please visit www.ny.gov/REV4NY and follow us at @Rev4NY.