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John B. Rhodes, Chair

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PSC Rules Against Three ESCOs, OKs 4th ESCO to Serve Low-Income Customers

— Flanders Energy Blocked from Marketing; Drift Marketplace and M&R Energy Requests Denied; New Wave Allowed to Serve Low-Income Customers —

ALBANY — The New York State Public Service Commission (Commission) today announced steps related to four energy service companies, or ESCOs, operating in New York. The actions range from prohibiting an ESCO from further marketing and enrolling new customers in New York to allowing an ESCO to serve low-income customers after demonstrating its ability to provide guaranteed savings to customers.

“Our ongoing efforts to reform the ESCO market remains a priority,” **said Commission Chair John B. Rhodes.** “In instances where an ESCO proves they are fair to customers, we allow them to continue their activities in New York to bring choice and energy services to customers. In instances where an ESCO chooses not to play by the rules, we prohibit their ability to enroll new customers and further require that they provide refunds to customers who may have been harmed by improper enrollment practices.”

The Commission took the following ESCO-related actions today:

- Suspended the ability of Flanders Energy LLC to market to and enroll new residential and non-residential customers until the Commission decides otherwise. The company violated the Commission’s business practices rules regarding complaint handling. Flanders is directed to refund any overcharges to customers that it enrolled without proper authorization. Meanwhile, the investigation into Flanders’ marketing practices continues. Flanders does business in Con Edison’s service territory.
- Denied Drift Marketplace Inc.’s petition for rehearing on original order denying the company’s petition to serve low-income customers. The company was unable to demonstrate how it was going to guarantee a savings to low-income customers. Drift does business in Con Edison’s service territory.
- Denied M&R Energy Resources Corp.’s petition for rehearing on original order denying the company’s petition to serve low-income customers. The company was unable to demonstrate how it was going to guarantee a savings to low-income customers. M&R does business in Central Hudson’s and Orange & Rockland’s service territory.

- Approved New Wave Energy Corporation's petition to serve low-income customers after it demonstrated that it could guarantee a 1 percent savings against the utility price. New Wave also stated that it will immediately assign all of its low-income customers that participate in the utility assistance program to its guaranteed savings product. New Wave does business in the National Grid, NYSEG, National Fuel Gas, and RG&E service territories.

The Department of Public Service has provided evidence that many ESCOs have been significantly overcharging many mass market customers, without providing any energy-related value-added services. It has also found many ESCOs have abused customers via high-pressure and deceptive sales tactics, teaser contracts, and exploiting vulnerable elderly, immigrant, and low-income populations.

In 2016, the Commission prohibited most ESCOs from serving low-income customers unless they demonstrate that they can guarantee savings. That decision has been upheld in the courts and has been effectively enforced across the state with tens of thousands of low-income customers returned to direct service by their local utility.

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 Numbers 12-M-0476 (Drift, M&R and New Wave) and 17-M-0415 (Flanders) 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.