

5500

2013-2014 Regular Sessions

I N S E N A T E

May 16, 2013

Introduced by Sen. BALL -- read twice and ordered printed, and when printed to be committed to the Committee on Energy and Telecommunications

AN ACT authorizing certain municipalities to participate in a municipal energy aggregation program through an inter-municipal agreement with one or more municipalities in order to coordinate efforts to procure electric and/or gas supply services on behalf of its residents

THE PEOPLE OF THE STATE OF NEW YORK, REPRESENTED IN SENATE AND ASSEMBLY, DO ENACT AS FOLLOWS:

- 1 Section 1. Definitions. The following terms, when used in this act,
2 shall have the following meanings:
- 3 1. "Resident" shall mean a customer of record who received residential
4 or non-residential electric and/or gas supply services from a distrib-
5 ution utility at the time of a local resolution by his or her munici-
6 3 2. "Distribution utility" or "distribution utilities" shall mean
7 4. "Municipal energy aggregation program" or "aggregation program"
8 5. "Participating customer" shall mean a resident who receives elec-
9 6. "Consolidated Edison (Con-Edison) and/or New York State Electric and Gas
10 7. "NYSEG").
11 8. "Participating customer" shall mean a resident who receives elec-
12 9. "Municipal energy aggregation program" or "aggregation program"
13 10. "Consolidated Edison (Con-Edison) and/or New York State Electric and Gas
14 11. "NYSEG").
15 12. "Participating customer" shall mean a resident who receives elec-
16 13. "Municipal energy aggregation program" or "aggregation program"
17 14. "Consolidated Edison (Con-Edison) and/or New York State Electric and Gas
18 15. "NYSEG").
19 16. "Participating customer" shall mean a resident who receives elec-
20 17. "Municipal energy aggregation program" or "aggregation program"
18 efforts by municipal energy aggregators to request bids for and poten-
19 tially select an ESCO or ESCOs to provide electric and/or gas supply
20 services to participating customers.

EXPLANATION--Matter in ITALICS (underscored) is new; matter in brackets [] is old law to be omitted.

LBD11030-01-3

1 5. "Energy services company" or "ESCO" shall have the same meaning as
2 such term is used in subdivision 5 of section 44 of the public service
3 law.

4 6. "Municipality" or "municipalities" shall mean a city, town or
5 village located in Westchester county.

6 7. "Municipal energy aggregator" or "energy aggregator" shall mean a
7 municipality authorized pursuant to a local resolution to participate in
8 an inter-municipal agreement establishing a municipal energy aggregation
9 program.

10 8. "Program administrator" shall mean a municipal energy aggregator
11 that is designated pursuant to an inter-municipal agreement to fulfill
12 the responsibilities of: (i) requesting and compiling historical usage
13 data of distribution utility customers as required under this act, (ii)
14 submitting a request for bids for energy supply services from ESCOs
15 authorized to supply electric and/or gas in New York state.

16 9. "Department" shall mean the New York department of public service.
17 S 2. Municipal energy aggregation programs. 1. A municipality may,
18 after adopting a resolution approved by a majority of its governing
19 board, participate in a municipal energy aggregation program through an
20 inter-municipal agreement with one or more municipalities in order to
21 coordinate efforts to procure electric and/or gas supply services on
22 behalf of its residents. Such inter-municipal agreement must provide
23 for:

24 (a) The expiration of such program of no later than five years; and
25 (b) The designation of a program administrator to facilitate the oper-
26 ations of a municipal energy aggregation program, including but not
27 limited to the receipt of resident historical usage data information
28 from distribution utilities pursuant to section three of this act and
29 any communications necessary with potential ESCOs that would provide
30 electric and/or gas supply services for such program;

31 2. A municipal energy aggregator shall be responsible for responding
32 to inquiries regarding the particular municipal energy aggregation
33 program in which it is a participant. Such municipal energy aggregator
34 shall provide contact information, including but not limited to a mail-
35 ing address, telephone number, e-mail address and fax number at which it
36 may be contacted in all notices to participating customers.

37 3. In establishing a contract for electric and/or gas services with an
38 ESCO, a program administrator shall comply with article 7 of the public
39 officers law.

40 S 3. Establishment of municipal energy aggregation program. 1. The
41 program administrator designated pursuant to an inter-municipal agree-
42 ment establishing an aggregation program shall provide a copy of such
43 agreement to the distribution utilities and submit a formal request for
44 bulk usage information provided for under subdivision two of this
45 section.

46 2. (a) Within 60 days of an inter-municipal agreement establishing an
47 aggregation program and the formal request, distribution utilities shall
48 provide to the program administrator the following utility bulk informa-
49 tion regarding residents:

50 (i) the number of residents, by class served; and
51 (ii) the aggregate gas and electric usage of residents for the
52 12-month period preceding the request;

53 (b) In providing the utility bulk information required under this
54 subdivision, a distribution utility shall not provide to a program
55 administrator any information identifying, by name or address, any
56 customer of such utility or the financial information of any such

1 customer, including, but not limited to social security numbers, credit
2 card or bank account numbers.

3 S 4. Selection of ESCO providers. 1. Upon receipt of utility bulk
4 information required under section three of this act, the program admin-
5 istrator is authorized to advertise for the request of bids from ESCOs
6 for the provision of services for an aggregation program. Any request
7 for bids shall specify that a contract for aggregation program services
8 must:

9 (a) be limited to a period of no greater than 30 months;

10 (b) include price benchmarks, which shall provide for:

11 (i) monthly per kWh rates for electric supply services for each appli-
12 cable class of customers that are below the average price of supply
13 services provided by distribution utilities;

14 (ii) monthly per Btu rates for gas supply services for each applicable
15 class of customers that are below the average price of supply services
16 provided by distribution utilities;

17 (c) provide that the ESCO will not levy any form of cancellation
18 charge to participating customers who, after receiving electric and/or
19 gas supply services from the ESCO, choose to receive such supply
20 services from their respective distribution utility; and

21 (d) provide for a website for participating customers to view the
22 monthly rates charged for electric and/or gas supply services.

23 2. (a) After a review of bids submitted for energy supply services,
24 energy aggregators are authorized to select the ESCO or ESCOs that will
25 offer the lowest bid and meet the requirements of subdivision one of
26 this section, provided that energy aggregators, may at their discretion,
27 reject all bids or offers and readvertise for new bids or offers in a
28 manner provided by this act.

29 (b) In making a selection, energy aggregators shall (i) select one
30 ESCO for the provision of electric supply services; and (ii) select one
31 ESCO for the provision of gas supply services, provided however that the
32 energy aggregators may select an ESCO to provide both electric and gas
33 supply service, provided further that energy aggregators may not select
34 any ESCO that has been deemed ineligible to provide energy services by
35 the department.

36 3. After selection of an ESCO or ESCOs, the energy aggregators are
37 authorized to enter into a contract for supply services of up to 30
38 months. Such contract shall include:

39 (a) monthly per kWh rates for electric supply services for each appli-
40 cable class of customers that is below the average rate of supply
41 services provided by distribution utilities;

42 (b) monthly per Btu rates for electric supply services for each appli-
43 cable class of customers that is below the average rate of supply
44 services provided by distribution utilities in the previous 12-month
45 period specified in paragraph (a) of subdivision two of section three of
46 this act;

47 (c) provisions for the termination of a contract for services if an
48 ESCO fails to meet the price benchmarks pursuant to this act with the
49 ESCO having exclusive responsibility for all re-entry fees charged to a
50 participating customer by distribution utilities for the resumption of
51 supply services;

52 (d) provisions indemnifying energy aggregators from all liabilities,
53 damages and costs associated with the performance of an ESCO operating
54 under a contract for services;

55 (e) a requirement that the ESCO provide a performance bond if required
56 by the energy aggregators; and

1 (f) any other requirement that the energy aggregators deem necessary
2 for the adequate and reliable supply of electric and/or gas supply
3 services to participating customers.

4 S 5. Notice of municipal energy aggregation contract required. 1.
5 Upon the completion of the contract for services provided for under
6 subdivision three of section four of this act, the program administrator
7 shall obtain from distribution utilities their lists of customers that
8 may be affected by such contract. The municipal aggregator shall then
9 notify such customers as to the provisions of such contract, including
10 but not limited to price benchmarks. The program administrator shall
11 then notify the distribution utility of entry into such contract and
12 that all residents will be automatically enrolled to receive electric
13 and/or gas supply service within 60 days of the next monthly utility
14 bill unless they opt-out.

15 2. No municipal aggregator may opt-out during the term of a contract.

16 3. Distribution utilities must make all reasonable preparations to
17 release residents who do not choose to opt-out pursuant to this section
18 from receiving electric and/or gas supply services, provided that all
19 residents shall continue to receive delivery services from such utili-
20 ties.

21 4. (a) Upon receipt of such notification in subdivision one of this
22 section, distribution utilities must include a notice to each resident
23 not currently receiving supply services from an ESCO and/or the power
24 authority of the state of New York in the next monthly bill for service.
25 Such notice shall include the following information:

26 (i) that the resident's municipal board has chosen to participate in a
27 municipal energy aggregation contract;

28 (ii) that unless he/she elects to opt-out within 60 days of the post-
29 marked utility bill, such resident will become a participating customer
30 and will receive electric and/or gas supply services through a municipal
31 energy aggregation contract;

32 (iii) instructions detailing how a resident may submit an opt-out or
33 opt-in response, provided that such procedures shall permit the customer
34 to opt-out by contacting a customer service representative of the
35 distribution utility;

36 (iv) that each customer who does not elect to opt-out within the
37 prescribed period may elect to opt-out of such contract at any time
38 within the 365-day period immediately following the commencement of
39 supply services, provided that such customer may be liable for any
40 applicable re-entry fees charged by the distribution utility; and

41 (v) that each customer who does not elect to opt-out within the
42 365-day period immediately following the commencement of supply
43 services, shall be permitted to opt-out without charge during a 30-day
44 period immediately following such 365-day period;

45 (vi) that the distribution utility is no longer responsible for supply
46 rates charged to participating customers and that all complaints about
47 supply service under the aggregation contract shall be the responsibil-
48 ity of the program administrator and ESCO(s);

49 (b) Distribution utilities must also include a notice to each customer
50 currently receiving supply services from an ESCO or the power authority
51 of the state of New York in the next monthly bill for service. Such
52 notice shall include the following information:

53 (i) that the resident's municipal board has chosen to participate in a
54 municipal energy aggregation contract;

1 (ii) that he/she may elect to opt-in at any time following to become a
2 participating customer and receive electric and/or gas supply services
3 through such municipal energy aggregation contract;

4 (iii) instructions detailing how a customer may submit an opt-in
5 response;

6 (iv) that he/she may still be responsible for any cancellation fees
7 charged by their respective ESCO(s) and/ or the power authority of the
8 state of New York;

9 (v) that each participating customer of an energy aggregation contract
10 may elect to opt-out of such contract at any time within the 365-day
11 period immediately following the commencement of supply services,
12 provided that such if such customer further elects to receive supply
13 services from a distribution utility, he/she may be liable for any
14 applicable re-entry fees charged by such distribution utility;

15 (vi) that each customer who does elect to opt-in within the 365-day
16 period immediately following the commencement of supply services shall
17 be permitted to opt-out without charge during a 30-day period immediate-
18 ly following such 365-day period; and

19 (vii) that the ESCO and/or the power authority of the state of New
20 York is no longer responsible for supply rates charged to participating
21 customers and that all complaints about supply services under the aggre-
22 gation contract shall be the responsibility of the program administrator
23 and ESCO(s).

24 5. Immediately following the 60-day opt-out period provided for in
25 paragraph (a) of subdivision four of this section, a distribution utili-
26 ty shall provide the program administrator with the following informa-
27 tion:

28 (a) the number of residents that received electric and/or gas supply
29 services from such distribution utility who are participating customers
30 by rate class that:

31 (i) elected to opt-out during the 60-day period;

32 (ii) elected to opt-in during the 60-day period;

33 (b) the name, address, and account number of each participating
34 customer who has not elected to opt-out of the aggregation contract;

35 (c) the name, address and account number of each customer who has
36 elected to opt-in to the aggregation contract.

37 6. The program administrator, upon receipt of information required
38 under subdivision four of this section, shall submit such information to
39 the ESCO(s). Such ESCOs shall commence supply services to participating
40 customers.

41 7. After entry into a contract pursuant to subdivision five of this
42 section, and upon a request to establish new service, a distribution
43 utility, such utility shall notify the resident that he/she is a partic-
44 ipating customer of such contract. Such resident shall have 30 days
45 from the establishment of electric and/or gas service to opt-out of the
46 contract, by contacting the distribution utility. The distribution util-
47 ity shall forward all opt-out information to the program administrator
48 immediately.

49 8. The ESCO or ESCOs providing gas and/or electric services to an
50 aggregation contract shall not charge a different rate than applicable
51 to existing participating customers.

52 S 6. Public service commission review. 1. Within 365 days of the
53 commencement of gas and/or electric supply services under an aggregation
54 contract, the commission, after consultation with the department shall
55 commence an audit to ensure such ESCO or ESCOs selected have achieved

1 benchmarks established pursuant to paragraph (b) of subdivision one of
2 section four of this act.

3 2. (a) If the commission determines that the ESCO or ESCOs providing
4 gas and/or electric gas supply services has failed to achieve such
5 benchmarks, the contract for services established pursuant to subdivi-
6 sion three of section four of this act shall be terminated immediately.

7 (b) Within 30 days of the termination of a contract for services, the
8 ESCO shall issue payment to each participating customer for any supply
9 rates above those specified in the contract, including the cost of any
10 applicable re-entry fees charged to a resident for resumption of supply
11 services.

12 3. An ESCO shall not levy any charge to an energy aggregator to cover
13 expenses related to the termination of contract.

14 S 7. Within 30 months of the establishment of a supply services
15 contract for services or upon the termination of such contract, the
16 commission shall submit a report to the executive, the temporary presi-
17 dent of the senate, the speaker of the assembly, the chairs of the
18 senate energy and telecommunications committee and the assembly energy
19 committee detailing the performance of any aggregation contract. Such
20 report shall include the following information: 1. the number of partic-
21 ipating customers served; 2. the ability of the ESCO or ESCOs selected
22 under an aggregation program to provide adequate supply services; 3. the
23 actual supply rates charged under a contract for services; 4. the
24 amount, if any, of participating customers whose residential or non-re-
25 sidential service was disconnected; and 5. any other information the
26 public service commission deems necessary.

27 S 8. Energy services company bill of rights applicable to participat-
28 ing customers. For purposes of this act the term "customer" as defined
29 in paragraph (c) of subdivision 1 of section 349-d of the general busi-
30 ness law, shall include participating customers.

31 S 9. This act shall take effect immediately.