STATE OF NEW YORK

10530

IN SENATE

May 19, 2026

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

AN ACT to amend the public service law, in relation to electric service to tenants provided through submeters

The People of the State of New York, represented in Senate and Assembly, do enact as follows:

Section 1. The public service law is amended by adding a new section 52-a to read as follows:

§ 52-a. Electric service to tenants provided through submeters. 1. As used in this section, the following terms shall have the following meanings:

(a) "Owner" means and includes the owner, owners, or agents of the freehold of the premises or lesser estate therein, mortgagee or vendee in possession, assignee of rents, receiver, executor, trustee, lessee, agent, or any other person, firm or corporation, directly or indirectly in control of a dwelling.

(b) "Submeterer" means any multi-unit residential premises owner or utility customer of record who purchases electricity for delivery by the utility to the premises and facilitates the sale or redistribution of such electricity for use by the premises occupants whose units are separately metered and billed based on the measurement of electricity use in each occupant's unit. Any entity acting on behalf of such owner that arranges for the installation of submeters and the billing of submetered usage to individual residents shall be considered the agent of the submeterer. The submeterer may engage the services of a submetering service provider to install meters, read meters and/or handle billing.

(c) "Submetering" means a system of measuring electricity use in a residential unit in a master-metered multi-unit residential premises by means of a submeter installed on the wiring to each residential unit.

(d) "Dwelling" means any building or structure or portion thereof which is occupied in whole or in part as the home, apartment residence or sleeping place of one or more human beings, including any equipment located outside such building or structure or portion thereof which is

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

LBD15511-02-6

under the exclusive use and control of the occupant, and is either rented, leased, let or hired out, to be occupied, or is occupied as the residence or home of one or more persons.

(e) "Utility" means any gas or electric corporation and/or municipality providing service to residential customers.

(f) "Submetered unit" means any tenant, or tenants who rent a dwelling from an owner that is served by a submeter.

(g) "Extraordinary cost" means the cost, as determined by a qualified professional, of installing equipment necessary to eliminate a submeter in a dwelling or portion thereof which is in excess of the amount of rent for four months rental of such dwelling. The commission shall adopt additional rules for determining extraordinary cost based upon whether the amount of service measured by the shared meter that is utilized outside the shared meter customer's dwelling is sufficient to warrant the cost of such installation.

(h) "Legal impediment" means a restriction which prevents separate metering, rewiring, or re-piping due to zoning ordinances which limit the number or type or location of meters in a building or due to the historical significance of the structure or such other legal restrictions as determined by the commission in its rules.

(i) "Shared area charges" means that portion of charges billed for service to areas outside the submetered dwellings that are for nonexclusive use by tenants.

(j) "Third-party charge" means that a third-party whose utility service was to be measured through another meter had caused or benefitted from a submeter condition.

2. (a) An owner or submeterer shall eliminate any submetering problems in a timely manner and shall be responsible for all the shared area charges for service measured to areas outside of the dwelling, unless there is an agreement pursuant to paragraph (b) or (c) of this subdivision.

(b) (i) In the event that a legal impediment or extraordinary cost prevents elimination of a submetering problem or in the event that the problem measured through the electric submeter is minimal, under commission rules adopted, pursuant to subdivision seven of this section, the owner, as an alternative to eliminating the submeter problem, may enter into a mutually acceptable written agreement with the submeter customer. Where applicable, if a third-party charge shall occur, for apportioning the charges for service measured through a submeter; the submeter customer experiencing such problem shall pay only for the estimated amount of service provided to the dwelling; or

(ii) In the event that there is an existing written agreement between the owner and all submetered units for the apportionment of charges for shared area charges as measured prior to October twenty-fourth, nineteen hundred ninety-one, such agreement will remain in effect, provided, however, that one or all of the submetered units may request the commission or its designee to review the existing written agreement if such customer believes the terms are unfair, unreasonable, or if there is a finding that the shared area charges do not meet the terms of the agreement. If the commission or its designee finds that the terms of the existing written agreement are unfair or unreasonable, the commission or its designee shall void such agreement and assist the interested parties in negotiating and executing a mutually acceptable written agreement.

(c) (i) In the event that a mutually acceptable written agreement is negotiated and executed, the owner shall provide a copy of the agreement to all parties.

(ii) If the interested parties are unable to negotiate a mutually acceptable written agreement, the commission or its designee, upon a complaint by a customer or owner, shall order a remedy, consistent with the relief provided in this section, as it deems proper. The commission or its designee shall have the authority to apportion estimated charges for service measured through a submeter among the owner, and all submetered units.

3. The provisions of this section: (a) may not be waived by an owner, tenant, or utility; and (b) shall not affect the validity of a lease or rental agreement in effect on or before the effective date of this section. For purposes of this section, renewals and extensions of leases and rental agreements that commence after the effective date of this section shall be deemed to be new leases and rental agreements.

4. (a) Upon a customer's verbal or written complaint to the owner that a submeter is measuring service to the customer's dwelling incorrectly and that the customer is responsible for any incorrect charges for such service, or upon receipt of other information indicating that a problem may exist, the owner shall notify the public service commission in writing no less than five days after such complaint is made or receipt of information indicating that a problem exists. The owner or submeterer shall also provide a copy of such notice to the complainant. If such owner is not the submeterer or in control of the meters and related equipment notice shall also be provided to such metering utility. Upon the request of a submetered unit, or upon an indication that a problem may exist, such owner or submeterer shall immediately, but no later than thirty-days after such problem was identified, conduct an investigation.

(b) (i) The investigation described in paragraph (a) of this subdivision shall be conducted, within thirty business days of the date of the complaint or receipt of information indicating a problem may exist. The investigation shall include, but not be limited to, conducting appropriate tests, an examination of wiring, piping, meters and heating equipment in the building as may be needed, an estimate of gas, electricity or steam used in the submetered customer's dwelling and in areas outside the dwelling, and a review of billing records, and a review of the total bill paid by all submetered units to the owner and the total bill paid to the utility by the owner or submeterer.

(ii) Any investigation conducted pursuant to this subdivision shall be performed by a licensed electrician or professional engineer. Such individual shall be independent and not an employee of, nor have a direct financial interest in, the owner, submeterer, or any submetering service provider responsible for billing at the premises.

(c) Each submetered unit shall be provided with a written determination of the findings of such investigation. A notice shall be included with the determination informing the recipients of the availability of the commission's complaint handling procedures, and providing the department's address and telephone number for filing objections to such determination.

(d) Failure of an owner or submeterer to conduct an investigation, to provide access to any common area in the building or to cooperate with any reasonable request made by the commission or submeter testing organization shall result in a determination that the customer's submeter problem is founded. The owner shall be required to provide credits to residents for such overcharges plus interest as consistent with section one hundred eighteen of this chapter and with 16 NYCRR § 145.

(e) (i) Any customer filing a complaint under this section shall provide reasonable access to the dwelling to conduct the investigation

described herein. The owner or submeterer shall make good faith efforts to schedule and conduct the investigation in a manner that minimizes disruption to the customer.

(ii) An owner or submeterer may submit a written request to the commission that an investigation be suspended for failure to cooperate if the customer filing a complaint has unreasonably refused access after a minimum of three good faith attempts to schedule and conduct the investigation. The owner or submeterer shall notify the customer in writing of any request for suspension and shall provide the commission documentation in support of such efforts. For the purposes of this subparagraph, documentation shall include, but not be limited to, the dates, times, and methods of communication for each attempt.

(iii) An investigation may be suspended for failure to cooperate only upon a written determination by the commission or its designee that the customer has unreasonably refused access after documented good faith efforts by the owner or submeterer. The owner or submeterer shall notify the customer in writing of any determination issued pursuant to this paragraph.

(f) Any customer filing a complaint under this section or owner who disagrees with a determination may utilize the commission's complaint handling procedures to obtain a written departmental determination by complaining to the department within forty-five days after receipt of the meter test findings. In the event that the meter test as a result of a complaint under this section within does not occur under the required time period, the department shall investigate, upon the submeter customer's or owner's request, and issue a written determination. The commission or its designee shall have the authority to apportion estimated charges for service measured by a shared meter among the owner, shared meter customer and any third-party.

5. Notwithstanding any inconsistent provision of law, one hundred twenty days after notice is sent to the owner that meter test or commission has made a final determination that a submeter customer's dwelling is in violation of subdivision two of this section:

(a) the commission shall verify that, pursuant to subdivision two of this section, the owner has eliminated the submeter problem or has entered into a mutually acceptable written agreement with the submetered units for apportioning the charges for service measured by the submeter and has provided a copy to each dwelling or, as an alternative to eliminating the submeter problem, has established a separate account in the owner's name as the customer of record for all applicable shared area charges and all future service measured resulting from shared area charges;

(b) if the owner has not eliminated the problem or entered into such agreement or established such account or if the amount of the service is not minimal under commission rules adopted pursuant to subdivision seven of this section, the commission shall establish an account in the owner's name as the customer of record for service measured to shared areas and bill the owner for all applicable shared area charges and all future service measured; provided, however, that the commission or its designee may grant an extension not to exceed ninety days to an owner if, in its judgment, extenuating circumstances beyond an owner's control prevented timely compliance, or such meter is the subject of an ongoing department review regarding the apportionment of estimated charges pursuant to subparagraph (ii) of paragraph (c) of subdivision two of this section. Notice of such extension shall be provided to each submetered unit within the building;

(c) the owner or submeterer shall refund to the submeter customer an estimated amount of excess charges for twelve months of all service measured as a result of the submeter problem, not limited to shared area charges or third-party involvement; provided, however, that this paragraph shall not apply if charges are minimal under commission rules adopted pursuant to subdivision seven of this section.

6. No owner or submeterer may bill a submeter unit or otherwise recover from any customer any portion of the submeter problem charges or charges refunded. The owner or submeterer may enter into a written agreement with all parties pursuant to section two or resolve any submetering problems in compliance with section one hundred eighteen of this chapter and with 16 NYCRR Part 96.

7. Notwithstanding any provision of this section to the contrary, the commission shall determine an appropriate quantity of service on a submeter that is utilized outside of the customer's dwelling which is to be considered minimal in commission through rules and regulations.

§ 2. This act shall take effect on the first of January next succeeding the date upon which it shall have become a law. Effective immediately, the addition, amendment and/or repeal of any rule or regulation necessary for the implementation of this act on its effective date are authorized to be made and completed on or before such effective date.