



NEW YORK STATE SENATOR

Liz Krueger

Statement From Senator Krueger On Governor Cuomo's ESCO Action Plan

LIZ KRUEGER February 24, 2016

| ISSUE: **ESCOS**, **ELECTRICITY**

New York – State Senator Liz Krueger released the following statement today in reaction to Governor Andrew Cuomo's [announcement of a comprehensive action plan](#) to address dubious business practices among energy services companies, or ESCOs, in New York State:

"I have long called for action to end the misleading and downright fraudulent practices of some ESCOs in New York State. I commend the Governor and Chair Zibelman for taking these problems seriously and issuing a plan to address them. This action plan is an important first step, though there is still more to do to reform the industry and help New Yorkers who've been tricked into paying far more than market rates for their electricity. I look forward to continuing to work with the Public Service Commission to ensure we see real changes to protect consumers."

###

Background:

ESCOs are private companies that provide electricity and gas to consumers as an alternative to direct provision by utilities. They were created in 1996 during the period of energy

deregulation, for the ostensible purpose of lowering prices through competition. However, **federal research** suggests that ESCO customers pay an average of 17% more than those who stay with traditional utilities. Since they began appearing, several ESCOs have engaged in misleading and deceptive practices, including impersonating utility employees, locking consumers into higher-than-market-rate contracts, "slamming" customers by signing them up for service without their knowledge, and targeting low-income people, the elderly, and those with limited English.

Links:

The Village Voice, Why Is Albany Letting These Energy Companies Scam Thousands Of New Yorkers? <http://www.villagevoice.com/news/why-is-albany-letting-these-energy-companies-scam-thousands-of-new-yorkers-8225699>