

NEM, RESA defend New York retailers in PULP attack

The National Energy Marketers Assn (NEM) and Retail Energy Supply Assn (RESA) pushed back against the Public Utility Law Project's (PULP's) assertions to the New York PSC that retail power markets are against the public interest (UMT, [Sept-30](#)). But PULP's arguments did win the support of the New York Dept of State's Utility Intervention Unit (UIU) in its comments.

PULP was commenting in a proceeding on possible changes to the state's Uniform Business Practices' rules on eligibility requirements for retailers and both NEM and RESA argued it was trying to bring up arguments the PSC heard and rejected in an earlier proceeding.

The group cited a spike in complaints around the polar vortex as its main reason to argue the retail market is not in consumers' best interest. But NEM put those numbers into the context of the entire retail market.

Complaints have been higher in 2014 and 2015 than they were in the previous six years with 4,633 submitted last year and 3,637 submitted through August of this year. But only 936 of those were escalated by the PSC last year and so far this year 830 were escalated.

The consumers filing complaints are just a tiny fraction of the 2.6 million customers in New York that get electric and natural gas service, NEM said. It is quite important to retailers that their customers are satisfied.

"A dissatisfied ESCO customer has the right and ability to seek a different supplier," NEM said. "Similarly, given the high costs of customer acquisition, ESCOs are acutely sensitive to their customers' needs and are incented to proactively address any concerns as they arise."

The numbers work out to a complaint rate of just 0.34%, RESA said.

"Although ESCOs would like to avoid all complaints,

from a realistic perspective, a customer-complaint rate under 1% cannot by any standard be viewed as egregious or supportive of the negative conclusions presented by PULP," RESA said. "To the contrary, it would be reasonable to assert that any industry offering retail products to consumers would be envious of such a low customer complaint rate."

Complaints were up in 2014 due to the polar vortex, which caused natural gas and wholesale power prices to spike due to infrastructure issues that were beyond the control of retailers, NEM said. Competitive firms had to pay those higher prices and it showed up faster than in default service rates since utilities were able to spread them out over a longer period.

"NEM members proactively worked with their customers to mitigate the impacts of winter 2014, through increased consumer communications, price reductions and rebates and alternative price offerings," the group said.

RESA noted the PULP data was missing complaints from the utility side of the ledger during the polar vortex.

Despite the opposition of the two trade groups, PULP did win an ally with the state UIU seconding its argument in comments filed yesterday. That office told the PSC it should expand the proceeding to take a bigger look at the overall retail market.

"As the Utility Project's research shows, the number of complaints that residential customers filed regarding ESCOs have risen significantly in recent years, and these issues should be addressed to ensure an expansion of the ESCO market in New York State does not hurt residential consumers," the UIU said.

The PSC should also try to remedy any overcharging by retailers because it is essential customers have just and reasonable rates, UIU said.