

# Understanding Deregulated Agreements

New York is deregulated meaning that you can purchase from independent suppliers the electricity that is delivered to your store through the poles and wires of your local utility company.

However, buyers should be aware that alternate energy providers are not subject to the same consumer laws as the local utility companies and almost anyone can sell you energy.

## The questions you need to ask before entering into these Agreements include:

- Will I really save money by switching to an alternate energy provider?
- Is the alternate energy provider reliable?
- Are they financially secure?
- Am I getting green power (solar, fuel cells, hydropower) or standard electric?
- Will my power be interrupted? Are there any hidden costs?



Therefore, great care must be taken before signing with these companies as these contracts are legally binding as many companies already found out.

The only way you can see if you are saving energy is by having an energy professional review the proposed contract against the cost of delivery and the cost of transmission as stated in the utility tariff. Although your alternate energy provider may provide you with this type of an analysis, it may not be totally unbiased.

If you don't have the internal resources to review these contracts in house, find a utility auditing company that is not committed to any one provider to work with your counsel. This type of consulting company can provide you with a totally independent and fair analysis.

Billing varies by provider. Some alternate energy providers may prefer to send you one bill. Although, you might think this is a great deal from an account payable standpoint, this process can be very risky. The one bill scenario gives an alternate energy provider an edge up on your company. With a one bill scenario, the alternate energy provider is supposed to collect from you and pay the local distribution company for the delivery of the electric. However, since the delivery is still in your name, if the alternate energy provider defaults or does not make the payment to the utility company, you receive the bad credit rating and worst case scenario you might be liable for both bills.

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