

CHOOSING AN AGGREGATOR OR BROKER FOR ELECTRIC SUPPLY

The decision to use a generation supplier can be based on price, services and incentives offered by the competitive supplier. Currently, each business branch, office, location is a separately metered entity with its electric costs determined on a standalone basis. Generation can be “aggregated” both inside and across utility territories. Aggregation works by one business working with one competitive supplier for its 20, 50, 100+ offices, but also by marketers who work with trade associations.

We have seen a number of energy consultants or brokers enter the market to provide service primarily to business customers. Some companies have been formed to assist customers in electric generation purchasing. Some of these companies are simply consultants who obtain and review offers for customers. Others act as intermediaries and are involved in the receipt and payment of bills for their clients.

These consultants and brokers offer to match customers with suppliers for a fee. Some charge a fee upfront, while others are paid by the supplier indirectly through fees built into the electricity contract price. It is important to be cautious when going outside of the utility or competitive supplier and using an intermediary, energy consultant or broker to shop or pay for electric service.

Before signing a contract, the consultant or brokers should be willing to disclose, in writing, whether:

- It works for a single supplier or with multiple suppliers;
- Its compensation varies from supplier to supplier;
- It seeks prices from all suppliers or only a few;
- Its fees are reflected in the prices quoted by suppliers; and
- It will disclose its total anticipated remuneration on any proposed supply contract before you sign.

Be sure to fully understand the terms of the agreement between your bank and the third party as well as the third party’s need for a state license to perform such services. The Commission urges customers to be very cautious, particularly when customers pay the EDC or EGS through the third party. In general, if the consultant provides the power, accepts payment or handles the billing function, they must be licensed by the Commission. You can contact the PUC for more information. A full list of licensed suppliers is available on the PUC website at www.puc.state.pa.us under Electric/Suppliers. Additional information is provided by the Office of Consumer Advocate on its website at www.oca.state.pa.us.

For further information, contact the Public Utility Commission:

Write

PA Public Utility Commission
Bureau of Consumer Services
P.O. Box 3265
Harrisburg, PA 17105-3265

Call

1-800-692-7380
For people with speech
or hearing loss, dial 7-1-1
(Telecommunications Relay
Service)

Visit our website

www.puc.pa.gov

