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Lowering the Fixed Fees on Energy Bills



Memo #23

S.2837 (Parker, et al.)

A.1384 (Carroll, et al.)

Explanation:

Fixed fees are the flat monthly charges that every customer pays, regardless of the amount of electricity they consume. This amount is meant to cover operational costs that all consumers contribute to. However, over the years utilities have taken advantage of and pushed for high fixed fees because they guarantee a consistent revenue stream even if energy consumption goes down.

This legislation would adjust the “residential fixed fee” paid on utility bills to only include the costs associated with operation and maintenance expenses from metering billing, service connections, and customer service.

New Yorkers pay some of the highest fixed fees on their energy bills in the country. [A report by the Acadia Center](#) found that utilities may charge three times as much in New York State as they do in neighboring states. [Data from the National Consumer Law Center](#) demonstrates that electricity usage is positively correlated with income in New York, and low-income households benefit from lower fixed fees. Limiting the application of fixed fees will allow households to realize the economic benefits of energy conservation.

Summary:

This bill amends the Public Service Law to adjust electric residential fixed charges. The purpose of this bill is to limit the fixed fee utilities charge residences to pay on their utility bills, and reduce energy burden for low-usage customers, who are disproportionately low income.