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The Hudson River Energy Group's Findings at a Glance:

- PULP fails to recognize critical factors that must be considered to objectively assess ESCO prices versus the cost of default service provided by the utility
- PULP presumes that ESCOs' only role is to guarantee savings to customers and fails to consider the added-value provisions of ESCO product and service offerings
- The monopoly-protected utility company operates under a completely different business model than ESCOs, who compete with one another and have no guarantee of cost recovery
- Many customers willingly pay a small premium for products and services providing cost certainty and "green" energy and energy efficiency, ESCO value propositions unavailable from the utility
- Many customers prefer a fixed-price product that protects them from the utility default service which offers no price guarantees and can vary from month to month
- The 24-month study period, August 2010 through July 2012, represents a unique period of time when natural gas prices were in a prolonged decline. A comparison during a similar two-year snapshot in time when natural gas prices are on the rise would yield a very different result
- Buying service from ESCOs is an increasingly popular choice. In the beginning of the study period there were approximately 277,000 regular electric and gas customers buying service from ESCOs. At the end of the study period there were approximately 331,000, a 19% increase
- For ESCOs serving residential electricity customers, the differential between the ESCO price and the Niagara Mohawk price decreased over the 24-month time period. For ESCOs serving gas customers the price differential has fluctuated with no discernible trends
- There are 40 ESCOs serving electric customers and 33 ESCOs serving gas customers. The average ESCO serving electric customers has approximately 5,400 customers and the average ESCO serving gas customers has approximately 3,000 customers
- The price differentials between ESCOs and Niagara Mohawk are concentrated with a few suppliers. On the electric side, 11 of the 40 ESCOs make up 95% of the total price differential but only serve 67% of the customers. On the gas side two suppliers represent 22% of the total price differential, yet only serve 10% of the customers
- There is no noticeable difference in results when electric and gas customers in general are compared to the subset of low-income customers. Pricing and customer concentration is the same for both groups, so any findings apply equally to low-income customers as well as higher-income customers. This demonstrates that the purchasing behavior is the same for all customers and is not a low-income customer-specific issue. All customers exercised purchasing strategies to limit their price risk exposure or to match their environmental impact preferences
- Customers who took electric supply service from Niagara Mohawk had two options: (1) Standard Rate Service, a product that partially protects customers from market price fluctuations (60% in the study period), or (2) Market Rate Service, with which customers are fully exposed to fluctuations in the market price of electricity. Both services are variable rates and have monthly adjustments to the charge
- ESCOs offer a much wider variety of options and rates, with certain rates being "variable only", others being "fixed" for the term of the contract and some being a blend of fixed and variable. The term of service is also variable, with some having a minimum term of as little as one month and fixed- price terms of one or two years. There are a number of ESCOs who offer rates based on clean- or renewable-fuel energy sources. Customers can choose specific fuel sources such as New York hydropower, New York wind, solar, or more generically sourced renewable energy.