

Recommendations for Consumer Protection Workgroup – Energy Choice Committee

Submitted by AARP Nevada – Barry Gold

1. The Nevada legislature in collaboration with the PUC and stakeholders needs to rebuild the Consumer Bill of Rights to include issues related to Retail Choice ensuring adequate protections against the complaints and issues seen in other deregulated states. Nevada should examine other states Consumer BOR in deregulated states for examples.
2. Variable rate contracts should be prohibited as it creates enormous confusion for customers and can easily lead to problematic contracts for customers who end up paying more.
3. The Nevada Legislature in collaboration with the PUC and stakeholders should look at capping fees, especially related to enrollment, and prohibit disenrollment fees. Residential ratepayers may end up paying very large fees for lower rate contracts thinking it will save them money, but may actually end up costing more. Disenrollment fees have been used in other states as a means to prevent customers from switching to lower cost providers or a preferred “choice”.
4. The Nevada Legislature in collaboration with the PUC and stakeholders need to follow the example of other states requiring a notification of “switching” from retail providers to customers as a way to identify and stop slamming/cramming. Customers may not be aware they were switched if they do not require this notification.
5. Third party retail marketers should be prohibited as other states have had problems with them adequately informing or misleading customers. They also added to the problem of slamming/cramming as these third party marketers compensation may be based on sign ups. Third party marketers can also make it difficult to deal with complaints/problems as they are NOT the actual provider and liability and/or remedies can become complicated. Third party marketers may also “disappear” making it impossible to sanction or deal with their behavior.
6. Nevada should consider prohibiting door to door sales and telephone solicitation as this is often done by third party marketers and has led to problems of misleading/misinformation, high pressure sales techniques, and slamming/cramming in other states.