



enerex

Be Ready: NY Broker Registration + Commission Disclosure

COMPREHENSIVE LEGAL, FINANCIAL AND DATA SECURITY INSIGHTS

Webinar Housekeeping

- We want your engagement!
 - **Q&A** Functionality
 - Upvote
 - Comment on others' questions
 - Will be visible to all attendees
 - **Chat** with the host/panelists
 - This is only visible to panelists
 - Or follow up with Enerex after the call
- Survey after the call – we welcome your feedback!

If you need support, i.e. you can't hear audio, email us @

Craig.Rabin@enerex.com

Our Panelists Today



Nate Richards
CEO
Enerex



Michelle K. Piasecki
Partner
Harris-Beach



Shannon McGriff
Executive Director
TEPA



Join us at the TEPA Meeting in NY next week!

SPECIAL SESSION ON BROKER REGISTRATION + COMMISSIONS DISCLOSURE

- More info available on the TEPA Website:
<https://www.tepausa.org/new-york-city/>
- **6/26, 10:30am @ Convene 101 Park Avenue**
- **11:15 AM | Navigating the NY Broker Registration Rule**
Our panelists will provide an overview of the NY Broker Registration Rule, focusing on its implementation process and the legal, financial, and data security requirements faced by stakeholders. Panelists will share their experiences, discuss best practices for compliance strategies, and explore potential changes and future developments.
 - Moderator | Shannon McGriff: Executive Director, TEPA
 - Matt Kinney: Asst. General Counsel/V.P. of Regulatory Affairs, Mantis Innovation
 - Jeffrey Levine: V.P. of Government & Regulatory Affairs, ENGIE
 - Michelle K. Piasecki: Partner, Harris Beach
 - Nate Richards: Co-Founder & CEO, Enerex



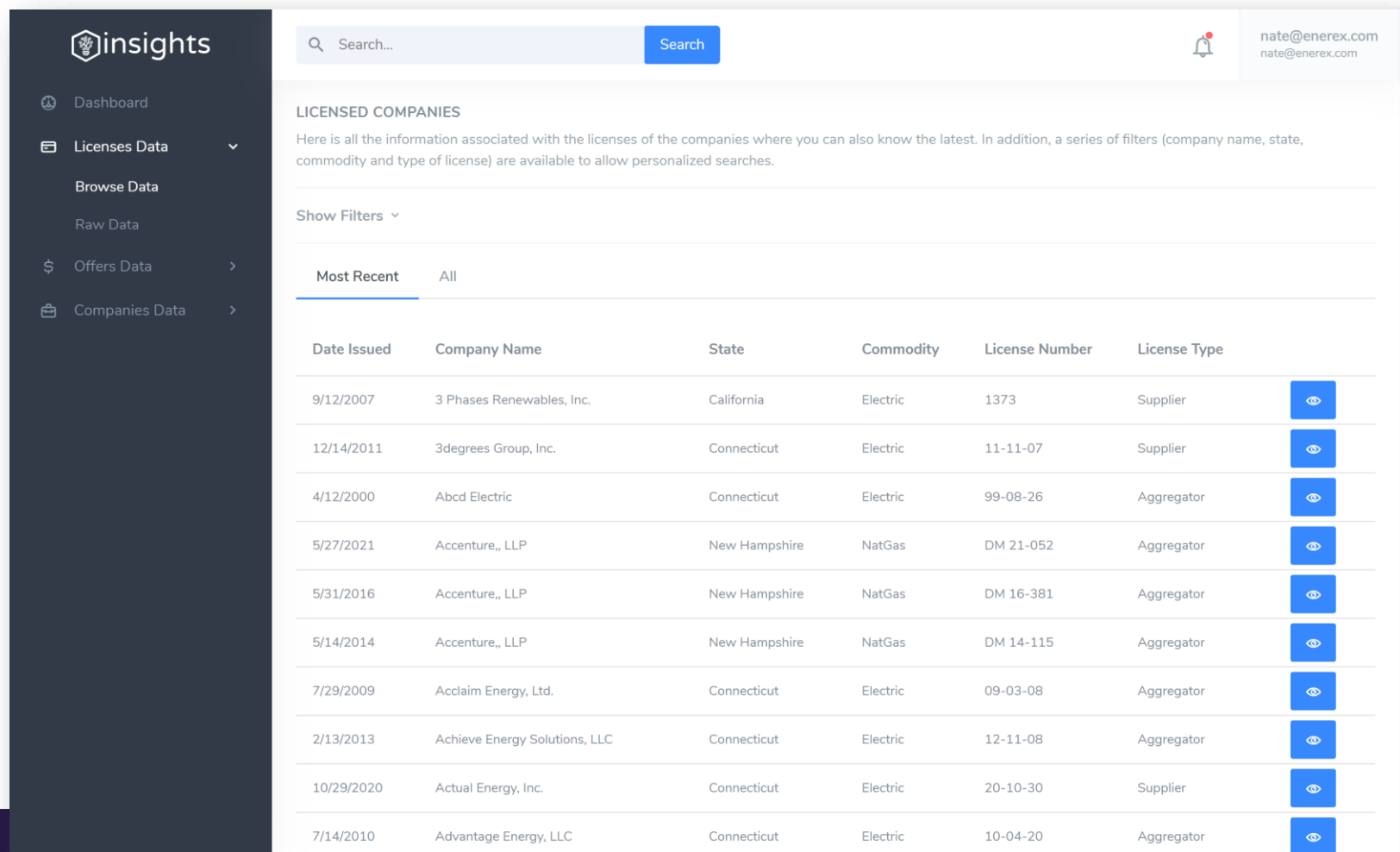
ENEREX SOLUTIONS

MAKING IT EASY TO BUY AND SELL ENERGY IN COMPETITIVE MARKETS













Announcing: insights

AUTOMATE COUNTERPARTY LICENSE COMPLIANCE RISK MANAGEMENT



The screenshot displays the 'insights' application interface. On the left is a dark sidebar with navigation links: Dashboard, Licenses Data (selected), Browse Data, Raw Data, Offers Data, and Companies Data. The main content area has a search bar at the top with the text 'Search...' and a 'Search' button. Below the search bar is a section titled 'LICENSED COMPANIES' with a descriptive paragraph. A 'Show Filters' dropdown is visible. The table below has columns: Date Issued, Company Name, State, Commodity, License Number, License Type, and an eye icon for each row. The table lists 11 companies, including 3 Phases Renewables, Inc., 3degrees Group, Inc., Abcd Electric, Accenture, LLP, Acclaim Energy, Ltd., Achieve Energy Solutions, LLC, and Advantage Energy, LLC.

Date Issued	Company Name	State	Commodity	License Number	License Type	
9/12/2007	3 Phases Renewables, Inc.	California	Electric	1373	Supplier	
12/14/2011	3degrees Group, Inc.	Connecticut	Electric	11-11-07	Supplier	
4/12/2000	Abcd Electric	Connecticut	Electric	99-08-26	Aggregator	
5/27/2021	Accenture,, LLP	New Hampshire	NatGas	DM 21-052	Aggregator	
5/31/2016	Accenture,, LLP	New Hampshire	NatGas	DM 16-381	Aggregator	
5/14/2014	Accenture,, LLP	New Hampshire	NatGas	DM 14-115	Aggregator	
7/29/2009	Acclaim Energy, Ltd.	Connecticut	Electric	09-03-08	Aggregator	
2/13/2013	Achieve Energy Solutions, LLC	Connecticut	Electric	12-11-08	Aggregator	
10/29/2020	Actual Energy, Inc.	Connecticut	Electric	20-10-30	Supplier	
7/14/2010	Advantage Energy, LLC	Connecticut	Electric	10-04-20	Aggregator	

Browse App or
Connect via API to
drive:

- Pricing
- Contracting
- Commissions

To mitigate
counterparty license
risk!

NY Regulatory Changes 101

KEY IMPACTS

BROKERS

Registration

- What are the deadlines?
- Who must register?
- What is required in the process?

Sales Process Changes

- Direct Marketing
- Tele-sales

SUPPLIERS

Relationship Management

- Who can/cannot be paid?

BROKERS & SUPPLIERS

Commission Disclosure

- What information must be disclosed?
- Where do payment details have to be disclosed?

Data Security Requirements

- What is a DSA?
- What is the Self Attestation process?
- What data must be protected?

Ongoing Compliance

- Updates to forms, information
- Annual Reporting

How did we get here?

...2019...
DSA for CCA/DERs

2022
Legislation Enacted:
PSL §66-t

2023
Proposals +
Commission Order

2024
Final Order, UBP
Revisions

Link to Original Text of Law:

[Section 66-T - Registration of energy brokers and energy consultants, N.Y. Pub. Serv. Law § 66-T](#)

Broker + Consultant Registration

- Current Deadline: 7/31/2024
- Who must register?
 - If you receive any payment related to an energy transaction, you must register unless you are W2 employee of a registered party
- Registration Requirements
 - Registration form: [energy-broker-and-energy-consultant-registration-form-0.pdf \(ny.gov\)](#)
 - Standard Customer Agreement
 - Sample customer notice forms
 - LOA
 - Sales methods
 - Sample promotional materials
 - Sample compensation disclosure
 - Proof of NY Business registration or DBA
 - Service Provider Contact Form: [Microsoft Word - Utility Service Provider Contact Information Form Final Rev.doc \(ny.gov\)](#)
 - Irrevocable Standby Letter of Credit: [final-letter-of-credit-template-energy-brokers-consultants.docx \(live.com\)](#)
 - \$500 Filing Fee (annual requirement)

Commission Disclosure

- Who must disclose?
 - Brokers + Consultants
 - Suppliers
- Form of Disclosure?
 - Broker + Consultant: Customer Agreement
 - Supplier: Customer Disclosure Label

Ongoing Compliance Activities

BROKER + CONSULTANT

- Pay Annual \$500 Fee
- Notice of any updates to:
 - 800-number
 - Forms:
 - Standard Customer Agreement
 - Customer Notice Forms
 - LOA
 - Commission Disclosure

ESCO

- Keep records of all payments made for period of ___ years
- Prevent any payment of commissions to any unregistered party for any activities after [July 31, 2024]
- License Verification
- Penalty \$5000/per or

Data Security Agreement + Self Attestation

DSA:

1. **Scope:** The DSA applies to utilities, energy service companies, and other entities regulated by the NYPSC. It requires them to implement specific measures to ensure the confidentiality, integrity, and availability of customer information.
2. **Data Security Requirements:** The agreement sets forth various requirements to protect customer data, including encryption, access controls, regular security assessments, incident response plans, and more.
3. **Self Attestation:** This refers to a process where the entities must annually attest to their compliance with the DSA's requirements. The attestation is often signed by an officer of the company, and it confirms that the company has implemented the necessary measures and processes as outlined in the DSA.
4. **Monitoring and Enforcement:** The NYPSC retains the right to monitor compliance with the DSA and can take enforcement actions if an entity is found in violation of the agreement's terms. Penalties can include fines or other regulatory sanctions.
5. **Incident Reporting:** The DSA generally requires timely reporting of security incidents, detailing the nature of the incident, the information affected, the measures taken to mitigate the incident, and plans for preventing future incidents.
6. **Alignment with Other Regulations:** The DSA may also align with or complement other federal or state data privacy and security laws and regulations.
7. **Vendor Oversight:** The agreement may also extend responsibilities to third-party vendors that handle customer data, ensuring that they too adhere to strict data protection standards.

SA (SELF ATTESTATION):

1. An Information Security Policy is implemented across the Third Party corporation which includes officer level approval.
2. A risk-based Information Security Program exists to manage policy requirements.
3. An Incident Response Procedure is implemented that includes notification within 24 hours of knowledge of a potential incident alerting utilities when Confidential Utility Information is potentially exposed, or of any other potential security breach.
4. Role-based access controls are used to restrict system access to authorized users and limited on a need-to-know basis.
5. Multi-factor authentication is used for all remote administrative access, including, but not limited to, access to production environments.
6. All production systems are properly maintained and updated to include security patches on an at-least monthly basis. Where a critical alert is raised, time is of the essence, and patches will be applied as soon as practicable.
7. Antivirus software is installed on all servers, workstations, and mobile devices and is maintained with up-to-date signatures.
8. All Confidential Utility Information is encrypted in transit utilizing industry best practice encryption methods.
9. All Confidential Utility Information is encrypted at rest utilizing industry best practice encryption methods, or is otherwise physically secured.
10. All forms of mobile and removable storage media, including, but not limited to, laptop PCs, mobile phones, backup storage media, external hard drives, and USB drives must be encrypted.
11. All Confidential Utility Information is stored in the United States only, including, but not limited to, cloud storage environments and data management services.
12. Third Party monitors and alerts their network for anomalous cyber activity on a 24/7 basis.
13. Security awareness training is provided to all personnel with access to Confidential Utility Information.
14. Employee background screening occurs prior to the granting of access to Confidential Utility Information.
15. Replication of Confidential Utility Information to non-company assets, systems, or locations is prohibited.
16. Access to Confidential Utility Information is revoked when no longer required, or if employees separate from the Third Party.

NY Broker Registration Resources

- 6/26 TEPA Northeast Event
 - <https://www.tepausa.org/new-york-city/>
- Resource Page
 - <https://enerex.com/new-york-broker-registration-resources/>
- Helpful Blogs
 - <https://enerex.com/ny-psc-law-section-66-t-broker-consultant-registration/>
 - <https://enerex.com/ny-dsc-overview/>
 - <https://enerex.com/navigating-the-new-compliance-landscape-what-brokers-and-suppliers-need-to-know/>
 - <https://enerex.com/nybrgpt-chatgpt-new-york-broker-registration-chatbot/>



Q&A

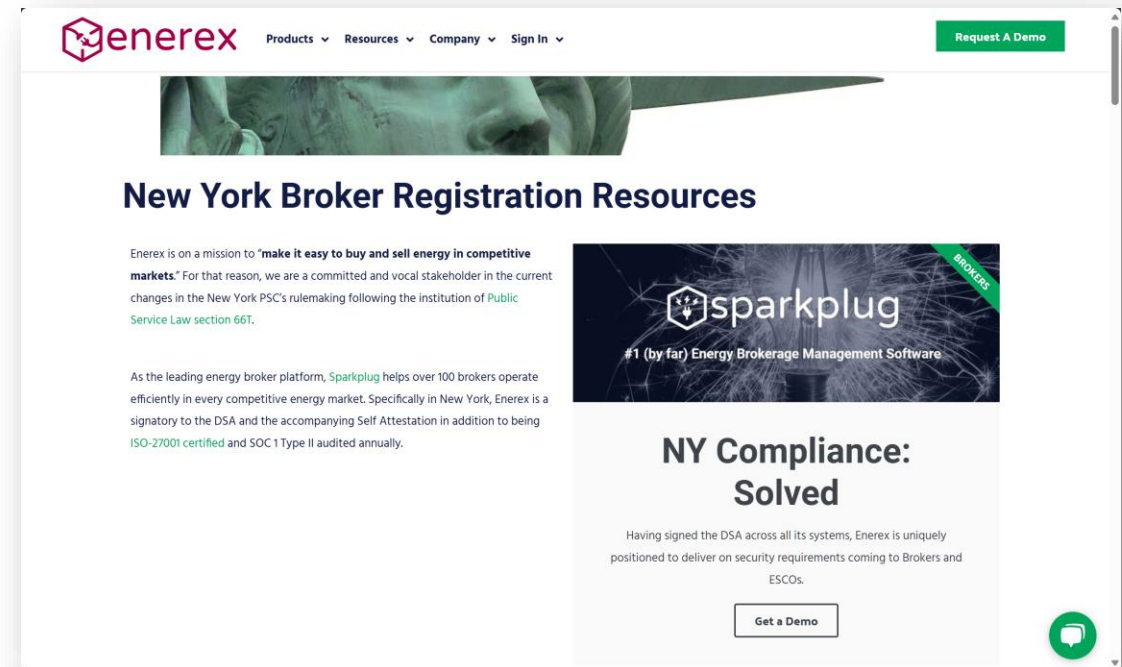
What are your questions about the content from today's call?

Thanks for joining!

We have created a resource hub that includes insightful articles, helpful links and even a *specially trained ChatGPT AI* to guide you through the most relevant documents behind the NY PSC's Order.

Check out our New York Broker Registration Resources and don't miss out on these critical insights!

enerex.com/new-york-broker-registration-resources



Be on the lookout for a follow up email.