

STATE OF MICHIGAN
BEFORE THE MICHIGAN PUBLIC SERVICE COMMISSION

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In the matter of the application of)	
ELIGO ENERGY MI, LLC,)	Case No. U-17697
for a license as an alternative electric supplier.)	
_____)	
)	
In the matter, on the Commission's own motion,)	
regarding the regulatory reviews, determinations,)	Case No. U-17885
and/or approvals necessary for ELIGO ENERGY)	
MI, LLC, to fully comply with Public Act 295 of)	
2008.)	
_____)	

At the June 15, 2015 meeting of the Michigan Public Service Commission in Lansing,
Michigan.

PRESENT: Hon. John D. Quackenbush, Chairman
Hon. Greg R. White, Commissioner
Hon. Sally A. Talberg, Commissioner

ORDER

On December 22, 2014, Eligo Energy MI, LLC (Eligo), submitted an application pursuant to the Customer Choice and Electricity Reliability Act, 2000 PA 141, MCL 460.10 *et seq.* (Act 141), for a license as an alternative electric supplier (AES). An AES is a person selling electric generation service to retail customers in the state of Michigan, other than a person who physically delivers electricity directly to retail customers.¹

With its application, Eligo submitted information intended to show its compliance with the Act 141 mandates for an AES. Requirements include the AES having the necessary financial

¹ See, MCL 460.10g(a).

capability, the technical competence to engage in energy transactions, the ability to meet safety requirements for electric operations, and compliance with all other lawful obligations.

On October 6, 2008, Public Act 295 of 2008, the Clean, Renewable, and Efficient Energy Act, was signed into law (Act 295).² Among other things, Act 295 requires all providers of electric service in the state of Michigan, including AESs, to establish renewable energy programs (REP). The December 4, 2008 Commission order in Case No. U-15800 provides requirements for AESs' implementation of the REP provision of Act 295.

Act 295 also requires the Commission to establish a statewide net metering program. Pursuant to Section 173(1) of Act 295, the Commission promulgated administrative rules entitled Electric Interconnection and Net Metering Standards,³ that were effective May 27, 2009. Both Act 295 and the Commission's administrative rules require AESs to comply with the net metering requirements set forth therein.

The Commission Staff (Staff) is responsible for review of the AES application and for making a recommendation regarding a license. The Staff reviewed the information submitted by Eligo and recommends that the Commission grant Eligo a license to operate as an AES in Michigan.

The application shows that Eligo is a privately held, wholly owned subsidiary of Eligo Energy, LLC (Eligo Energy). The parent company was founded in July 2012, and serves retail electricity customers through its subsidiaries. Eligo was organized in Delaware on August 4, 2014, is headquartered in Chicago, Illinois, and was registered with the Michigan Corporations Division on September 3, 2014, ID Number D9428G.

Eligo Energy is licensed and currently providing electricity to 35,000 retail residential and small commercial customers in Illinois, Ohio, New York, Maryland, and the District of Columbia.

² See, MCL 460.1001 *et seq.*

³ See, Mich Admin Code, R 460.640 through R 460.656.

Retail electric and/or gas licenses have been granted in New York, Ohio, Illinois, and Pennsylvania. The company is planning to begin serving retail gas customers during 2015. Applications are pending for retail licenses in New Jersey and Connecticut.

Upon review of Eligo's personnel descriptions and histories, the Staff observed that the company's key personnel have over 60 combined years of experience in the energy industry, including management and oversight operations, marketing, sales, and customer service. The Staff determined that Eligo has sufficient experience and expertise to manage risk and to reliably supply electricity in Michigan's electric choice market. Based on the information provided and the recommendation of the Staff, the Commission finds that Eligo possesses the appropriate managerial and technical capabilities to serve customers within the state of Michigan.

The Staff reviewed Eligo's financials for the last two years. Eligo provided the Staff with a letter of credit in the amount of \$100,000. Based upon its review of the financial statements and the letter of credit, the Staff determined that Eligo's financial capabilities meet Act 141 requirements. The Commission agrees.

Finally, the June 19, 2000 Commission order in Case No. U-11915 requires AESs to maintain an office within Michigan. Eligo does not currently have a Michigan office, but will establish one upon becoming licensed in the state and will notify the Staff in writing of the address prior to engaging in any marketing activity. The Staff expressed its support of the company's plan to establish a Michigan office after being granted its license. The Commission agrees.

After review of Eligo's application, the Commission finds that approval of the application is in the public interest. On numerous occasions, the Commission has found that competition can be advantageous to the citizens of the state. Approval of the request for a license as an AES will expand the opportunities for competition. Accordingly, the application should be approved. The

grant of an AES license is conditioned on compliance with all applicable provisions of the statute and the Commission's orders. Failure to comply fully may result in revocation of the license or other penalties. Further, the grant of a license is conditioned upon the provision of service to customers within a reasonable time. Failure to do so may result in revocation of the license.

The Commission also finds that, as a licensed AES in Michigan, Eligo is required by Act 295 to file a renewable energy plan (REP) with the Commission. However, the Commission notes that the original deadline set by Act 295 and the order in Case No. U-15800 for filing a REP has passed. Therefore, in consideration of the fact that Eligo's AES license is granted, the Commission has opened a separate docket for Eligo's REP, which shall be filed in Case No. U-17885 by September 14, 2015.

THEREFORE, IT IS ORDERED that:

- A. Eligo Energy MI, LLC, is granted a license as an alternative electric supplier.
- B. Eligo Energy MI, LLC, shall operate as an alternative electric supplier in compliance with the regulatory requirements specified in the Customer Choice and Electricity Reliability Act, MCL 460.10 *et seq.*, and the Commission's orders.
- C. Eligo Energy MI, LLC, shall establish an office in Michigan upon becoming licensed in the state and will notify the Commission Staff in writing of the address prior to engaging in any marketing activity.
- D. Eligo Energy MI, LLC, is required to comply with the net metering requirements of Act 295 of 2008 and Commission administrative rules.
- E. Eligo Energy MI, LLC, shall file its initial renewable energy plan in Case No. U-17885 by September 14, 2015.

The Commission reserves jurisdiction and may issue further orders as necessary.

Any party desiring to appeal this order must do so in the appropriate court within 30 days after issuance and notice of this order, pursuant to MCL 462.26. To comply with the Michigan Rules of Court's requirement to notify the Commission of an appeal, appellants shall send required notices to both the Commission's Executive Secretary and to the Commission's Legal Counsel.

Electronic notifications should be sent to the Executive Secretary at mpscedockets@michigan.gov and to the Michigan Department of the Attorney General - Public Service Division at pungp1@michigan.gov. In lieu of electronic submissions, paper copies of such notifications may be sent to the Executive Secretary and the Attorney General - Public Service Division at 7109 West Saginaw Hwy, Lansing, MI 48917.

MICHIGAN PUBLIC SERVICE COMMISSION

John D. Quackenbush, Chairman

Greg R. White, Commissioner

Sally A. Talberg, Commissioner

By its action of June 15, 2015.

Mary Jo Kunkle, Executive Secretary

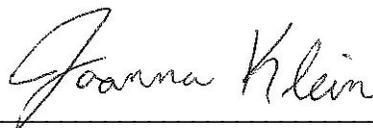
P R O O F O F S E R V I C E

STATE OF MICHIGAN)

Case No. U-17697
U-17885

County of Ingham)

Joanna Klein being duly sworn, deposes and says that on June 15, 2015 A.D. she served a copy of the attached Commission order by first class mail, postage prepaid, or by inter-departmental mail, to the persons as shown on the attached service list.



Joanna Klein

Subscribed and sworn to before me
This 15th day of June 2015

Steven J. Cook
Notary Public, Ingham County, Michigan
As acting in Eaton County
My Commission Expires: April 30, 2018

Service List U-17697 *et al.*

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