

STATE OF MICHIGAN  
BEFORE THE MICHIGAN PUBLIC SERVICE COMMISSION

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In the matter of the application of	)	
<b>EDF ENERGY SERVICES, LLC,</b>	)	Case No. U-17937
for a license as an alternative electric supplier.	)	
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	)	
In the matter, on the Commission's own motion,	)	
regarding the regulatory reviews, determinations,	)	Case No. U-18037
and/or approvals necessary for <b>EDF ENERGY</b>	)	
<b>SERVICES, LLC,</b> to fully comply with Public Act	)	
295 of 2008.	)	
_____	)	

At the February 23, 2016 meeting of the Michigan Public Service Commission in Lansing, Michigan.

PRESENT: Hon. Sally A. Talberg, Chairman  
Hon. John D. Quackenbush, Commissioner  
Hon. Norman J. Saari, Commissioner

**ORDER**

On September 11, 2015, EDF Energy Services, LLC (EDFES), 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.<sup>1</sup>

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

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<sup>1</sup> See, MCL 460.10g(1)(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).<sup>2</sup> Among other things, Act 295 requires all providers of electric service in the state of Michigan, including AESs, to establish renewable energy plans (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,<sup>3</sup> 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 EDFES and recommends that the Commission grant the company a license to operate as an AES in Michigan.

The application shows that EDFES is a wholly-owned subsidiary of EDF Trading North America, LLC (EDFT), which itself is a wholly-owned indirect subsidiary of Electricite De France, SA (EDFSA). EDFSA is a company organized under the laws of France and is publicly traded on the Paris Stock Exchange. EDFSA has ownership interest in multiple energy related companies. EDFSA owns and operates approximately 98 gigawatts (GW) of generating capacity

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<sup>2</sup> See, MCL 460.1001 *et seq.*

<sup>3</sup> See, Mich Admin Code, R 460.640 through R 460.656.

in France, and outside of the United States, has ownership interest in approximately 133.3 GW of generating capacity worldwide. However, EDFSA does not, directly or indirectly, own or control any franchised utilities in the United States. Neither does it provide physical inputs to electric generation or transmission in the United States. EDFES was originally organized in Delaware on November 2, 2006, under the name TexRep2, then changed to Eagle Industrial Power Services (TX), LLC, again changed to EDF Industrial Power Services (TX), LLC, and finally, was amended on January 14, 2014, to the current legal entity of EDF Energy Services, LLC. The company is headquartered in Houston, Texas, and was registered with the Michigan Corporations Division on April 23, 2014, ID Number D9323U.

EDFES provides 2,700 megawatts (MW) of peak retail access electric service to approximately 78 large-scale, energy intensive commercial and industrial customers in Texas, California, Illinois, New York, Ohio, New Jersey, Maryland, Delaware, and Pennsylvania. EDFES provides Michigan transportation gas service to many large industrial customers and provides the marketing function for an AES in the DTE Electric Company service territory.

Upon review of EDFES's personnel descriptions and histories, the Staff observed that the company's key personnel have over 100 combined years of experience in the energy industry, which includes management and oversight of operations, marketing, sales, and customer service. The Staff determined that EDFES 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 EDFES possesses the appropriate managerial and technical capabilities to serve customers within the state of Michigan.

The Staff reviewed EDFES's financials for the last two years, which are consolidated within EDFT's audited financial statements. EDFES 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 EDFES's financial capabilities meet Act 141 requirements. The Commission agrees.

Finally, the June 19, 2000 order in Case No. U-11915 requires AESs to maintain an office within Michigan. EDFES has an established Michigan office located in Parma, Michigan. The Staff determined that EDFES has complied with the Michigan office requirements. The Commission agrees.

After review of EDFES'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, EDFES 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 EDFES's AES license is granted, the Commission has opened a separate docket for EDFES's REP, which shall be filed in Case No. U-18037 by May 11, 2016.

THEREFORE, IT IS ORDERED that:

A. EDF Energy Services, LLC, is granted a license as an alternative electric supplier.

B. EDF Energy Services, 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. EDF Energy Services, LLC, is required to comply with the net metering requirements of Act 295 of 2008 and Commission administrative rules.

D. EDF Energy Services, LLC, shall file its initial renewable energy plan in Case No. U-18037 by May 23, 2016.

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](mailto:mpscedockets@michigan.gov) and to the Michigan Department of the Attorney General - Public Service Division at [pungpl@michigan.gov](mailto:pungpl@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

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Sally A. Talberg, Chairman

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John D. Quackenbush, Commissioner

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Norman J. Saari, Commissioner

By its action of February 23, 2016.

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Mary Jo Kunkle, Executive Secretary

# PROOF OF SERVICE

STATE OF MICHIGAN )

Case No. U-17937  
U-18037

County of Ingham )

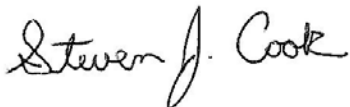
Derrell Slaughter being duly sworn, deposes and says that on February 23, 2016 A.D. He served a copy of the attached Commission order by first class mail, postage prepaid, or by inter-departmental mail, to the persons as shown on the attached service list.



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Derrell Slaughter

Subscribed and sworn to before me  
This 23rd day of February 2016



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

U-17937 & U-18037

EDF Energy Services LLC  
5627 Settlement Court  
Parma MI 49269



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

STATE OF MICHIGAN )

Case No. U-18037

County of Ingham )

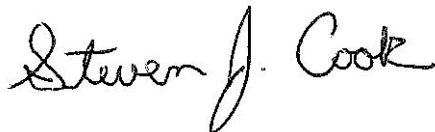
Lisa Felice being duly sworn, deposes and says that on February 23, 2016 A.D. she served a copy of the attached Commission order by first class mail, postage prepaid, or by inter-departmental mail, to the persons as shown on the attached service list.



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Lisa Felice

Subscribed and sworn to before me  
This 23rd day of February 2016



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

[CBaird-Forristall@MIDAMERICAN.COM](mailto:CBaird-Forristall@MIDAMERICAN.COM) Mid American  
[david.d.donovan@XCELENERGY.COM](mailto:david.d.donovan@XCELENERGY.COM) Noble Americas  
[vobmgr@UP.NET](mailto:vobmgr@UP.NET) Village of Baraga  
[braukerL@MICHIGAN.GOV](mailto:braukerL@MICHIGAN.GOV) Linda Brauker  
[info@VILLAGEOFCLINTON.ORG](mailto:info@VILLAGEOFCLINTON.ORG) Village of Clinton  
[jepalinc@CMSENERGY.COM](mailto:jepalinc@CMSENERGY.COM) CMS Energy Resource Mgt Co  
[Jayne@HOMEWORKS.ORG](mailto:Jayne@HOMEWORKS.ORG) Tri-County Electric Co-Op  
[mkappler@HOMEWORKS.ORG](mailto:mkappler@HOMEWORKS.ORG) Tri-County Electric Co-Op  
[psimmer@HOMEWORKS.ORG](mailto:psimmer@HOMEWORKS.ORG) Tri-County Electric Co-Op  
[aurora@FREEWAY.NET](mailto:aurora@FREEWAY.NET) Aurora Gas Company  
[frucheyb@DTEENERGY.COM](mailto:frucheyb@DTEENERGY.COM) Citizens Gas Fuel Company  
[dwjoos@CMSENERGY.COM](mailto:dwjoos@CMSENERGY.COM) Consumers Energy Company  
[mpscfilings@CMSENERGY.COM](mailto:mpscfilings@CMSENERGY.COM) Consumers Energy Company  
[jim.vansickle@SEMCOENERGY.COM](mailto:jim.vansickle@SEMCOENERGY.COM) SEMCO Energy Gas Company  
[kay8643990@YAHOO.COM](mailto:kay8643990@YAHOO.COM) Superior Energy Company  
[ebrushford@UPPCO.COM](mailto:ebrushford@UPPCO.COM) Upper Peninsula Power Company  
[ronan.patterson@WE-ENERGIES.COM](mailto:ronan.patterson@WE-ENERGIES.COM) Wisconsin Electric Power Company  
[kerriw@TEAMMIDWEST.COM](mailto:kerriw@TEAMMIDWEST.COM) Midwest Energy Coop  
[meghant@TEAMMIDWEST.COM](mailto:meghant@TEAMMIDWEST.COM) Midwest Energy Coop  
[tharrell@ALGERDELTA.COM](mailto:tharrell@ALGERDELTA.COM) Alger Delta Cooperative  
[patti.williams@BAYFIELDELECTRIC.COM](mailto:patti.williams@BAYFIELDELECTRIC.COM) Bayfield Electric Cooperative  
[tonya@CECELEC.COM](mailto:tonya@CECELEC.COM) Cherryland Electric Cooperative  
[sfarnquist@CLOVERLAND.COM](mailto:sfarnquist@CLOVERLAND.COM) Cloverland Electric Cooperative  
[sboeckman@GLENERGY.COM](mailto:sboeckman@GLENERGY.COM) Great Lakes Energy Cooperative  
[llopez@LIBERTYPOWERCORP.COM](mailto:llopez@LIBERTYPOWERCORP.COM) Liberty Power Delaware (Holdings)  
[kmarklein@STEPHENSON-MI.COM](mailto:kmarklein@STEPHENSON-MI.COM) Stephson Utilities Department  
[debbie@ONTOREA.COM](mailto:debbie@ONTOREA.COM) Ontonagon Cnty Rural Elec  
[sharonkr@PIEG.COM](mailto:sharonkr@PIEG.COM) Presque Isle Electric & Gas Cooperative, INC  
[dbraun@TECMI.COOP](mailto:dbraun@TECMI.COOP) Thumb Electric  
[rbishop@BISHOPENERGY.COM](mailto:rbishop@BISHOPENERGY.COM) Bishop Energy  
[mkuchera@BLUESTARENERGY.COM](mailto:mkuchera@BLUESTARENERGY.COM) BlueStar Energy  
[todd.mortimer@CMSENERGY.COM](mailto:todd.mortimer@CMSENERGY.COM) CMS Energy  
[igoodman@COMMERCEENERGY.COM](mailto:igoodman@COMMERCEENERGY.COM) Commerce Energy  
[david.fein@CONSTELLATION.COM](mailto:david.fein@CONSTELLATION.COM) Constellation Energy  
[joseph.donovan@CONSTELLATION.COM](mailto:joseph.donovan@CONSTELLATION.COM) Constellation Energy  
[kate.stanley@CONSTELLATION.COM](mailto:kate.stanley@CONSTELLATION.COM) Constellation Energy  
[kate.fleche@CONSTELLATION.COM](mailto:kate.fleche@CONSTELLATION.COM) Constellation New Energy  
[mark.harada@CONSTELLATION.COM](mailto:mark.harada@CONSTELLATION.COM) Constellation New Energy  
[hendersond@DTEENERGY.COM](mailto:hendersond@DTEENERGY.COM) DTE Energy  
[mpscfilings@DTEENERGY.COM](mailto:mpscfilings@DTEENERGY.COM) DTE Energy  
[Don.Morgan@DUKE-ENERGY.COM](mailto:Don.Morgan@DUKE-ENERGY.COM) Duke Energy  
[john.finnigan@DUKE-ENERGY.COM](mailto:john.finnigan@DUKE-ENERGY.COM) Duke Energy  
[bgorman@FIRSTENERGYCORP.COM](mailto:bgorman@FIRSTENERGYCORP.COM) First Energy  
[rillo@LAKESHOREENERGY.COM](mailto:rillo@LAKESHOREENERGY.COM) Lakeshore Energy  
[vnguyen@MIDAMERICAN.COM](mailto:vnguyen@MIDAMERICAN.COM) MidAmerican Energy  
[rarchiba@FOSTEROIL.COM](mailto:rarchiba@FOSTEROIL.COM) My Choice Energy  
[gbass@NOBLESOLUTIONS.COM](mailto:gbass@NOBLESOLUTIONS.COM) Noble American Energy  
[rabaey@SES4ENERGY.COM](mailto:rabaey@SES4ENERGY.COM) Santana Energy

[cborr@WPSCI.COM](mailto:cborr@WPSCI.COM) Spartan Renewable Energy, Inc. (Wolverine Po  
[john.r.ness@XCELENERGY.COM](mailto:john.r.ness@XCELENERGY.COM) Xcel Energy  
[cityelectric@ESCANABA.ORG](mailto:cityelectric@ESCANABA.ORG) City of Escanaba  
[crystalfallsmgr@HOTMAIL.COM](mailto:crystalfallsmgr@HOTMAIL.COM) City of Crystal Falls  
[felichel@MICHIGAN.GOV](mailto:felichel@MICHIGAN.GOV) Lisa Felice  
[mmann@USGANDE.COM](mailto:mmann@USGANDE.COM) Michigan Gas & Electric  
[tomwhite@GLADSTONEMI.COM](mailto:tomwhite@GLADSTONEMI.COM) City of Gladstone  
[rferguson@INTEGRYSGROUP.COM](mailto:rferguson@INTEGRYSGROUP.COM) Integrys Group  
[lrgustafson@CMSENERGY.COM](mailto:lrgustafson@CMSENERGY.COM) Lisa Gustafson  
[tahoffman@CMSENERGY.COM](mailto:tahoffman@CMSENERGY.COM) Tim Hoffman  
[daustin@IGSENERGY.COM](mailto:daustin@IGSENERGY.COM) Interstate Gas Supply Inc  
[krichel@DLIB.INFO](mailto:krichel@DLIB.INFO) Thomas Krichel  
[pnewton@BAYCITYMI.ORG](mailto:pnewton@BAYCITYMI.ORG) Bay City Electric Light & Power  
[aallen@GHBLP.ORG](mailto:aallen@GHBLP.ORG) Grand Haven Board of Light & Power  
[sbn@LBWL.COM](mailto:sbn@LBWL.COM) Lansing Board of Water and Light  
[jreynolds@MBLP.ORG](mailto:jreynolds@MBLP.ORG) Marquette Board of Light & Power  
[bschlansker@PREMIERENERGYONLINE.COM](mailto:bschlansker@PREMIERENERGYONLINE.COM) Premier Energy Marketing LLC  
[ttarkiewicz@CITYOFMARSHALL.COM](mailto:ttarkiewicz@CITYOFMARSHALL.COM) City of Marshall  
[d.motley@COMCAST.NET](mailto:d.motley@COMCAST.NET) Doug Motley  
[kunklem@MICHIGAN.GOV](mailto:kunklem@MICHIGAN.GOV) Mary Jo Kunkle - MPSC  
[nwabuezen1@MICHIGAN.GOV](mailto:nwabuezen1@MICHIGAN.GOV) Nicholas Nwabueze  
[mpauley@GRANGERNET.COM](mailto:mpauley@GRANGERNET.COM) Marc Pauley  
[ElectricDept@PORTLAND-MICHIGAN.ORG](mailto:ElectricDept@PORTLAND-MICHIGAN.ORG) City of Portland  
[akb@ALPENAPOWER.COM](mailto:akb@ALPENAPOWER.COM) Alpena Power  
[dbodine@LIBERTYPOWERCORP.COM](mailto:dbodine@LIBERTYPOWERCORP.COM) Liberty Power  
[leew@WVPA.COM](mailto:leew@WVPA.COM) Wabash Valley Power  
[kmolitor@WPSCI.COM](mailto:kmolitor@WPSCI.COM) Wolverine Power  
[ham557@GMAIL.COM](mailto:ham557@GMAIL.COM) Lowell S.  
[AKlaviter@INTEGRYSENERGY.COM](mailto:AKlaviter@INTEGRYSENERGY.COM) Integrys Energy Service, Inc WPSES  
[BusinessOffice@REALGY.COM](mailto:BusinessOffice@REALGY.COM) Realgy Energy Services  
[landerson@VEENERGY.COM](mailto:landerson@VEENERGY.COM) Volunteer Energy Services  
[Ldalessandris@FES.COM](mailto:Ldalessandris@FES.COM) First Energy Solutions  
[rboston@NOBLESOLUTIONS.COM](mailto:rboston@NOBLESOLUTIONS.COM) Noble Energy Solutions  
[pbeckhusen@MUNI.CBPU.COM](mailto:pbeckhusen@MUNI.CBPU.COM) Coldwater Board of Public Utilities  
[akinney@HILLSDALEBPU.COM](mailto:akinney@HILLSDALEBPU.COM) Hillsdale Board of Public Utilities  
[rjrose@HILLSDALEBPU.COM](mailto:rjrose@HILLSDALEBPU.COM) Hillsdale Board of Public Utilities  
[mrzwiers@INTEGRYSGROUP.COM](mailto:mrzwiers@INTEGRYSGROUP.COM) Mich Gas Utilities/Upper Penn Power/Wisconsi  
[dityler@MICHIGANGASUTILITIES.COM](mailto:dityler@MICHIGANGASUTILITIES.COM) Mich Gas Utilities/Qwest  
[donm@BPW.ZEELAND.MI.US](mailto:donm@BPW.ZEELAND.MI.US) Zeeland Board of Public Works  
[KKratt@ghblp.org](mailto:KKratt@ghblp.org) Grand Haven Board of Light & Power  
[Teresa.ringenbach@directenergy.com](mailto:Teresa.ringenbach@directenergy.com) Direct Energy  
[christina.crable@directenergy.com](mailto:christina.crable@directenergy.com) Direct Energy  
[Bonnie.yurga@directenergy.com](mailto:Bonnie.yurga@directenergy.com) Direct Energy  
[ryan.harwell@directenergy.com](mailto:ryan.harwell@directenergy.com) Direct Energy  
[kadardwa@itctransco.com](mailto:kadardwa@itctransco.com) ITC Holdings Corp.  
[johnbistranin@realgy.com](mailto:johnbistranin@realgy.com) Realgy Corp.  
[jweeks@mpower.org](mailto:jweeks@mpower.org) Jim Weeks  
[gaclark2@aep.com](mailto:gaclark2@aep.com) Indiana Michigan Power Company

[mvorabouth@ses4energy.com](mailto:mvorabouth@ses4energy.com) Santana Energy