

STATE OF MICHIGAN
BEFORE THE MICHIGAN PUBLIC SERVICE COMMISSION

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In the matter, on the Commission's own motion,)	
to implement an electric supplier licensing)	Case No. U-11915
program.)	
_____)	

At the April 18, 2018 meeting of the Michigan Public Service Commission in Lansing,
Michigan.

PRESENT: Hon. Sally A. Talberg, Chairman
Hon. Norman J. Saari, Commissioner
Hon. Rachael A. Eubanks, Commissioner

ORDER

On December 20, 2012, the Commission last amended its alternative electric supplier licensing application form, which was originally approved by the June 19, 2000 order in this docket. The 2012 version of the form is again in need of an update. The Commission Staff has revised the licensing application form for prospective suppliers to use in applying for licenses, which is attached as Exhibit A.

The application form is available through the Commission and on the
Commission's website at:

http://www.michigan.gov/documents/mpsc/ALTERNATIVE_ELECTRIC_SUPPLIER_APPLICATION_04_2018_618613_7.pdf

THEREFORE, IT IS ORDERED that the revised licensing application form for prospective alternative electric suppliers to use in applying for licenses, attached as Exhibit A, is approved.

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

Any person 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 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 W. Saginaw Hwy., Lansing, MI 48917.

MICHIGAN PUBLIC SERVICE COMMISSION

Sally A. Talberg, Chairman

By its action of April 18, 2018.

Norman J. Saari, Commissioner

Kavita Kale, Executive Secretary

Rachael A. Eubanks, Commissioner

**ALTERNATIVE ELECTRIC SUPPLIER APPLICATION
FOR THE MICHIGAN PUBLIC SERVICE COMMISSION
RETAIL ACCESS PARTICIPATION AGREEMENT**

Public Act 286 of 2008, as amended by Public Act 341 of 2016 (Act 341), Section 10a(1)(a), provides that the Michigan Public Service Commission (Commission) shall issue orders establishing that “no more than 10% of an electric utility’s average weather adjusted retail sales for the preceding calendar year may take service from an alternative electric supplier at any time.” On April 28, 2017, the Commission updated procedures in Case No. U-15801 for implementation of Section 10a(1) of Act 341. Electric utilities with choice sales during a month shall file this information in their 45-day report and shall post it on their website. Additionally, Section 6w of Act 341 requires all electric providers, including alternative electric suppliers (AES) to demonstrate to the Commission that they have enough capacity resources to serve the anticipated needs of their customers.

Public Act 295 of 2008 (Act 295), as amended by Public Act 342 of 2016, Section 22 requires that an AES file a proposed renewable energy plan (REP) with the Commission. The Commission must provide an opportunity for public comment on the plan and approve or reject a filed plan within 90 days. A separate docket will be assigned for this filing after the licensing application is approved by the Commission. Section 173(1) of Act 295 requires the Commission to establish a statewide distributed generation program, which includes AES participation. In its May 26, 2009 order in Case No. U-15787, the Commission formally adopted administrative rules governing electric interconnection and net metering rules that became effective May 27, 2009. On December 20, 2012 in Case No. U-15919 the Commission adopted the standard net metering application forms for AES category 1 and 2 projects.” On July 12, 2017, in Case No. U-18383, the Commission ordered that the existing net metering program shall continue as the distributed generation program until the Commission approves a distributed generation tariff under MCL 460.6a(14).

Public Act 141 of 2000, MCL 460.10(a) and MCL 460.10(q), requires that, prior to selling generation service to retail customers in Michigan, an AES must obtain a license from the Commission. A license can be obtained by satisfactory completion of this application form referred to as the Retail Access Participation Agreement. Within 90 days of the approval of an AES license by the Commission, an AES shall file its REP with the Commission.

The Commission’s terms and conditions must be adhered to by the applicant as a condition of maintaining a license. The applicant’s signature on this form attests to the accuracy of the information submitted and commits the applicant to adhere to the terms and conditions as set forth in the Commission’s order in Case No. U-11915.

Failure to provide accurate information on this form, to furnish any required supporting information including required affidavits, or to comply with the terms and conditions, can result in denial or revocation of a license. Upon approval of this application through an order issued by the Commission, the applicant will be licensed as an AES for purposes of selling electric generation services in Michigan.

After an AES submits its application:

1. The Commission Staff (Staff) reviews the application and the AES’s Terms and Conditions Agreement submission and consults with any needed experts and the applicant before making a recommendation to the Commission for approval or non-approval of the license.
2. The Staff’s review process time will vary depending on initial application contents, additional information requirements and necessary meetings with the applicant to validate proprietary documentation.
3. The Commission will issue an ex parte order approving the issuance of a license if it is satisfied that the application meets the licensing criteria.

PART I - FITNESS

1. Name, Michigan office address, and company website:	6. Specify type of provider (utility, marketer, utility affiliate, independent power producer):
2. Contact person or agent, telephone number, and e-mail:	7. Business affiliation (whether utility or other):
3. If principal place of business is outside Michigan, provide name, address, telephone number, and e-mail:	8. FERC authorization type(s) and number(s), if required:
4. Name, telephone number of 24-hour contact person for customers, and e-mail:	9. Broker's name, address, telephone number, and e-mail (if applicable): (list all)
5. Type of legal entity (corporate, partnership, etc.):	10. Please list past or future planned name changes (if applicable):

11. State specifically whether the applicant, an affiliate or subsidiary of the applicant, or a predecessor in interest of the applicant, or an owner, shareholder, principal, officer, executive or director associated with the applicant ever:

- Misled a potential customer and thereby induced that potential customer to sign a contract;
- Defaulted on a contract;
- Did not abide by the terms of the contract;
- Exited the market due to the imposition of any energy related penalties or finings;
- Committed any violations of law or business ethics in connection with the provision of energy or energy-related products and services anywhere in the United States that resulted in a criminal or civil conviction or agreement to pay a penalty including any settlement imposed by a court or administrative agency?

If the answer is yes to any of the above, please explain in detail. Subsequent violations must be disclosed within 30 days to the Michigan Public Service Commission.

12. **Please submit a separate legal affidavit**, signed by a corporate officer with proper authority, which shall attest to the technical ability, knowledge, skill and competency of company and company employees to safely and reliably generate or otherwise obtain and deliver electricity and provide any other proposed services within this state.

PART II – COMPLIANCE COMMITMENT

A supplier must demonstrate that it has the necessary technical and managerial capabilities to ensure adequate service to customers in Michigan. Please provide a complete summary of information covering the applicant's:

1. Certificate for Authority to Transact Business in Michigan (if Foreign Corp, LLC, LPC);
2. Audited financial statements of the applicant for its two most recent fiscal years or other documentation, by affidavit, providing detailed factual data pertaining to applicant's financial standing. Please submit financials under separate cover if considered confidential;
3. Provide the means for the required \$100,000 bond or letter of credit to ensure adequate service to customers in Michigan. *Draft language will be provided prior to licensing;*
4. Corporate/Company history with biographies of key personnel;
5. Safety record including any citations resulting from violations of any governmental or electric industry rule or regulation covering the sale of electric generation;
6. Outline of staffing and procedures for service quality and overview of risk management strategy or policy and reliability, including any violations or failures to perform on contracts or other obligations to sell or otherwise provide power.

PART III - COMPLIANCE COMMITMENT

A supplier must meet certain terms and conditions in order to retain its license as an Alternative Electric Supplier including: Financial Capability, Product/Service disclosure, Product/Service labeling and marketing practices, Customer enrollment, Customer confidentiality, Customer data requests, Customer involuntary service termination, Broker relationship, Reciprocity, State fee and revenue collection, Reporting, Customer education, and Service quality.

Suppliers shall be expected to fully comply with the provisions of this agreement as well as Public Act 141 of 2000, Public Act 286 of 2008, Public Act 341 of 2016 and any Commission implementation orders related to these acts. Failure to do so may result in revocation of the supplier's license to serve in accordance with the provisions of Section 10(c) of Public Act 341, leading to termination of the privilege to provide retail electric service in Michigan.

By signing this form the applicant and its representative: (1) certify that the information provided herein is accurate and complete, and (2) agree to abide by the provisions of this agreement.

Signature: _____ Date: _____

Name: _____ Title: _____

TERMS AND CONDITIONS
ALTERNATIVE ELECTRIC SUPPLIER LICENSING PROGRAM

1. **Supplier information.** Applicant will apprise the Commission Staff (Staff) of any change of its name, Michigan address, telephone number, contact person or agent.
2. **Michigan Office.** An AES shall maintain a Michigan office. A supplier or agent and telephone number must be made available at all times enabling communication between the customer and supplier.
3. **FERC authorization.** Suppliers must obtain any authorizations required by the Federal Energy Regulatory Commission, including authorization to become registered as a Power Marketer, if required by law. A supplier must notify the Staff within 60 days of receiving any such authorization.
4. **Business practices and ethics disclosure.** An AES shall follow all state and federal laws, as well as Commission policies and practices that may be established. Violations of law or business ethics by an AES, AES's agent, affiliate or subsidiary of the applicant, or a predecessor in interest of the applicant, or an owner, shareholder, principal, officer, executive or director associated with the applicant in connection with provision of energy or energy related products or services anywhere in the United States that results in a conviction or acceptance of a penalty for said behavior must be disclosed to the Michigan Public Service Commission within 30 days of any conviction or penalty determined or imposed by a court or an administrative agency.
5. **Product/Service disclosure.** A supplier shall make available, to the extent available and practical, detailed information about the characteristic of the products and services offered, such as the owner, source(s), and fuel type(s) of energy that is in the supplier's portfolio.
6. **Product/Service labeling and marketing practices.** Suppliers must commit to following all state and federal laws, as well as Commission policies and practices that may be established to insure truthful representation of services is practiced in connection with the marketing and sale of electrical products and services in the Michigan retail access program.
7. **Customer enrollment.** Enrollment of customers in the Michigan retail access program must strictly follow Commission approved procedures and the procedures established through the utility plans authorized by the Commission. Slamming (unauthorized switching) and cramming (unauthorized provision of additional service not requested by the customer) constitute serious offenses that may result in revocation of supplier license and/or other penalties.
8. **Customer confidentiality.** All information obtained by the supplier to provide service under this program concerning the customer and the customer's energy characteristics and use patterns is to be held in strict confidence. Such information may only be released to other parties upon supplier receipt of approval by the customer.
9. **Customer data requests.** Customers shall have the right to obtain supplier billing and energy usage data applicable to the customer that is in possession of the supplier.

10. **Customer involuntary service termination.** Involuntary customer service termination must comply with Section 10t of Public Act 341.
11. **Broker relationship.** Suppliers relying on the services of brokers must pledge a best faith effort to hold them to compliance with the relevant provisions of this agreement. Suppliers will be expected to identify aggregators they are associated with and shall supply the Staff with the broker's address, telephone number, name of a contact and business affiliation.
12. **State fee and revenue collection.** Suppliers will be required to collect all applicable state fees and charges levied on energy suppliers as a class of business providers, including those fees and charges established by the Commission to implement and enforce this program. Suppliers agree to collect and remit to local units of government all applicable users, sales, and use taxes.
13. **Reporting.**
 - a. AESs shall report aggregated statistical data regarding their retail sales and wholesale transactions on a form provided by the Staff and shall provide access to their books and records so that the Staff can verify the accuracy of the reports. This information should be reported annually on the "Statistical Data Reporting Form".
 - b. AESs shall file an annual report with the Commission summarizing the number and types of complaints received and their resolution. The "Code of Conduct Report Form" is due to the Commission office by April 30 for the preceding year. *Case No. U-18326 is a rulemaking proceeding to implement the provisions of Section 10ee of 2016 PA 341. Until this process is complete, the existing Code of Conduct will be in place.*
 - c. AESs shall file a proposed renewable energy plan with the Commission. A separate docket will be opened preceding a licensing order.
 - d. The "Electric Interconnection and Net Metering Standards", R 460.640, Rule 40, requires an AES to file annual net metering program report in a form to be determined by the Commission, not later than March 31 of each year. Also, a "Net Metering Application Form" is available for alternative electric suppliers to use for their customers who want to participate in the program.
 - e. MCL 460.6w requires AESs to annually demonstrate that they own or have contractual rights to sufficient capacity resources to serve their retail electric load in Michigan in the planning year four years into the future. This information should be reported using the capacity demonstration "Reporting Template".
14. **Customer education.** Suppliers will be expected to participate in dissemination of information to the public to promote the retail choice program and otherwise inform the public about important aspects of participation to help customers make better informed decisions. Suppliers will also be expected to cooperate with such other information dissemination as the Commission determines to be in the public interest regarding the safe, reliable, and efficient supply of electricity services to Michigan consumers.

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

STATE OF MICHIGAN)

Case No. U-11915

County of Ingham)

Lisa Felice being duly sworn, deposes and says that on April 18, 2018 A.D. she electronically notified the attached list of this **Commission Order via e-mail transmission**, to the persons as shown on the attached service list (Listserv Distribution List).



Lisa Felice

Subscribed and sworn to before me
This 18th day of April 2018



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

Service List for Case: U-11915

Name	Email Address
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Tri-County Electric Co-Op
Aurora Gas Company
Citizens Gas Fuel Company
Consumers Energy Company
SEMCO Energy Gas Company
Superior Energy Company
Upper Peninsula Power Company
WEC Energy Group
Upper Peninsula Power Company
Midwest Energy Coop
Midwest Energy Coop
Alger Delta Cooperative
Cherryland Electric Cooperative
Great Lakes Energy Cooperative
Great Lakes Energy Cooperative
Great Lake Energy Cooperative
Liberty Power Delaware (Holdings)
Stephson Utilities Department
Ontonagon County Rural Elec
Presque Isle Electric & Gas Cooperative, INC
Thumb Electric
Bishop Energy
AEP Energy
CMS Energy
Just Energy Solutions
Constellation Energy
Constellation Energy
Constellation New Energy
DTE Energy
First Energy
MidAmerican Energy
My Choice Energy

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Xcel Energy
City of Escanaba
City of Crystal Falls
Lisa Felice
Michigan Gas & Electric
City of Gladstone
Integrys Group
Lisa Gustafson
Tim Hoffman
Interstate Gas Supply Inc
Thomas Krichel
Bay City Electric Light & Power
Lansing Board of Water and Light
Lansing Board of Water and Light
Marquette Board of Light & Power
Premier Energy Marketing LLC
City of Marshall
Doug Motley
Dan Blair
Marc Pauley
City of Portland
Alpena Power
Liberty Power
Wabash Valley Power
Wolverine Power
Lowell S.
Integrys Energy Service, Inc WPSES
Realgy Energy Services
Volunteer Energy Services
First Energy Solutions
Hillsdale Board of Public Utilities
Michigan Gas Utilities/Upper Penn Power/Wisconsin
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