

STATE OF MICHIGAN
BEFORE THE MICHIGAN PUBLIC SERVICE COMMISSION

In the matter of the application of)	
TERM POWER & GAS, LLC, d/b/a ENCOA,)	Case No. U-17378
for a license as an alternative electric supplier.)	
_____)	

In the matter, on the Commission's own motion,)	
regarding the regulatory reviews, determinations, and/or)	
approvals necessary for TERM POWER & GAS, LLC,)	Case No. U-17518
d/b/a ENCOA, to fully comply with Public Act 295 of)	
2008.)	
_____)	

At the December 6, 2013 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 June 21, 2013, TERM Power & Gas, LLC, d/b/a ENCOA (ENCOA), 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 this state, other than a person who physically delivers electricity directly to retail customers. MCL 460.10g(a). With its application, ENCOA submitted information to demonstrate its compliance with the statutory requirements for an AES.

Act 141 requires the Commission to ensure that AESs have the necessary financial capability; possess technical competence to engage in energy transactions; are capable of meeting safety requirements for electric operations; and comply with all other lawful obligations. Additionally, the June 19, 2000 Commission order in Case No. U-11915 requires AESs to maintain an office within Michigan.

On October 6, 2008, Public Act 295 of 2008, MCL 460.1001 *et seq.*, the “Clean, Renewable, and Efficient Energy Act,” was signed into law (Act 295). On December 4, 2008, the Commission issued an order in Case No. U-15800 which provides requirements for implementing Act 295. Among other things, Act 295 requires all providers of electric service in this state, including AESs, to establish renewable energy programs.

Act 295 also requires the Commission to establish a statewide net metering program. Pursuant to Section 173(1) of Act 295, the Commission promulgated rules entitled “Electric Interconnection and Net Metering Standards,” which were effective May 27, 2009. AESs are required to comply with the net metering requirements of Act 295 and the Commission’s rules.

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

ENCOA is a privately held wholly-owned limited liability company; is a subsidiary of Twin Eagle Resource Management, LLC; and has two affiliates: Twin Eagle Management Canada, LLC, and Enserco Energy LLC. ENCOA’s headquarters are located at 8847 West Sam Houston Parkway North, Houston, Texas. The company was organized in Delaware on June 16, 2011, and registered with the Michigan Corporations Division on August 8, 2013, under ID Number D9287M.

According to its application, ENCOA is a licensed competitive retail electric supplier in six states and has focused primarily on residential and commercial electric markets served by over twenty-six utilities in Connecticut, Illinois, Maryland, Ohio, Pennsylvania, and Texas. ENCOA is also licensed to provide natural gas in Illinois, Maryland, and Ohio and currently serves approximately 86,000 retail electric and natural gas customers throughout these jurisdictions.

After reviewing ENCOA's personnel descriptions and histories, the Staff determined that ENCOA 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 ENCOA possesses the appropriate managerial and technical capabilities to serve customers within the state of Michigan.

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

The Commission requires AESs to maintain an office in Michigan. ENCOA has its principal location at 580 Forest Avenue, Suite 7B, Plymouth, Michigan 48170. The Staff determined that ENCOA has complied with the Michigan office requirements. The Commission agrees.

After review of ENCOA'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 ENCOA's 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, ENCOA 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 an REP has passed. Therefore, the Commission has opened a separate docket, Case No. U-17518, for ENCOA's REP, which shall be filed by March 6, 2014.

THEREFORE, IT IS ORDERED that:

A. TERM Power & Gas, LLC, d/b/a ENCOA, is granted a license as an alternative electric supplier.

B. TERM Power & Gas, LLC, d/b/a ENCOA, 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. TERM Power & Gas, LLC, d/b/a ENCOA, is required to comply with the net metering requirements of Act 295 of 2008 and the Commission's rules.

D. TERM Power & Gas, LLC, d/b/a ENCOA, shall file its initial renewable energy plan in Case No. U-17518 by March 6, 2014.

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.

MICHIGAN PUBLIC SERVICE COMMISSION



John D. Quackenbush, Chairman



Greg R. White, Commissioner



Sally A. Talberg, Commissioner

By its action of December 6, 2013.



Mary Jo Kunkle, Executive Secretary

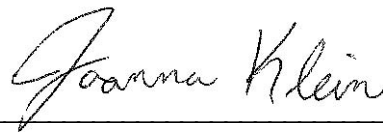
P R O O F O F S E R V I C E

STATE OF MICHIGAN)

Case No. U-17518

County of Ingham)

Joanna Klein being duly sworn, deposes and says that on December 6, 2013 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 6th day of December 2013

Gloria Pearl Jones
Notary Public, Ingham County, MI
My Commission Expires June 5, 2016
Acting in Eaton County

Service List U-17518

TERM Power & Gas, LLC d/b/a ENCOA
580 Forest Avenue, Suite 7B
Plymouth MI 48170

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

STATE OF MICHIGAN)

Case No. U-17518

County of Ingham)

Lisa Felice being duly sworn, deposes and says that on December 6, 2013 A.D. she served a copy of the attached **Commission Order (Commission's Own Motion) 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 6th day of December 2013

Gloria Pearl Jones
Notary Public, Ingham County, MI
As acting in Eaton County
My Commission Expires June 5, 2016

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