

SmartEnergy Holdings, LLC

Application for Certificate of
Service Authority under Section
16-115 of the Public Utilities Act.

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Docket No.

15-0557

CHIEF CLERK'S OFFICE

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ILLINOIS COMMERCE
COMMISSION

APPLICATION

SmartEnergy Holdings, LLC ("Applicant"), hereby requests that the Illinois Commerce Commission ("Commission") grant it a certificate of service authority pursuant to Section 16-115 of the Public Utilities Act ("Act"). SmartEnergy Holdings, LLC is filing under subpart D of Part 451. In support of its application, Applicant states as follows:

REQUIREMENTS FOR ALL APPLICANTS [451.20]

- 1. State whether Applicant currently has authority from the Commission to be an ARES, and if so, the Docket Number under which such authority was granted.
 - Applicant does not currently have authority from the Commission to be an ARES.

- 2. A statement to disclose whether it is licensed as an alternative retail electric supplier in any other jurisdictions, similar to the licensure required under Section 16-115 of the Illinois Public Utilities Act. Additionally, the Applicant is directed to disclose whether it, or any of its affiliates, has had any complaints filed against it for its provision of any services in the electric or gas industry in this or any other jurisdiction. If yes, the Applicant is directed to include in its response the nature of the complaint, the jurisdiction, and the ultimate resolution.

- Applicant is currently licensed in Ohio (13-646 (2)), Pennsylvania (A-2014-2416214), Delaware (2014602421), New Jersey (EE131110061L), New York (45-4166532), and Massachusetts (CS-120). Please see the attached complaint log which details the nature and chronology of all customer complaints as well as their

resolution dates. Please note that all complaints were rectified internally and none were escalated to the incumbent utility commission.

-Please see Attachment H

3. Applicant certifies that it will comply with all applicable Federal, State, regional and industry rules, practices, policies, procedures and tariffs for the use, operation, maintenance, safety, integrity, and reliability of the interconnected electric transmission system; [451.20(a)]

-SmartEnergy Holdings, LLC will comply with the above requirements. Please see the below certification.

4. Applicant agrees to submit good faith schedules of transmission and energy in accordance with applicable tariffs. [451.20(a)]

-SmartEnergy Holdings, LLC will comply with the above requirements. Please see the below certification.

5. Applicant certifies that it will comply with informational and reporting requirements that the Commission may by rule establish; [451.20(b)]

-SmartEnergy Holdings, LLC will comply with the above requirements. Please see the below certification.

6. Applicant certifies that it will provide for review by Staff on a confidential and proprietary basis data related to contracts for the purchase and sale of electric power and energy; [451.20(b)]

-SmartEnergy Holdings, LLC will comply with the above requirements. Please see the below certification.

7. Applicant's name and street address: [451.20(c)(1)]

SmartEnergy Holdings, LLC
575 Lexington Avenue, 4th floor
New York, NY 10022

a) Federal Employer Identification Number: [451.20(c)(2)] 45-4166532

b) Type of business entity: LLC

c) Jurisdiction in which and under whose laws business entity was created:
Delaware (1/5/2012)

- d) Other names under which Applicant does business (D/B/A): SmartEnergy
- e) Registered Agent in Illinois:
Business Filings Incorporated
118 West Edwards, Suite 200
Springfield, Illinois 62704

8. The Applicant shall demonstrate that:

a) Applicant is licensed to do business in the State of Illinois, as demonstrated in Attachment A. [451.20(d)(1)]

b Applicant's employees that will be installing, operating, and maintaining generation, transmission, or distribution facilities within the State of Illinois, as well as any entity with which the Applicant has contracted to perform those functions, have the requisite knowledge, skills, and competence to perform those functions in a safe and responsible manner in order to provide safe and reliable service in accordance with the criteria stated in Section 16-128(a) of the Act [220 ILCS 5/16-128(a)], as demonstrated in Attachment __. [451.20(d)(2)]

- Not Applicable

9. Applicant shall certify compliance with all other applicable laws and regulations and Commission rules and orders; [451.20(e)]

-SmartEnergy Holdings, LLC will comply with the above requirements. Please see the below certification.

10. Applicant shall certify it will procure renewable energy resources as required by Section 16-115D and subsection (d) of Section 16-115 of the Act, **OR** shall certify that Section 16-115D and subsection (d) of Section 16-115 of the Act do not apply to it pursuant to subsection (h) of Section 16-115D of the Act. [451.20(f)].

-SmartEnergy Holdings, LLC intends to fully comply with Subsection 16-115(d)(5) of the Act and the specific requirements to procure renewable energy resources as defined in the Illinois Power Agency Act.

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11. Applicant shall certify that it will source electricity from clean coal facilities, as required by Section 16-115(d)(5) of the Act. [451.20(g)]
- SmartEnergy Holdings, LLC will comply with the above requirements. Please see the below certification.

REQUIRED FILINGS AND PROCEDURES [451.30]

12. Applicant will publish notice of its application for certification in the Official State Newspaper within 10 days following its filing of the application for certification. The applicant will file proof of publication with the Clerk of the Commission within 5 days after publication. [451.30(a)]

-SmartEnergy Holdings, LLC will publish notice within 10 days following the filing of this application for certification. SmartEnergy Holdings, LLC will then provide the Clerk of the Commission with proof of publication within 5 days after publication.

13. Applications for certification shall be verified as required by Section 200.130 of the Commission's "Rules of Practice" (83 Ill. Adm. Code 200.130)

-SmartEnergy Holdings, LLC will comply with the above requirements. Please see the below certification.

14. Geographic area in which Applicant seeks to be authorized to offer service (if less than entire State, provide detailed description) and the types of services it intends to offer. [451.30(c)]

-SmartEnergy Holdings will be offering electric supply to residential and commercial customers throughout the entirety of Illinois including the Ameren, ComEd, and MidAmerican service territories. Applicant's services will include: supplying retail customers with their expected electric generation load requirements by purchasing energy and related services through wholesale generation suppliers and traders participating in the various wholesale markets.

a) Description of Applicant's business. Applicant is not affiliated with an Illinois utility. [451.30(c)(1)]

-Since 2013 Smart Energy Holdings has provided competitive electricity supply products to over 31,000 customers throughout New Jersey, Pennsylvania, Ohio, and Delaware.

b) Description of the characteristics of customer group(s) Applicant proposes to serve. [451.30(c)(2)]

- Residential and Commercial customers

c) Proof that applicant notified the designated in-state agent for each affected utility that Applicant intends to serve customers in that utility's service area, as demonstrated in Attachment B. [451.30(c)(3)]

15. The applicant shall certify compliance with all terms and conditions required by Sections 16-115A(a), (b), and (f), 16-119, 16-123, 16-125(b) and (c), 16-127, and 16-128(a) of the Act, to the extent those Sections have application to the services being offered by the alternative retail electric supplier; [451.30(d)(2)]

-SmartEnergy Holdings, LLC will comply with the above requirements. Please see the below certification.

16. Application shall include Contact Persons for the following:

a) Issues related to processing this application:

Lloyd Spencer

COO

575 Lexington Avenue, 4th Floor

New York, NY 10022

212-779-7000 (phone)

212-779-3061 (fax)

regulatory@smartenergy.com

b) Issues related to retail customers, including complaint resolution:

Jackie Kern

CMO

575 Lexington Avenue, 4th Floor

New York, NY 10022

212-779-7000 (phone)

212-779-3061 (fax)

regulatory@smartenergy.com

- c) Technical issues, including scheduling of generation, transmission, and distribution, and issues arising from relationships with other providers of electric services.

Lloyd Spencer

COO

575 Lexington Avenue, 4th Floor

New York, NY 10022

212-779-7000 (phone)

212-779-3061 (fax)

regulatory@smartenergy.com

17. Applicant does not agree to accept service by electronic means. [451.30(e)]

CUSTOMER RECORDS AND INFORMATION [451.40]

18. Applicant agrees to adopt and follow rules and procedures ensuring that authorizations received from customers, customer billing records, and requests for delivery service transmitted to utilities are retained for a period of not less than two calendar years after the calendar year in which they were created. [451.40(a)]

-SmartEnergy Holdings, LLC will comply with the above requirements. Please see the below certification.

19. Applicant agrees to adopt and follow rules and procedures to preserve the confidentiality of its customer's data. [451.40(b)]

-SmartEnergy Holdings, LLC will comply with the above requirements. Please see the below certification.

LICENSE OR PERMIT BOND REQUIREMENTS [451.50]

20. Applicant is required to execute and maintain a copy of the license or permit bond in the name of the People of the State of Illinois issued by a qualifying surety or insurance company authorized to transact business in the State of Illinois. The

amount of the bond shall equal the amount specified in Part 451.50(a) for the appropriate group of customers the Applicant seeks certification to serve.

-Please see Attachment I.

FINANCIAL QUALIFICATIONS

21. Applicant meets the financial criteria set forth in 451.320(a)(2), as demonstrated in Attachment B. Applicant maintains a line of credit with Shell Energy in an amount greater than \$1m for greater than one year.

Available Credit under facility	\$5,000,000
Current utilization	\$672,765
2013 Sales	\$71,717
<u>10%</u>	<u>\$7,172</u>

Attachment C: SmartEnergy Financial Statements

Attachment D: Confidential Loan Documentation

Attachment E: PJM letter of good standing

22. Applicant will not provide electric power and energy with property, plant and equipment that it owns, controls, or operates.

TECHNICAL QUALIFICATIONS [Clearly state 451.120, 451.230, 451.330, or 451.420]

23. Applicant will not use electric generation, transmission or distribution facilities that it owns, controls or operates in serving customers.

Applicant meets the requirements of Part 451.330 as demonstrated in Attachment F.

- Resume of COO, Lloyd Spencer
- Resume of Forecasting & Scheduling consultants, Gabriel Phillips and Jonathan Spivak

[for Subparts B, C, D, or E] The following individuals on Applicant's staff have experience working with Applicant's facilities or an electric generation, transmission, or distribution facility that is substantially similar to the facility that Applicant owns:

This is Not Applicable

[for Subparts B, C, or D] The following individuals on Applicant's staff have experience buying and selling power and energy in wholesale markets: Lloyd Spencer, Gabriel Phillips and Jonathan Spivak

[for Subparts C or D] The following individuals on Applicant's staff have experience working for an entity that is either a member of PJM, a market participant in the Midwest ISO, or has a system operator certificate from NERC, or has earned Certified Energy Procurement Professional status by the Association of Energy Engineers (or equivalent certification): Lloyd Spencer, Gabriel Philips and Jonathan Spivak

[for Subparts C, D, or E] Applicant agrees to maintain the following telephone number, fax number, and address where Applicant's staff can be directly reached at all times. Applicant understands that maintenance of an answering service or machine, pager, or similar message-taking procedure does not satisfy this requirement. [451.230(c), 451.330(c), 451.420(b)]

Telephone # 212-255-8050

Fax # 212-779-3061

Address 575 Lexington Avenue, 4th floor
New York, NY 10022

MANAGERIAL QUALIFICATIONS [Clearly state 451.130 and 451.140, 451.240 and 451.250, 451.340 and 451.350, or 451.430]

24. Applicant meets the managerial qualifications set forth in [451.340], as demonstrated in Attachment G. Attachment G includes an exhibit containing a corporate organizational chart and identifying the persons or agents who are being

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used to meet each of the requirements of Part [list applicable code part: 451.130(b), 451.240(b), or 451.340(b)].

Managerial Qualifications	Individuals
The following individuals in management positions on Applicant's staff have four years' experience with enterprise financial and administration responsibilities including profit and loss responsibilities:	Dan Kern Jackie Kern Lloyd Spencer
The following three individuals in management positions on Applicant's staff have four years' experience buying and selling power and energy in wholesale markets:	Lloyd Spencer Gabriel Phillips Jonathan Spivak
The following three individuals in management positions on Applicant's staff have four years electric system operational experience:	Lloyd Spencer Gabriel Phillips Jonathan Spivak

25. Applicant is relying on one or more agents or contractors to meet the technical and managerial requirements of 451.330 and 451.340. Each agent and contractor on whom the Applicant relies to meet these requirements is disclosed on Attachment F. Attachment should include narrative and/or resumes of agent's or contractor's key personnel showing clearly how each applicable technical or managerial experience requirement is being met. 451.350(a) Applicant certifies that each such agent or contractor will comply with all the sections of Part 451 that are applicable to the functions to be performed by the respective agent or contractor. 451.350(b)

FINANCIAL QUALIFICATIONS FOR SINGLE BILLING SERVICE [451.510]

26. Applicant does not intend to provide single billing services.

GENERAL PROVISIONS FOR APPLICANTS FILING UNDER SUBPART D [451.310]

27. Subpart C and D applicants must certify compliance with all terms and conditions required by Section 16-115A(c) of the Act. 451.310(a)
-SmartEnergy Holdings, LLC will comply with these requirements. Please see the below certification.
28. Applicant shall state any limitations that will be imposed on the number of customers or maximum load to be served and certify that it will not deny service to a customer or group of customers nor establish any differences as to prices, terms, conditions, services, products, facilities, or in any other respect, whereby such denial or differences are based on race, gender or income nor deny service to a customer or group of customers based on locality nor establish any unreasonable differences as to prices, terms, conditions, services, products, or facilities as between localities. [451.310 b)]
-This is not applicable
29. Applicant has not been denied an electric supplier license in any state in the United States.
30. Applicant has not had an electric supplier license suspended or revoked by any state in the United States.
31. Applicant does not have other electric supplier license applications pending in the United States.
32. Applicant is not the subject of any lawsuits that were filed in a court of law or formal complaints that were filed with a regulatory agency alleging fraud, deception or unfair marketing practices, or other similar allegations.
33. Applicant certifies that its marketing materials which make statements concerning prices, terms and conditions of service contain information that adequately discloses the prices, terms and conditions of the products or services that the Applicant is offering or selling to the customer. [451.310(d)(1)]
-SmartEnergy Holdings, LLC will comply with these requirements. Please see the below certification.

34. Applicant certifies that before any customer is switched from another supplier, Applicant will give the customer written information that adequately discloses, in plain language, the prices, terms and conditions of the products and services being offered and sold to the customer. [451.310(d)(2)]
-SmartEnergy Holdings, LLC will comply with these requirements. Please see the below certification.
35. Applicant certifies it will provide documentation to the Commission and to customers that substantiates any claims made by the Applicant regarding the technologies and fuel types used to generate the electricity offered or sold to customers. [451.310(d)(3)]
-SmartEnergy Holdings, LLC will comply with these requirements. Please see the below certification.
36. Applicant certifies it will provide to the customer itemized billing statements that describe the products and services provided to the customer and their prices, and provide an additional statement, at least annually, that adequately discloses the average monthly prices, and the terms and conditions, of the products and services sold to the customer. [451.310(d)(4)]
-SmartEnergy Holdings, LLC will comply with these requirements. Please see the below certification.
37. Applicant certifies it will include materials comprising the consumer education program (pursuant to Section 16-117 of the Act [220 ILCS 5/16-117]) with all initial mailings to potential residential and small commercial retail customers and before executing any agreements or contracts with such customers, and that Applicant will provide these materials at no charge to residential and small commercial retail customers upon request. [451.310(e) and 451.310(f)]
-SmartEnergy Holdings, LLC will comply with these requirements. Please see the below certification.
38. Applicant certifies it will provide to residential and small commercial retail customers on a semiannual basis information on how to obtain a list of alternative retail electric suppliers that have been found in the last 3 years by the Commission

Form for ARES Applicants

(pursuant to Section 10-108 of the Act [220 ILCS 5/10-108]) to have failed to provide service in accordance with the terms of their contracts (pursuant to Section 16-117(g)(4)(C) of the Act). [451.310(g)]

-SmartEnergy Holdings, LLC will comply with these requirements. Please see the below certification.

39. Applicant certifies it will maintain sufficient managerial resources and abilities to provide the service for which it has a certificate of authority. [451.340(d)]

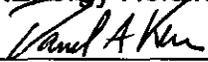
-SmartEnergy Holdings, LLC will comply with these requirements. Please see the below certification.

Form for ARES Applicants

WHEREFORE, Applicant requests that the Commission grant its application for service authority to serve retail and commercial customers throughout the entirety Illinois.

Respectfully submitted,

SmartEnergy Holdings, LLC

By: 

Daniel A. Kern

CEO

Name of Attorney

Attorney's Firm or Company Name

Address of Attorney

Attorney's Telephone Number

Attorney's Fax and E-mail (optional)

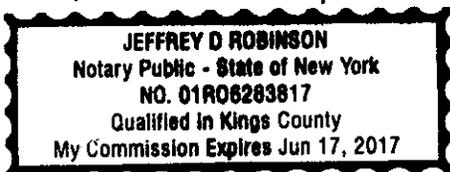
Alexandre Baldassano
SmartEnergy Holdings, LLC
GP Renewables & Trading, LLC
131 Varick Street
Suite 1006
New York, NY 10013
Telephone: 212-255-8050
Fax: 203-295-3794
Email: Alex@gprenew.com

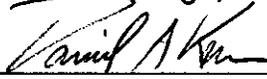
VERIFICATION

STATE OF: New York
COUNTY OF: New York

ss:

Daniel A. Kern, being first duly sworn, deposes and says that he is the CEO of SmartEnergy Holdings, LLC, that he has read the foregoing Application of SmartEnergy Holdings, LLC, and all of the attachments accompanying and referred to within the Application; and that the statements contained in the Application and the attachments are true, correct and complete to the best of his knowledge, information and belief.



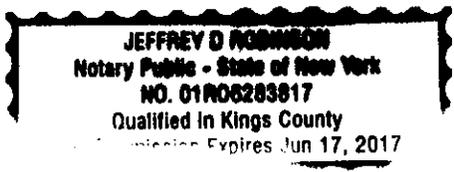


Daniel A. Kern
CEO

Subscribed and sworn to before me
this 28th day of SEPTEMBER, [year]. 2015



Notary Public



[Stamp of Notary]