

STATE OF ILLINOIS

ILLINOIS COMMERCE COMMISSION

MC Squared Energy Services, LLC :
 :
Application for Certificate of :
Service Authority under Section : **09-0059**
16-115 of the Public Utilities Act. :

ORDER

By the Commission:

I. PRELIMINARY MATTERS

On January 30, 2009, MC Squared Energy Services, LLC (“Applicant” or “MC Squared”) filed a verified application with the Illinois Commerce Commission (“Commission”) requesting a certificate of service authority to operate as an alternative retail electric supplier (“ARES”) in Illinois pursuant to Section 16-115 of the Public Utilities Act (“Act”), 220 ILCS 5/1-101 et seq., and 83 Ill. Adm. Code 451 (“Part 451”). Applicant submitted its certificate of publication showing that on February 5, 2009, proper notice of the application was published in the official State newspaper. On February 6, 2009, Applicant made an errata filing correcting certain errors contained in the January 30, 2009 application. The Administrative Law Judge requested clarification of certain matters contained in the application. Applicant filed a verified response to the Administrative Law Judge on February 19, 2009.

II. BACKGROUND AND AUTHORITY SOUGHT BY APPLICANT

Applicant requests authority to offer the sale of electricity and power to eligible nonresidential retail customers with annual electrical consumption greater than 15,000 kilowatt-hours (“kWh”) in the service territory of Commonwealth Edison Company.

III. REQUIREMENTS FOR ALL APPLICANTS UNDER SECTION 16-115(d) OF THE ACT

Applicant is a limited liability company organized under the laws of Illinois. Applicant does not intend to install, operate, or maintain generation, transmission, or distribution facilities within the State of Illinois. Therefore, no demonstration of compliance with the requirements of Section 451.20(f)(2) has been made and Applicant’s employees are not permitted to perform such functions, and other entities are not permitted to perform such functions pursuant to contractual arrangements with Applicant.

Applicant has certified that it will comply with all applicable regulations; that it will provide service only to retail customers eligible to take such services; that it will comply with informational and reporting requirements established by Commission rule; that it will comply with informational and reporting requirements pursuant to Section 16-112 of the Act; and that it will comply with all other applicable laws, regulations, terms, and conditions required to the extent they have application to the services being offered by an ARES. Additionally, Applicant has agreed to submit good faith schedules of transmission and energy in accordance with applicable tariffs. Applicant has agreed to adopt and follow rules relating to customer authorizations, billing records, and retail electric services and agrees to retain requests for delivery services transmitted to utilities for a period of not less than two calendar years after the calendar year in which they are created. Applicant has agreed to adopt and follow rules and procedures to preserve the confidentiality of its customers' data.

Pursuant to the requirements of Section 451.50 of Part 451, Applicant provided a License or Permit Bond in the amount of \$150,000 issued by a qualifying surety authorized to transact business in Illinois. Attachment C to the application is a copy of the required License or Permit Bond.

IV. FINANCIAL, TECHNICAL, AND MANAGERIAL REQUIREMENTS OF SECTION 16-115

Applicant asserts that it meets the financial qualifications set forth in Section 16-115(d)(1). Attachment D1 to the application, is a Payment Bond from the Westchester Fire Insurance Company that is intended to meet the requirements of Section 451.220(a)(4)(b). A corrected Payment Bond was provided in Applicant's February 6, 2009 errata filing. Applicant also provided documents showing the good faith estimate of the peak amount of megawatts that Applicant will schedule in the upcoming year as well as the manner in which it calculated the required amount of its Payment Bond. Having reviewed the information submitted by Applicant, the Commission finds that the Applicant has satisfied the financial requirements of Section 451.220(a)(4)(b).

Applicant represents that it meets the technical and managerial qualifications set forth in Section 16-115(d)(1) and Sections 451.230 and 451.240 of Part 451. Applicant identified the personnel who purportedly satisfy the criteria and provided biographical information for these individuals. Applicant indicates that it owns, maintains and operates a 24-hour manned energy desk for coordination with control centers of scheduling changes, reserve implementation, curtailment orders, and interruption plan implementation. Applicant provided a telephone number, facsimile number and email address where its staff can be directly reached at all times. Having reviewed the information submitted by Applicant, the Commission concludes that Applicant meets the financial, technical, and managerial qualifications set forth in Section 16-115(d)(1) of the Act and Subpart C of Part 451.

V. REQUIREMENTS OF PUBLIC ACT 095-01027

On January 12, 2009, Public Act 095-01027 ("PA 95-1027") was signed into law in Illinois. Among many other things, PA 95-1027 amends Section 16-115 of the Act. New subsection 16-115(d)(5) requires, in part:

That the [ARES] applicant will procure renewable energy resources and will source electricity from clean coal facilities, as defined in Section 1-10 of the Illinois Power Agency Act, in amounts at least equal to the percentages set forth in subsections (c) and (d) of Section 1-75 of the Illinois Power Agency Act.

Applicant states that it 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 ("IPA Act"). Applicant asserts that the renewable portfolio standard requirements under the IPA Act are not effective until June 1, 2009 and will only apply to new retail contracts entered into as of the effective date.

Applicant indicates that it is not a generator of electric power and energy and contemplates that it will either purchase the required portion of its electric supply requirements from qualified renewable power generation sources directly, or more likely, purchase sufficient Renewable Energy Credits ("RECs") to meet the requirements of the IPA Act and any related Commission requirements.

With respect to the initial clean coal facility cited in the IPA Act, if such facility is approved by the Legislature, Applicant indicates it will execute the required contract for renewable electric supply or a contract for differences. For other clean coal sources, Applicant states it will contract with and purchase from such sources and in such quantities as required by the IPA Act or Commission, provided such supply sources are available within the Commission's established procedures. Applicant also indicates that it will comply with the required reporting requirements under subsection 16-115(d)(5) of the Act to show that it has met the Commission's requirements as it relates to the IPA Act.

Having reviewed the information submitted by Applicant, the Commission concludes that Applicant meets the requirements set forth in Section 16-115(d)(5) of the Act. The Commission notes that it is responsible for enforcing the requirements of Section 16-115(d-5) of the Act, as well as certain referenced requirements in the IPA Act, and Applicant must fully comply with all requirements contained therein.

VI. COMMISSION CONCLUSION AND CERTIFICATE OF SERVICE AUTHORITY

The Commission has reviewed the application and attachments along with the supplementary information provided by Applicant regarding the technical, financial, and managerial requirements and all other requirements of the Act and Part 451 and finds that the Applicant sufficiently demonstrates compliance with the requirements.

The Commission concludes, therefore, that Applicant's request for a certificate of service authority to operate as an ARES in Illinois should be granted and should include the following authority:

CERTIFICATE OF SERVICE AUTHORITY

IT IS CERTIFIED that MC Squared Energy Services, LLC is granted service authority to operate as an Alternative Retail Electric Supplier as follows:

SERVICES TO BE PROVIDED: The sale of electricity and power.

CUSTOMERS TO BE SERVED: All eligible nonresidential retail customers with annual electrical consumption greater than 15,000 kWh.

GEOGRAPHIC REGION(S) SERVED: The service area of Commonwealth Edison Company.

VII. FINDINGS AND ORDERING PARAGRAPHS

The Commission, having reviewed the entire record, is of the opinion and finds that:

- (1) Applicant, MC Squared Energy Services, LLC, a business organized under the laws of Illinois, seeks a certificate of service authority to operate as an alternative retail electric supplier under Section 16-115 of the Act;
- (2) the Commission has jurisdiction over the parties hereto and the subject matter hereof;
- (3) the recitals of fact and conclusions reached in the prefatory portion of this Order are supported by the record and are hereby adopted as findings of fact, as required by Section 16-115(d)(1) of the Act;
- (4) Applicant has demonstrated that it possesses sufficient financial, managerial and technical resources and abilities to provide power and energy to eligible nonresidential retail customers with annual electrical consumption greater than 15,000 kWh throughout the areas certified herein;
- (5) Applicant has complied with Section 16-115(d)(1) through (5) and (8) of the Act and 83 Ill. Adm. Code 451; and
- (6) MC Squared Energy Services, LLC should be granted the certificate of service authority to operate as an alternative retail electric supplier as specified in Section VI of this Order.

IT IS THEREFORE ORDERED by the Illinois Commerce Commission that MC Squared Energy Services, LLC is hereby granted the Certificate of Service Authority as set forth in Section VI of this Order.

IT IS FURTHER ORDERED that MC Squared Energy Services, LLC shall comply with all applicable Commission rules and orders now and as hereafter amended.

IT IS FURTHER ORDERED that, subject to the provisions of Section 10-113 of the Public Utilities Act and 83 Ill. Adm. Code 200.880, this Order is final; it is not subject to the Administrative Review Law.

By order of the Commission this 11th day of March, 2009.

(SIGNED) CHARLES E. BOX

Chairman