



# Public Utilities Commission

Original CRS Case Number	Version
13 - 373 -EL-CRS	May 2016

## RENEWAL APPLICATION FOR RETAIL GENERATION PROVIDERS AND POWER MARKETERS

Please print or type all required information. Identify all attachments with an exhibit label and title (Example: Exhibit C-10 Corporate Structure). All attachments should bear the legal name of the Applicant. Applicants should file completed applications and all related correspondence with the Public Utilities Commission of Ohio, Docketing Division; 180 East Broad Street, Columbus, Ohio 43215-3793.

This PDF form is designed so that you may input information directly onto the form.  
You may also download the form, by saving it to your local disk, for later use.

### A. RENEWAL INFORMATION

#### A-1 Applicant intends to be renewed as: (check all that apply)

☒ Retail Generation Provider  
☐ Power Marketer

☐ Power Broker  
☐ Aggregator

#### A-2 Applicant's legal name, address, telephone number, PUCO certificate number, and web site address

Legal Name SmartEnergy Holdings, LLC  
Address 575 Lexington Avenue, 4th floor New York NY 10022  
PUCO Certificate # and Date Certified 13-646E (1) 3/11/2013  
Telephone # (212) 779-7000 Web site address (if any) www.smartenergy.com

#### A-3 List name, address, telephone number and web site address under which Applicant does business in Ohio

Legal Name SmartEnergy Holdings, LLC  
Address 575 Lexington Avenue, 4th floor New York NY 10022  
Telephone # (212) 779-7000 Web site address (if any) www.smartenergy.com

This is to certify that the images appearing are an accurate and complete reproduction of a case file document delivered in the regular course of business.  
Technician TM Date Processed FEB 01 2017

**A-4 List all names under which the applicant does business in North America**

_____	_____
_____	_____
_____	_____

**A-5 Contact person for regulatory or emergency matters**

Name Dan Kern  
Title CEO  
Business address 575 Lexington Avenue, 4th floor New York NY 10022  
Telephone # (212) 779-7000 Fax # \_\_\_\_\_  
E-mail address regulatory@smartenergy.com

**A-6 Contact person for Commission Staff use in investigating customer complaints**

Name Jackie Kern  
Title VP Marketing  
Business address 575 Lexington Avenue, 4th floor New York NY 10022  
Telephone # (212) 779-7000 Fax # \_\_\_\_\_  
E-mail address Jackie.Kern@smartenergy.com

**A-7 Applicant's address and toll-free number for customer service and complaints**

Customer Service address \_\_\_\_\_  
Toll-free Telephone # \_\_\_\_\_ Fax # \_\_\_\_\_  
E-mail address \_\_\_\_\_

**A-8 Applicant's federal employer identification number # \_\_\_\_\_**

**A-9 Applicant's form of ownership (check one)**

- |  |  |
|--|--|
| <input type="checkbox"/> Sole Proprietorship                 | <input type="checkbox"/> Partnership                     |
| <input type="checkbox"/> Limited Liability Partnership (LLP) | <input type="checkbox"/> Limited Liability Company (LLC) |
| <input type="checkbox"/> Corporation                         | <input type="checkbox"/> Other _____                     |

**PROVIDE THE FOLLOWING AS SEPARATE ATTACHMENTS AND LABEL AS INDICATED:**

**A-10 Exhibit A10 "Principal Officers, Directors & Partners" provide the names, titles, addresses and telephone numbers of the applicant's principal officers, directors, partners, or other similar officials.**

## **B. MANAGERIAL CAPABILITY AND EXPERIENCE**

PROVIDE THE FOLLOWING AS SEPARATE ATTACHMENTS AND LABEL AS INDICATED:

- B-1** Exhibit B-1 "Jurisdictions of Operation," provide a list of all jurisdictions in which the applicant or any affiliated interest of the applicant is, at the date of filing the application, certified, licensed, registered, or otherwise authorized to provide retail or wholesale electric services.
- B-2** Exhibit B-2 "Experience & Plans," provide a description of the applicant's experience and plan for contracting with customers, providing contracted services, providing billing statements, and responding to customer inquiries and complaints in accordance with Commission rules adopted pursuant to Section 4928.10 of the Revised Code.
- B-3** Exhibit B-3 "Disclosure of Liabilities and Investigations," provide a description of all existing, pending or past rulings, judgments, contingent liabilities, revocation of authority, regulatory investigations, or any other matter that could adversely impact the applicant's financial or operational status or ability to provide the services it is seeking to be certified to provide.
- B-4** Disclose whether the applicant, a predecessor of the applicant, or any principal officer of the applicant have ever been convicted or held liable for fraud or for violation of any consumer protection or antitrust laws within the past five years.  
☒ No      ☐ Yes

If yes, provide a separate attachment labeled as Exhibit B-4 "Disclosure of Consumer Protection Violations" detailing such violation(s) and providing all relevant documents.

- B-5** Disclose whether the applicant or a predecessor of the applicant has had any certification, license, or application to provide retail or wholesale electric service denied, curtailed, suspended, revoked, or cancelled within the past two years.  
☒ No      ☐ Yes

If yes, provide a separate attachment labeled as Exhibit B-5 "Disclosure of Certification Denial, Curtailment, Suspension, or Revocation" detailing such action(s) and providing all relevant documents.

## **C. FINANCIAL CAPABILITY AND EXPERIENCE**

PROVIDE THE FOLLOWING AS SEPARATE ATTACHMENTS AND LABEL AS INDICATED:

- C-1** Exhibit C-1 "Annual Reports," provide the two most recent Annual Reports to Shareholders. If applicant does not have annual reports, the applicant should provide similar information in Exhibit C-1 or indicate that Exhibit C-1 is not applicable and why. (This is generally only applicable to publicly traded companies who publish annual reports.)

- C-2 Exhibit C-2 “SEC Filings.”** provide the most recent 10-K/8-K Filings with the SEC. If the applicant does not have such filings, it may submit those of its parent company. An applicant may submit a current link to the filings or provide them in paper form. If the applicant does not have such filings, then the applicant may indicate in Exhibit C-2 that the applicant is not required to file with the SEC and why.
- C-3 Exhibit C-3 “Financial Statements.”** provide copies of the applicant’s two most recent years of audited financial statements (balance sheet, income statement, and cash flow statement). If audited financial statements are not available, provide officer certified financial statements. If the applicant has not been in business long enough to satisfy this requirement, it shall file audited or officer certified financial statements covering the life of the business. If the applicant does not have a balance sheet, income statement, and cash flow statement, the applicant may provide a copy of its two most recent years of tax returns (with social security numbers and account numbers redacted).
- C-4 Exhibit C-4 “Financial Arrangements.”** provide copies of the applicant's financial arrangements to conduct CRES as a business activity (e.g., guarantees, bank commitments, contractual arrangements, credit agreements, etc.,).

Renewal applicants can fulfill the requirements of Exhibit C-4 by providing a current statement from an Ohio local distribution utility (LDU) that shows that the applicant meets the LDU’s collateral requirements.

First time applicants or applicants whose certificate has expired as well as renewal applicants can meet the requirement by one of the following methods:

1. The applicant itself stating that it is investment grade rated by Moody’s, Standard & Poor’s or Fitch and provide evidence of rating from the rating agencies.
2. Have a parent company or third party that is investment grade rated by Moody’s, Standard & Poor’s or Fitch guarantee the financial obligations of the applicant to the LDU(s).
3. Have a parent company or third party that is not investment grade rated by Moody’s, Standard & Poor’s or Fitch but has substantial financial wherewithal in the opinion of the Staff reviewer to guarantee the financial obligations of the applicant to the LDU(s). The guarantor company’s financials must be included in the application if the applicant is relying on this option.
4. Posting a Letter of Credit with the LDU(s) as the beneficiary.

If the applicant is not taking title to the electricity or natural gas, enter "N/A" in Exhibit C-4. An N/A response is only applicable for applicants seeking to be certified as an aggregator or broker.

- C-5 Exhibit C-5 “Forecasted Financial Statements,”** provide two years of forecasted income statements for the applicant’s **ELECTRIC related business activities in the state of Ohio Only**, along with a list of assumptions, and the name, address, email address, and telephone number of the preparer. The forecasts should be in an annualized format for the two years succeeding the Application year.
- C-6 Exhibit C-6 “Credit Rating,”** provide a statement disclosing the applicant’s credit rating as reported by two of the following organizations: Duff & Phelps, Fitch IBCA, Moody’s Investors Service, Standard & Poor’s, or a similar organization. In instances where an applicant does not have its own credit ratings, it may substitute the credit ratings of a parent or an affiliate organization, provided the applicant submits a statement signed by a principal officer of the applicant’s parent or affiliate organization that guarantees the obligations of the applicant. If an applicant or its parent does not have such a credit rating, enter “N/A” in Exhibit C-6.
- C-7 Exhibit C-7 “Credit Report,”** provide a copy of the applicant’s credit report from Experian, Dun and Bradstreet or a similar organization. An applicant that provides an investment grade credit rating for Exhibit C-6 may enter “N/A” for Exhibit C-7.
- C-8 Exhibit C-8 “Bankruptcy Information,”** provide a list and description of any reorganizations, protection from creditors or any other form of bankruptcy filings made by the applicant, a parent or affiliate organization that guarantees the obligations of the applicant or any officer of the applicant in the current year or within the two most recent years preceding the application.
- C-9 Exhibit C-9 “Merger Information,”** provide a statement describing any dissolution or merger or acquisition of the applicant within the two most recent years preceding the application.
- C-10 Exhibit C-10 “Corporate Structure,”** provide a description of the applicant’s corporate structure, not an internal organizational chart, including a graphical depiction of such structure, and a list of all affiliate and subsidiary companies that supply retail or wholesale electricity or natural gas to customers in North America. If the applicant is a stand-alone entity, then no graphical depiction is required and applicant may respond by stating that they are a stand-alone entity with no affiliate or subsidiary companies.

## **D. TECHNICAL CAPABILITY**

PROVIDE THE FOLLOWING AS SEPARATE ATTACHMENTS AND LABEL AS INDICATED:

- D-1 Exhibit D-1 "Operations"** provide a written description of the operational nature of the applicant's business. Please include whether the applicant's operations include the generation of power for retail sales, the scheduling of retail power for transmission and delivery, the provision of retail ancillary services as well as other services used to arrange for the purchase and delivery of electricity to retail customers.
- D-2 Exhibit D-2 "Operations Expertise,"** given the operational nature of the applicant's business, provide evidence of the applicant's experience and technical expertise in performing such operations.
- D-3 Exhibit D-3 "Key Technical Personnel,"** provide the names, titles, e-mail addresses, telephone numbers, and the background of key personnel involved in the operational aspects of the applicant's business.
- D-4 Exhibit D-4 "FERC Power Marketer License Number,"** provide a statement disclosing the applicant's FERC Power Marketer License number. (Power Marketers only)



Signature of Applicant and Title

Sworn and subscribed before me this

30<sup>th</sup>

day of

Jan, 2017

Month

Year



Signature of official administering oath

Duoduo Lin.

Print Name and Title

My commission expires on

APRIL 18, 2020

DUODUO LIN  
Notary Public, State of New York  
Registration #01LI6340377  
Qualified In Queens County  
Commission Expires April 18, 2020

# **AFFIDAVIT**

State of NY :

NY ss.  
(Town)

County of NY :

DAN KERN, Affiant, being duly sworn/affirmed according to law, deposes and says that:

He/She is the CEO (Office of Affiant) of SmartEnergy (Name of Applicant);

That he/she is authorized to and does make this affidavit for said Applicant,

1. The Applicant herein, attests under penalty of false statement that all statements made in the application for certification renewal are true and complete and that it will amend its application while the application is pending if any substantial changes occur regarding the information provided in the application.
2. The Applicant herein, attests it will timely file an annual report with the Public Utilities Commission of Ohio of its intrastate gross receipts, gross earnings, and sales of kilowatt-hours of electricity pursuant to Division (A) of Section 4905.10, Division (A) of Section 4911.18, and Division (F) of Section 4928.06 of the Revised Code.
3. The Applicant herein, attests that it will timely pay any assessments made pursuant to Sections 4905.10, 4911.18, or Division F of Section 4928.06 of the Revised Code.
4. The Applicant herein, attests that it will comply with all Public Utilities Commission of Ohio rules or orders as adopted pursuant to Chapter 4928 of the Revised Code.
5. The Applicant herein, attests that it will cooperate fully with the Public Utilities Commission of Ohio, and its Staff on any utility matter including the investigation of any consumer complaint regarding any service offered or provided by the Applicant.
6. The Applicant herein, attests that it will comply with all state and/or federal rules and regulations concerning consumer protection, the environment, and advertising/promotions.
7. The Applicant herein, attests that it will fully comply with Section 4928.09 of the Revised Code regarding consent to the jurisdiction of Ohio Courts and the service of process.
8. The Applicant herein, attests that it will use its best efforts to verify that any entity with whom it has a contractual relationship to purchase power is in compliance with all applicable licensing requirements of the Federal Energy Regulatory Commission and the Public Utilities Commission of Ohio.
9. The Applicant herein, attests that it will cooperate fully with the Public Utilities Commission of Ohio, the electric distribution companies, the regional transmission entities, and other electric suppliers in the event of an emergency condition that may jeopardize the safety and reliability of the electric service in accordance with the emergency plans and other procedures as may be determined appropriate by the Commission.
10. If applicable to the service(s) the Applicant will provide, the Applicant herein, attests that it will adhere to the reliability standards of (1) the North American Electric Reliability Council (NERC), (2) the appropriate regional reliability council(s), and (3) the Public Utilities Commission of Ohio. (Only applicable if pertains to the services the Applicant is offering)

11. The Applicant herein, attests that it will inform the Commission of any material change to the information supplied in the renewal application within 30 days of such material change, including any change in contact person for regulatory purposes or contact person for Staff use in investigating customer complaints.

That the facts above set forth are true and correct to the best of his/her knowledge, information, and belief and that he/she expects said Applicant to be able to prove the same at any hearing hereof.

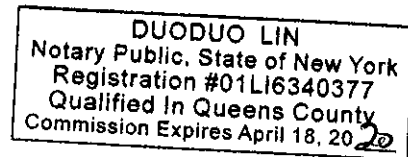
*[Signature]*  
Signature of Affiant & Title

Sworn and subscribed before me this 30<sup>th</sup> day of Jan, 2017  
Month Year

*[Signature]*  
Signature of official administering oath

*Duoduo Lin*  
Print Name and Title

My commission expires on April 18, 2020





SmartEnergy

**Ohio Public Utilities Commission:  
Retail Electric Generation Provider Renewal**

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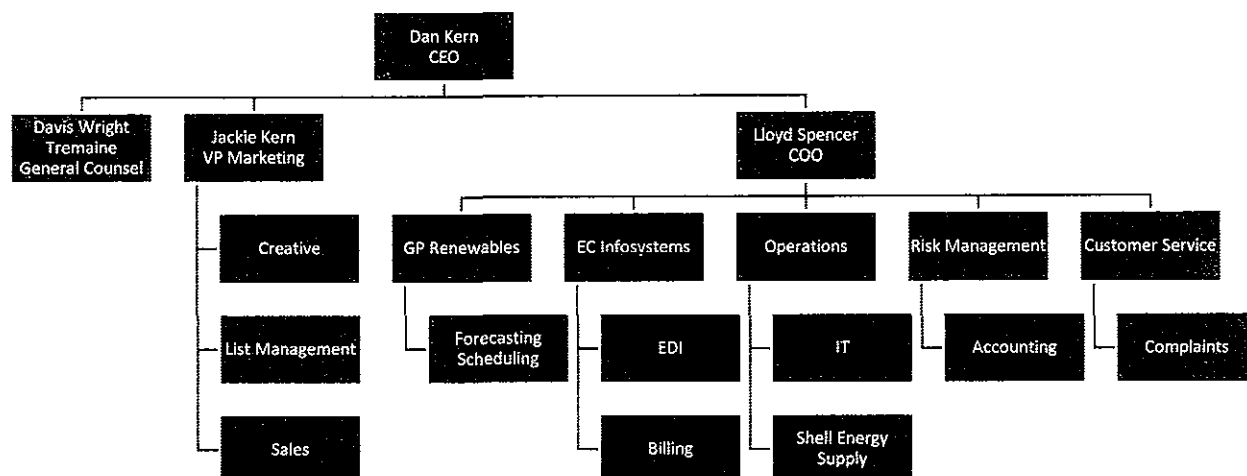
Exhibit A-10 "Principal Officers, Directors & Partners"

Name	Title	Address	Telephone
Dan Kern	CEO	575 Lexington Avenue, 4 <sup>th</sup> floor New York, NY 10022	212-779-7000
Jackie Kern	VP Marketing	575 Lexington Avenue, 4 <sup>th</sup> floor New York, NY 10022	212-779-7000
Lloyd Spencer	COO / CFO	575 Lexington Avenue, 4 <sup>th</sup> floor New York, NY 10022	212-779-7000

Exhibit B-1 "Jurisdictions of Operation"

<b>Jurisdiction</b>	<b>Date of licensing / certification</b>
Ohio	03/11/13
New Jersey	02/19/14
Delaware	05/30/14
New York	06/6/14
Pennsylvania	07/24/14
Massachusetts	03/12/2015
Illinois	11/18/2015
New Hampshire	12/06/2016

## Exhibit B-2 "Experience & Plans"



Vendor	Responsibility	Contact	Telephone
Shell Energy North America	Supply & Scheduling	James Choi	713-767-5609
GP Renewables	Forecasting, Schedule creation, Renewable management	Gabe Philips	212-255-8050
EC Infosystems	EDI & Billing	Ananda Goswami	(516) 874-8011
PPL Solutions	EDI & Billing	Kevin O'Neill	(610) 774-5509
Dialog	Sales & Customer Services	Eric Litster	801-222-5190

SmartEnergy uses the internet and mailings to contact and enroll customers. Customer enrollment is conducted under the auspices of Commission rules Section 4901:1-21-06

Billing is typically conducted via the existing utility bill. This is performed using Electronic Data Interchange [EDI] supported by a 3<sup>rd</sup> party contractor, PPL Solutions. In circumstances where an overdue amount is written off by the utility, we invoice the customer directly.

SmartEnergy's customer inquiries and complaints are handled first through a toll free number: 800-443-4440 option 2, 9am to 6pm EST, Monday through Friday. This covers billing inquiries, general questions, complaints and service transfer issues. SmartEnergy records all sales and customer service calls for quality assurance purposes. Calls are regularly screened by managers; salespeople and agents are subject to sanctions including termination for failure to comply with protocols and scripts.

### Exhibit B-3 "Disclosure of Liabilities and Investigations"

*SmartEnergy has no existing pending or past rulings, judgments, contingent liabilities, or revocation of authority. All customer complaints that have been escalated to utility commissions have been addressed as quickly as possible.*

## Exhibit C-1 "Annual Reports"

Applicant is a privately held company and does not publish an annual report. Audited financial statements are provided below in Exhibit C-3.

## Exhibit C-2 "SEC Filings"

Applicant is a privately held company and therefore does not have to file with the SEC.



## Exhibit C-6 "Credit Rating"

SmartEnergy does not maintain a credit rating.

## Exhibit C-7 "Credit Report"

SmartEnergy does not have a credit rating with Experian or Dun & Bradstreet

Exhibit C-8 "Bankruptcy Information"

None. Not applicable.

**Exhibit C-9 “Merger Information”**

None. Not applicable.

# Exhibit C-10 "Corporate Structure"

SmartEnergy Holdings, LLC was formed in October, 2012 by Daniel Kern, Jacqueline Kern, and Gina Goldberg, to become a retail electric supplier in Ohio.

Daniel Kern

Jacqueline Kern



SmartEnergy Holdings, LLC-  
Electric ARES- Traditional Markets

## Exhibit D-1 "Operations"

SmartEnergy is a retail electric supplier operating in 16 utility markets and licensed in 7 states. SmartEnergy purchases energy supply from Shell Energy North America and delivers this via the PJM pool to utilities who ultimately deliver it to SmartEnergy's residential retail customers. SmartEnergy buys all ancillary services directly from the PJM ISO, and in most cases pays utilities a Network Interchange Transmission Service [NITS] charge to make low voltage delivery to the end use customer.

Separately, SmartEnergy contracts to purchase renewable energy credits [RECs] from 3<sup>rd</sup> party suppliers through its service provider GP Renewables. SmartEnergy maintains a compliance account with PJM-EIS to track this obligation and record purchases and transfers of certificates.

Daily schedules are prepared by GP Renewables, and submitted to Shell Energy for approval. Shell Energy is responsible for entering these schedules into the PJM inSchedule system. SmartEnergy and Shell Energy maintain a separate PJM account for each utility zone in which SmartEnergy operates so that all wholesale costs and obligations can be tracked at a utility by utility level.

## Exhibit D-2 “Operations Expertise”

SmartEnergy has successfully delivered over 541m kWh of energy over the past 3 years to customers in 16 utilities. Correspondingly, over a similar time period SmartEnergy has purchased approximately 614,000 MWh of wholesale supply from Shell Energy for delivery into the grid. By buying at wholesale rates in advance of the delivery month, this allows SmartEnergy to pass along savings from wholesale rates to customers as well as minimize their exposure to volatile real time wholesale grid prices.

Using its EDI provider Hansen Solutions (formerly PPL Solutions), SmartEnergy has successfully billed all its customers in a timely manner with very few issues.

### Exhibit D-3 "Key Technical Personnel"

Name	Position	Address	Phone	Email
Dan Kern	CEO	575 Lexington Avenue, 4 <sup>th</sup> floor New York NY 10022	212-779-7000	<a href="mailto:Dan.kern@smartenergy.com">Dan.kern@smartenergy.com</a>
Lloyd Spencer	COO	575 Lexington Avenue, 4 <sup>th</sup> floor New York NY 10022	212-779-7000	<a href="mailto:Lloyd.spencer@smartenergy.com">Lloyd.spencer@smartenergy.com</a>
Gabriel Phillips	Forecasting & Scheduling	131 Varick Street, Suite 1035 New York, NY 10013	212-255-8050	<a href="mailto:ops@gprenew.com">ops@gprenew.com</a>
Regina Dooley	Accounting	575 Lexington Avenue, 4 <sup>th</sup> floor New York NY 10022	212-779-7000	<a href="mailto:Accounts.payable@smartenergy.com">Accounts.payable@smartenergy.com</a>

SmartEnergy was formed in December, 2012 and founded by Mr. Kern. In addition to founding SmartEnergy, Mr. Kern is a founder and principal of Main Street Direct, a premier Direct Marketing firm. For the past 20 years, Mr. Kern has managed the operations of Main Street Direct and as such has extensive experience in developing and managing various marketing and back office operations for 50 of the Fortune 500 companies including American Express, Citi, Chase, as well as Citgo, Chevron, Conoco, BP, Exxon, Marathon, Shell, Phillips 66, and Sunoco. Mr. Kern also serves on the board of directors of Main Street Direct. Mr. Kern graduated from the Ohio State University with a B.S.B.A and an emphasis in accounting and marketing.

Lloyd Spencer, COO, has considerable operational expertise with US energy markets, having over 20 years of energy trading and risk management experience. His background includes deep knowledge of operations, technology, regulatory issues, risk management and trading.

The company also relies on its vendor, GP Renewables to provide day to day operational support, coming up with forecasts for short term and longer term customer usage. These are used for both creating schedules but also for making forward purchases of power to hedge future customer demand.



Exhibit D-4 "FERC Power Marketer License Number"

FERC Power Marketer License Number: **13-0779-000**