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May 28, 2021

Rosemary Chiavetta, Secretary  
Pennsylvania Public Utility Commission  
Commonwealth Keystone Building  
400 North Street, 2<sup>nd</sup> Floor  
Harrisburg, PA 17120

*Via Electronic Filing*

**RE: Application of Inova Energy LLC to Offer, Render, Furnish, or Supply Electricity or Electric Generation Services as a Supplier to the Public in the Commonwealth of Pennsylvania**  
**Docket No. A-2021-3025116**

Dear Secretary Chiavetta:

Please find enclosed for filing with the Pennsylvania Public Utility Commission (“PUC” or “Commission”) the PUBLIC version of the data responses of Inova Energy LLC (“Inova”) in response to Commission Staff’s May 6, 2021 data requests. I will email the CONFIDENTIAL responses directly to you and to Commission staff designated in the Commission’s May 6, 2021 data request.

**Inova respectfully requests the Commission grant CONFIDENTIAL treatment of certain financial, tax, business, and personnel information included in Inova’s data responses. Inova believes this information is of a proprietary or confidential nature because it may reveal non-public financial sensitive information about Inova’s current and future business plans and other information that is commercially sensitive and whose release may be injurious to Inova’s competitive position. To this end, the propriety and confidential information is so designated by being labeled "CONFIDENTIAL" and is being provided under protective seal to the Commission only. For these reasons, Inova requests that the Commission treat these documents as confidential and prevent public disclosure in accordance with the Commission's procedures. Any party desiring access to the foregoing responses can contact the undersigned counsel with such a request.**

As shown by the attached Certificate of Service and per the Commission’s March 20, 2020, Emergency Order, all parties to these proceedings are being duly served via email only due to the current COVID-19 pandemic. Upon lifting of the aforementioned Emergency Order, we can provide parties with a hard copy upon request.

If you have any questions regarding the enclosed documents, please contact the undersigned.

[www.McNeesLaw.com](http://www.McNeesLaw.com)

HARRISBURG, PA • LANCASTER, PA • SCRANTON, PA • STATE COLLEGE, PA • YORK, PA • COLUMBUS, OH • FREDERICK, MD • WASHINGTON, DC

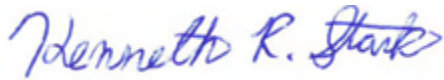
Rosemary Chiavetta, Secretary

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Sincerely,

McNEES WALLACE & NURICK LLC



By

Susan E. Bruce (Attorney I.D. No. 80146)

Kenneth R. Stark (Attorney I.D. No. 312945)

KRS/ams

Enclosures

- c: Certificate of Service (without confidential information)
- c: Jeremy Haring, PUC Bureau of Technical Utility Services (by e-mail) (with confidential information)

**CERTIFICATE OF SERVICE**

I hereby certify that I am this day serving a true copy of the foregoing document upon the participants listed below in accordance with the requirements of Section 1.54 (relating to service by a participant).

**VIA FIRST CLASS MAIL**

Bureau of Investigation & Enforcement  
Pennsylvania Public Utility Commission  
Commonwealth Keystone Building  
400 North Street, 2 West  
Harrisburg, PA 17120

Office of the Attorney General  
Bureau of Consumer Protection  
Strawberry Square, 14th Floor  
Harrisburg, PA 17120

Office of Consumer Advocate  
5th Floor, Forum Place  
555 Walnut Street  
Harrisburg, PA 17120

Department of Revenue  
Bureau of Compliance  
PO Box 281230  
Harrisburg, PA 17128-1230

Small Business Advocate  
Commerce Building, Suite 202  
300 North Second Street  
Harrisburg, PA 17101

Vice President — Energy Supply  
Corning Natural Gas Holding Corporation  
330 West William Street  
Corning, NY 14830

Legal Department  
West Penn Power d/b/a Allegheny Power  
800 Cabin Hill Drive  
Greensburg, PA 15601-1689

Manager Energy Acquisition  
PECO Energy Company  
2301 Market Street  
Philadelphia, PA 19101-8699

Regulatory Affairs  
Duquesne Light Company  
411 Seventh Street, MD 164  
Pittsburgh, PA 15219

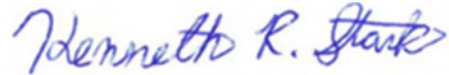
Office of General Counsel  
Attn: Kimberly A. Klock  
PPL  
Two North Ninth Street (GENTW3)  
Allentown, PA 18101-1179

Legal Department  
First Energy  
2800 Pottsville Pike  
Reading PA, 19612

UGI Utilities, Inc.  
Attn: Rates Dept. — Choice Coordinator  
1 UGI Drive  
Denver, PA 17517

Citizens' Electric Company  
Attn: EGS Coordination  
1775 Industrial Boulevard  
Lewisburg, PA 17837

Wellsboro Electric Company  
Attn: EGS Coordination  
33 Austin Street  
P. O. Box 138  
Wellsboro, PA 16901



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Kenneth R. Stark  
Counsel to Inova Energy LLC

Dated this 28<sup>th</sup> day of May, 2021, in Harrisburg, Pennsylvania

**INOVA ENERGY LLC  
PUBLIC RESPONSES TO  
THE PENNSYLVANIA PUBLIC UTILITY COMMISSION'S DATA REQUESTS**

**DOCKET NO. A-2021-3025116**

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1. Reference Application, Section 7.a, Financial Fitness – Applicant’s financial security states applicant’s name as “Inova Energy LLC.” (note the period), however, the PA Department of State indicates that the Applicant’s registered name is “Inova Energy LLC” with no punctuation. Please provide an updated financial security that matches the PA Department of State exactly (including capitalization, spacing and punctuation).

**Response:** Inova Energy LLC (“Inova”) will mail a revised bond to the PUC Secretary’s Bureau that lists the Applicant’s registered name as “Inova Energy LLC” with no punctuation. Please see a copy of the revised bond in the confidential attached PDF titled “Financials and Bond CONFIDENTIAL.”

**Response Provided by:** Eric Brunhammer

**Date:** May 28, 2021

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2. Reference Application, Section 7.b, Financial Fitness – Applicant stated that agreements have been made with Pike. Please provide documentation that verifies these agreements.

**Response:** Inova and Pike County Light and Power (“Pike”) representatives have discussed purchasing strategy and procurement at length, and Inova intends to enter into any necessary agreements required by Pike for electric generation suppliers doing business in Pike’s service territory upon the Commission’s granting Inova Energy’s electric generation supplier license. Please see the attached CONFIDENTIAL emails. Discussions with Pike are ongoing. Inova will seek to finalize with Pike any necessary agreements upon Inova’s receipt of its electric generation supplier license.

**Response Provided by:** Eric Brunhammer

**Date:** May 28, 2021

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3. Reference Application, Section 7.b, Financial Fitness – Applicant provided unaudited financial statements. None of the numbers are supported by the documentation provided. Please provide financial documentation that supports the stated amounts.

**Response:** Inova has the following accounts and current balances, as of May 15, 2021:  
**[BEGIN CONFIDENTIAL]**

**[END CONFIDENTIAL]**

**Response Provided by:** Eric Brunhammer

**Date:** May 28, 2021

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4. Reference Application, Section 7.c, Supplier Funding Method:
- A. Explain if the line of credit is secured.
    - i. If so, is it secured with funds that are being utilized in either the Clear Energy Solutions LLC funding or funds elsewhere in this application.
  - B. Provide the full credit agreement for all funding sources dedicated to Inova Energy LLC;
  - C. Explain the discrepancy in the amounts mentioned throughout the financial discussion not being consistent with the statement for the line of credit.
  - D. Please confirm that none of the assets, stated in this application, were utilized as funding for Clear Energy Solutions LLC's financial fitness.

**Response:**

- A. Yes, the line of credit is secured.
  - i. It is secured through a Certificate of Deposit ("CD") in the name of Inova Energy LLC in a PNC bank account. Please see above response to Question 3.
- B. Please see attached CONFIDENTIAL credit agreement.
- C. To be clear, the line of credit now is in the amount of \$250,000. Inova reduced the prior secured line of credit amount from \$300,000 to \$250,000 in the wake of uncertainty in global financial markets due to COVID-19. For business reasons, Inova finds it prudent to secure the line of credit at the FDIC insurance limit of \$250,000 rather exceeding the insurance limit amount. The secured line of credit is and will be secured through a PNC Bank CD in the amount of \$250,000, which shall not be reduced during the tenure of Inova's EGS licensure.
- D. Confirmed. None of the assets referenced in Inova's application for an EGS license were utilized as funding sources to support Clear Energy Solutions LLC's financial fitness.

**Response Provided by:** Eric Brunhammer

**Date:** May 28, 2021



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5. Reference Application, Section 8, Technical Fitness – Applicant stated an Affiliate has licenses in multiple jurisdictions.
- A. Please explain if any of the electric licenses, in other jurisdictions, allow the delivery of power to customers in the same manner (as an EGS supplier) being proposed in this application.
- B. If yes to Part A, how many customers are being provided full generation service within each jurisdiction?

**Response:**

- A. By way of clarification, none of the licenses in other jurisdictions allow for the supply of power; the referenced licenses permit Applicant's affiliate to broker power.
- B. Not applicable.

**Response Provided by:** Eric Brunhammer

**Date:** May 28, 2021

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6. Reference Application, Section 8.a, Technical Fitness – Applicant indicated Cognitive Energy, LLC d/b/a POWWR, LLC (POWWR) will provide Inova’s technical fitness. Provide the following information:
- A. Provide a fully executed agreement between Inova and POWWR;
  - B. Provide the agreement’s start and termination dates;
  - C. Provide the services, with descriptions and details, that will be performed by POWWR and cite specifically where the services are in the agreement;
  - D. Reference Technical Fitness Attachment 1E –
    - a. Provide a description of what each line item means and the work that will be provided for each item.
    - b. If not provided in response to 3.c. above, provide the location in the Inova and POWWR contract that supports POWWR providing each product and service in the list.
  - E. Provide POWWR’s PJM and NYISO agreements and registrations;
  - F. Provide details of POWWR’s other clients and the States where the same services, in the agreement, have been performed;
  - G. Provide a detailed description of the process, from start to finish, when a new customer is signed up with Inova as a supplier through the time the customer is switched to Inova Energy LLC;
  - H. Provide information on which company, Inova Energy LLC or POWWR, will be in communication with Pike County Light and Power Company to setup power and provide details on how a customer bill will be created Inova Energy will be responsible for this.

**Response:**

- A. The contract between POWWR and Inova was included in the submitted application at this docket. It may be found beginning on PDF page 139 of 183. A copy of that contract is attached for convenience in the filed called “Inova Contract with POWWR CONFIDENTIAL.”

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- B. The start date of the agreement was August 13, 2020. The reference may be found on the first page of the contract (page 139 of the Application). The contract is for 12 months, which is denoted on page 3 of the contract (page 143 of 183 of the Application). The term is for one year. As such the contract end date is nominally August 12, 2021. However, the agreement allows for term extensions.
- C. The Scope of Services includes Load Forecasting and Scheduling, including the creation of a daily load forecast, the daily entry of fixed demand bids, and the scheduling of physical bilateral transactions. POWWR will also provide risk management and consulting services. The scope of services may be found on page 6 of the contract (PDF page 146 of 183 of the searchable application); see Exhibit A - Scope of Services.

For more information about POWWR, please see their web site at [POWWR - Energy Software, Made Simple](#). POWWR's objective is to develop accessible, user-friendly software that enables energy brokers and suppliers to acquire new customers and manage risk in order to increase their margins and grow their businesses.

There is also a detailed description of services on pages 111-115 of 183; see Exhibit A. Duties and Services. In the area of electronic forecasting and risk management software, POWWR will provide back-office support for Inova with respect to access tools, invoices, and scheduling resources and provide Inova the ability to run a forecast for a date range of sixty months into the future and twelve months into the past. POWWR will assist Inova in hedging and producing a position report as well as enable Inova to enter customers with a future start date contract. POWWR will assist Inova in determining hedging recommendations based on currently enrolled customers and future customers. POWWR has software that Inova can use to test weather scenarios to assess price impacts on power and on Inova's portfolio.

As to electric risk management services, Inova and POWWR will work together to set parameters for the preparation and submission of schedules and the submission of demand bids in the day-ahead market. POWWR will conduct a high-level review of the data for obvious errors and significant changes in comparison to prior days' schedules. POWWR will evaluate the accuracy of forecasts and back-casts compared to actual load data to determine the accuracy of and compliance with Mean Absolute Percentage Error objectives. Please see page 112 in the searchable application.

As to reporting, POWWR will report on schedules, forecasts, and back-casts and will review error reports to determine the cause of any deviations. POWWR will communicate reports and issues on at least a weekly basis to Inova. POWWR will respond to various PJM and NYISO matters pertaining to any participation by Inova

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in Pike utility programs. POWWR will assist with confirmations of contract renewals and billing. Please see page 113 in the searchable application.

As to supply and risk management, POWWR will schedule an initial conference with Inova to explain the process that will be used for supply and risk management services, covering a number of topics, risk objectives and tolerances, risk management policies and procedures, wholesale supply arrangements, business objectives, approvals and hedging provisions, marketing practices, any use of renewable energy credits, and different customer classes. Please see page 113 in the searchable application. POWWR will also provide Inova with various ongoing assistance in the area of supply and risk management through the following activities:

- Preparation and analysis of Inova's hedged position for each market and congestion zone, including the need for additional hedges and rebalancing Inova's portfolio
- Review of weather forecasts, new enrollment activity, supply position, spot purchases and sales, scheduling and price parameters for demand bids and offers, and any scheduling parameters;
- Discussion with Inova of its forward forecast, supply and hedge position, risk compliance limitations, and compliance recommendations.

POWWR will be available to also provide findings from periodic meetings to Inova, and will be available for consultation on hedging and risk management. Specifically, POWWR will analyze Inova's capacity position and recommend purchases in capacity auctions or through bilateral agreements. Please see page 114 in the searchable application.

POWWR can analyze Inova's compliance with PA PUC alternative energy rules and regulations. POWWR will also conduct a seasonal planning session with Inova, focusing in Inova's positions for the summer and winter seasons (due to the potentiality for more extreme weather scenarios). Please see page 115 in the searchable application.

Finally, POWWR will also provide reporting on supply and risk management policies, including credit policies, capacity analyses, alternative energy analyses, seasonal planning recommendations, and FERC Electric Quarterly Reports services (if desired). Please see page 115 in the searchable application.

D.

- a. The Scope of Services includes Load Forecasting and Scheduling, including the creation of a daily load forecast, the daily entry of fixed demand bids, and the scheduling of physical bilateral transactions. POWWR will also provide risk

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management and consulting services. Eric Brunhammer has 12 years of experience in deregulated power markets and will structure Inova's product to enable its offering in Pike County Light and Power's service territory. POWWR is Inova's outside consulting energy firm that will perform Inova's load forecasting and scheduling. Inova has selected to use POWWR instead of hiring an internal scheduler. The scope of POWWR's services provides more detail in Exhibit A on PDF page 111 of 183 of the searchable application. For more information about POWWR, please see their web site at [POWWR - Energy Software, Made Simple](#).

- b. Please see above responses to part (C) and part (D)(a).
- E. Inova describes its membership PJM, ECAR, MAAC, other regional reliability councils in its application on PDF page 109 of 183. As to POWWR's NYISO and PJM registrations, POWWR does not have such memberships to the best of Inova's knowledge. However, by way of further answer, no such membership is necessary for POWWR's "back office" services such as energy forecasting and scheduling services. Rather, the onus rests on the POWWR's clients like Inova to secure the requisite RTO memberships and state licenses. By way of further response, Inova notes that Pike is not within the PJM control area.
- F. POWWR is a reputable organization and energy consulting firm. As set forth on page 108 of the Application, POWWR's clients include ATG Clean Energy, Eligo, Think Energy, and POGO. POWWR provides services in all deregulated states.
- G. Upon Inova's receipt of a contract from a new customer, Inova will notify POWWR. POWWR then integrates that customer's billing and electric account information into its system. On a daily basis, POWWR receives relevant data from the customer, including meters, current usage, Historical Usage, etc. Inova, as the licensed supplier, sends the customer enrollments to the utility.

As a service provider to Inova, POWWR will collect all the enrollment data (account number, meter number, historic usage) to support load forecasting on a short-term and long-term basis. These load forecasts are then used for scheduling through NYISO and any forward hedging. As far as the billing system is concerned, POWWR is not the standard billing provider compared to a company like EC Infosystems or Energy Services Group; however, because Pike does not provide electronic data interchange ("EDI"), POWWR will store all the appropriate data that Inova can use to process information to Pike for billing. Additionally, because Pike is responsible for the Purchase of Receivables ("POR") and will be a single bill provider, Inova does not plan to use integrated billing system for its market launch.



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0.085900	0.129900	5/1/2018	5/1/2018

H. As detailed in pages 108-115 of the Application, Inova will create the customer account and communicate with Pike all relative billing questions and information needed (*e.g.*, tax, energy rate, projected usage, etc.). POWWR will do all of Inova's scheduling, forecasting, and back-office work. POWWR is available to provide guidance and recommendations of best practices. POWWR will provide detailed supply and risk management and reporting to Inova.

**Response Provided by:** Eric Brunhammer

**Date:** May 28, 2021

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7. Reference Application, Section 8.d, Technical Fitness – Applicant stated that all marketing will be proofed by McNees Wallace and Nurick LLC. Please provide a copy of the contract that states this service will be provided and the details of their involvement.

**Response:** Inova understands that, as the licensed supplier, it is responsible for complying with all applicable Commission regulations. By way of clarification, upon the PUC approval of Inova's application, Inova will engage counsel to review any marketing materials to ensure its marketing conforms to PUC requirements. Inova envisions that the contract and scope of services for this work will be determined when the PUC approves Inova's application.

**Response Provided by:** Eric Brunhammer

**Date:** May 28, 2021



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8. Reference Application, Section 13, Signature – Applicant failed to provide a signature. Please provide an updated application page with the appropriate corrections.

**Response:** Please see the attached updated signature page in the file called “Inova Signature Page for Item 13 in EGS Application.”

**Response Provided by:** Eric Brunhammer

**Date:** May 28, 2021

**INOVA ENERGY LLC  
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9. Reference Application, Appendix 1D – Applicant states amounts for Pikes total electricity load profile as well as the capital requirement for said load profile. Please provide details as to how these numbers were obtained.

**Response:** The New York Independent System Operator, Inc. (“NYISO”) sets collateral twice per year (April and October) based on the highest weekly exposure in the prior six-month period. NYISO rules require market participants to post collateral that is three times the highest weekly exposure. For example, if Inova were supplying 2,500 MWh per month, that translates to 625 MWh on a weekly basis. Assuming an average of \$40/MWh and the Accounts Receivable for the week is \$25,000, then, under NYISO’s rules, Inova’s collateral requirement will be \$75,000 for 30,000 yearly megawatt hours and \$175,000 for 75,000 megawatt hours.

**Response Provided by:** Eric Brunhammer

**Date:** May 28, 2021

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10. Reference Application, Appendix 1D, scaling table– Please provide a thorough explanation of the data in the scaling table.

**Response:**

The data in the scaling table is illustrative of Inova’s business model. The data included in the scaling table represents the amount of power in megawatt hours that Inova plans to supply and the amount of money it will cost to “margin” the load in order to serve it. Margining load in the electricity context works similar to a futures margin. With a futures margin, a market participant posts a certain amount of money to assume control of a defined amount of a certain commodity. A similar concept exists with electricity as a commodity.

**[BEGIN CONFIDENTIAL]**

**[END CONFIDENTIAL]**

**Response Provided by:** Eric Brunhammer

**Date:** May 28, 2021

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**VERIFICATION**

I, Eric Brunhammer, hereby state that the facts above set forth are true and correct to the best of my knowledge, information and belief, and that I expect to be able to prove the same at a hearing held in this matter. I understand that the statements herein are made subject to the penalties of 18 Pa. C.S. § 4904 (relating to unsworn falsification to authorities).



---

Eric Brunhammer  
President  
Inova Energy LLC

**13. SIGNATURE**

Applicant: Inova Energy LLC  
 By: [Signature]  
 Title: President

**14. CHECKLIST**

For the applicant's convenience, please use the following checklist to ensure all relevant sections are complete. The Commission Secretary's Bureau will not accept an application unless each of the following sections are complete.

**Applicant:** \_\_\_\_\_

	<b>Signature</b>	
	<b>Filing Fee (CERTIFIED CHECK OR MONEY ORDER ONLY)</b>	
	<b>Application Affidavit</b>	
	<b>Operations Affidavit</b>	
	<b>Proof of Publication</b>	
	<b>Bond, Letter of Credit, or Parental/Affiliate Guarantee</b>	
	<b>Tax Certification Statement</b>	
	<b>Commonwealth Department of State Verification</b>	
	<b>Certificate of Service</b>	

Applicant's Use

PUC Secretary's Bureau Use