

**PENNSYLVANIA
PUBLIC UTILITY COMMISSION
Harrisburg, PA 17120**

Public Meeting held April 24, 2025

Commissioners Present:

Stephen M. DeFrank, Chairman
Kimberly Barrow, Vice Chair
Kathryn L. Zerfuss
John F. Coleman, Jr.
Ralph V. Yanora

Application of IES Of PA LLC for Approval to
Offer, Render, Furnish, or Supply Electricity or
Electric Generation Services as a Broker/Marketer

Docket Number:
A-2024-3049909

ORDER

BY THE COMMISSION:

On July 25, 2024, the Pennsylvania Public Utility Commission (Commission) accepted, for review, Integrity NRG Services of Pennsylvania LLC's (Integrity NRG Services of Pennsylvania), Utility Code 1127255, Application to provide electric generation supplier (EGS) services as a broker/marketer in all of the electric distribution company service territories throughout the Commonwealth of Pennsylvania.

On September 26, 2024, NRG Energy, Inc.¹ filed a protest to Integrity NRG Services of Pennsylvania's application, claiming that Integrity NRG Services of Pennsylvania's use of NRG's legal name within the Pennsylvania energy markets is misleading and would create confusion since no affiliation exists between itself and the applicant.

On October 9, 2024, the instant proceeding was reassigned to the Commission's Office of Administrative Law Judge (ALJ) for resolution of the protest. On January 10, 2025, NRG Energy, Inc. withdrew its protest after reaching an agreement with the applicant in which Integrity NRG Services of Pennsylvania changed its name within Pennsylvania to IES Of PA LLC (IES Of PA). By Order entered January 22, 2025, the ALJ reassigned the application back to the Commission's Bureau of Technical Utility Services.

The Application was filed pursuant to the Commission's regulations at 52 Pa. Code §§ 54.31-54.43, which became effective on August 8, 1998, and which were established under Section 2809 of the Public Utility Code, 66 Pa. C.S. § 2809. For the reasons expressed in this Order, the Commission approves the Application consistent with this Order.

¹ NRG's licensed retail companies include: Direct Energy Business, LLC (Docket No. A-11025 and A-125072); Direct Energy Business Marketing, LLC (Docket No. A-2013-2368464 and A-2013-2365792); Direct Energy Services, LLC (Docket No. A-110164 and A-125135); Energy Plus Holdings LLC (Docket No. A-2009-2139745); Gateway Energy Services Corporation (Docket No. A-2009-2137275 and A-2009-2138725); Green Mountain Energy Company (Docket No. A-2009-2139745 and A-2017-2583732); Independence Energy Group LLC d/b/a Cirro Energy (Docket No. A-2011-2262337 and A-2013-2396449); Reliant Energy Northeast LLC d/b/a NRG Home/NERG Business/NERG Retail Solutions (Docket No. A-2010-2192350 and A-2015-2478293); Stream Energy Pennsylvania, LLC (Docket No. A-20102181867 and A-2012-2308991); and XOOM Energy Pennsylvania, LLC (Docket No. A-2012-2283821 and A-2012-2283967).

Legal Standard

Section 2809 provides in pertinent part that:

License Requirement.--No person or corporation, including municipal corporations which choose to provide service outside their municipal limits except to the extent provided prior to the effective date of this chapter, brokers and marketers, aggregators and other entities, shall engage in the business of an electric generation supplier in this Commonwealth unless the person or corporation holds a license issued by the Commission.

66 Pa. C.S. § 2809.

An electric generation supplier is defined as:

A person or corporation, including municipal corporations which choose to provide service outside their municipal limits except to the extent provided prior to the effective date of this chapter, brokers and marketers, aggregators or any other entities, that sells to end-use customers electricity or related services utilizing the jurisdictional transmission or distribution facilities of an electric distribution company, or that purchases, brokers, arranges or markets electricity or related services for sale to end-use customers utilizing the jurisdictional transmission and distribution facilities of an electric distribution company.

66 Pa. C.S. § 2803.

Applicant

IES Of PA was registered as Integrity Energy Services LLC in the State of New Jersey as of March 17, 2011. IES Of PA was registered to do business in the Commonwealth of Pennsylvania on August 22, 2024. It was formerly registered in Pennsylvania, on May 28, 2024, as Integrity NRG Services of Pennsylvania LLC. IES Of PA proposes to act as a broker/marketer of retail electric power to residential, small commercial (25 kW and under demand), large commercial (over 25 kW demand), industrial, and governmental customers. IES Of PA has indicated that it will not be taking title to electric power, nor paying customers' bills in its broker/marketer role.

Regarding the financial and technical requirements of the license Application, IES Of PA has submitted two years of financial statements and three consecutive months of bank statements. IES Of PA has also supplied a business plan, its licenses to operate in the electric and natural gas industries in New Jersey, and résumé data for its chief officers. Additionally, IES Of PA currently has a Natural Gas Supplier license application under review by the Commission, at Docket No. A-2024-3049891. We find that sufficient information has been provided by IES Of PA to demonstrate its financial and technical fitness in order to be licensed as a broker/marketer of retail electric power in the Commonwealth of Pennsylvania.

Financial Security Requirements

IES Of PA did not provide a \$250,000 bond as required; however, it did provide a bond in the amount of \$10,000 and requests that the Commission reduce its security requirement from \$250,000 to \$10,000. In support of this request, IES Of PA explains that it will not be collecting any gross receipts from its customers, paying customer bills, or taking title to electricity. Its services include analyzing client electricity loads and negotiating the purchase of electricity for its clients.

The Commission finds that the reasoning on which IES Of PA bases its request for a bond reduction from \$250,000 to \$10,000 is similar to that offered by the other EGSs that have successfully petitioned the Commission for a bonding level of \$10,000. Two of the EGSs are Co-eXprise, Inc. (Co-eX), at Docket No. A-110166, whose request was granted January 20, 2006, and Premier Solutions (Premier), at Docket No. A-110170, whose request was granted July 26, 2006. In the case of Co-eX, the company explained that, as a consultant, it will provide its customers with an evaluation and selection process from which to select the best positioned licensed electricity supplier/generator and award business. In the case of Premier, the company explained that it requested an EGS license to become EDI certified with the utilities, in order to be able to efficiently and effectively obtain electricity usage information for the customers to whom it provides consulting services. Premier

intended to utilize the information to help its customers reduce their overall spending for electricity. Premier also stated that it will not take title to power.

The Commission finds that IES Of PA operates in a similar manner and therefore should be granted similar relief and be permitted to provide a bond or other approved security in the reduced amount of \$10,000. However, IES Of PA's bonding level is contingent upon the company's business model as described in this Order. If IES Of PA takes title to generation supply for its customers, and/or charges customers directly for that generation supply, a \$10,000 level of bonding may not be appropriate. Therefore, we will direct IES Of PA to notify the Commission 45 days prior to a change in its business model, whereby IES Of PA takes title to generation supply and/or bills its customers directly for that generation supply. This will provide the Commission with an opportunity to review and adjust IES Of PA's approved bonding level prior to IES Of PA implementing those changes.

It should be noted that the licensee must comply with the Commission's regulations at 52 Pa. Code § 54.40(a) stating that an EGS license will not be issued or remain in force until the licensee furnishes a bond or other security approved by the Commission. In addition, 52 Pa. Code §54.40(d) states that the maintenance of an EGS license is contingent on the licensee providing proof to the Commission that a bond or other approved security in the amount directed by the Commission has been obtained.

Furthermore, each EGS must file an original bond, letter of credit, continuation certificate, amendment, or other approved financial instrument with Matthew L. Homsher, Secretary, Pennsylvania Public Utility Commission, 400 North Street, Harrisburg, PA, 17120, at least 30-days prior to the EGS's current financial security expiration date. Each financial instrument must be an original document that displays a "wet" signature or digital signature, preferably in blue ink, and displays a "raised seal" or original notary stamp. The

name of the principal on the original financial instrument must match exactly with the name that appears on the EGS's license issued by the Commission.

We take this opportunity to remind the licensee that failure to file an approved financial instrument at least 30-days before the current financial security's expiration date may cause Commission staff to initiate a formal proceeding that may lead to the following: cancellation of each company's electric supplier license, removal of each company's information from the Commission's website, and notification to all electric distribution companies, in which each company is licensed to do business, of the cancellation of the license.

Disposition

IES Of PA has provided proofs of publication in the Pennsylvania newspapers and proofs of service to the interested parties as required by the Commission. As of April 15, 2025, no protests have been filed.

We find that the applicant:

1. Is fit, willing and able to properly perform the service proposed in conformance with applicable provisions of the Public Utility Code and lawful Commission orders and regulations.
2. Has agreed to lawfully abide by all Commission regulations, procedures, and orders, including Emergency Orders, which may be issued verbally or in writing during any emergency situation that may unexpectedly develop from time to time in the course of doing business in Pennsylvania.

3. That the proposed service, to the extent authorized by the license, will be consistent with the public interest and the policy declared in the Electricity Generation Customer Choice and Competition Act.

Upon full consideration of all matters of record, we find that approval of this Application is necessary and proper for the service, accommodation, and convenience of the public.

Regulatory Requirements

As an electric generation supplier, IES Of PA is required to comply with all applicable provisions of the Public Utility Code, Commission regulations and Commission Orders. *See* 66 Pa. C.S. § 2809(e). We will not address or list all such provisions in this Order, but will, however, highlight a few of them in this section.

Since IES Of PA will be serving residential customers, it is important to note that a licensee must comply with, and be governed by, applicable Chapter 56 residential service regulations as set forth in the Commission Order *Guidelines for Maintaining Customer Service at the Same Level of Quality Pursuant to 66 Pa. C.S. § 2807(d), and Assuring Conformance with 52 Pa. Code Chapter 56 Pursuant to 66 Pa. C.S. § 2809(e) and (f)*, at Docket No. M-00960890 F0011, Order entered July 11, 1997. Thus, we deem it appropriate to reiterate certain items with respect to Chapter 56 of our regulations. Chapter 56 (52 Pa Code Chapter 56) is applicable to residential accounts. An EGS cannot physically disconnect a residential customer from the electricity grid; therefore, the rules relating to residential service termination are not applicable to EGSs. An EGS may seek to terminate its generation service through an appropriate written notice to the customer and the distribution company. The residential customer can then attempt to repair its relationship with the supplier, seek a new supplier, or return to utility service at default service rates in accordance with the utility's obligations under Section 2807(e), 66 Pa. C.S. § 2807(e). The customer would only be disconnected from the electricity grid pursuant to

appropriate regulations if the customer failed to meet its obligations to the utility or the EGS that has been designated by the Commission as the provider of last resort.

Additionally, we specifically note that the licensee must comply with, and ensure that its employees, agents, representatives, and independent contractors comply with, the standards of conduct and disclosure for licensees set out in Commission regulations at 52 Pa. Code § 54.43 that were enacted to protect consumers of this Commonwealth. These standards include, *inter alia*, the provision of timely and accurate information about the services offered by the licensee, the practice of nondiscrimination in service in regard to race, color, religion, national origin, marital status, etc., the safeguarding of a consumer's personal information, and compliance with applicable state and federal consumer protection laws. We further note that the licensee and its agents must comply with the Commission's sales and marketing regulations at 52 Pa. Code § 111.1, et seq. applicable to residential customers. Among other things, these regulations require the licensee and its agents to provide accurate information about products and services being offered and prohibit a licensee and its agents from engaging in misleading or deceptive conduct and from making false or misleading representations.

Also, we take this opportunity to remind the licensee of its agreement to abide by, and to ensure that its employees, representatives, agents, and independent contractors abide by all applicable federal and state laws, and Commission regulations, procedures and orders, including Emergency Orders, which may be issued verbally or in writing during any emergency situation that may unexpectedly develop from time to time in the course of doing business in Pennsylvania.

Furthermore, should IES Of PA employ any independent consultants to arrange for the sale of its energy products to end-users, it must inform such independent consultants that they will be required to be licensed as an EGS if they arrange for the sale of energy products to end-users from another supplier or suppliers in addition to IES Of PA.

Finally, in order to assist in compliance with the regulatory requirements, we bring to your attention the Commission's Office of Competitive Market Oversight (OCMO) that serves to informally assist suppliers in participating in the retail market. OCMO is responsible for responding to questions from stakeholders, such as EGSs, regarding the competitive retail market. Additional responsibilities include monitoring issues hindering the development of a competitive retail market and facilitating informal dispute resolution between default service providers and suppliers. We advise you to contact OCMO and provide an email address to be included in their distribution list that is used to alert suppliers and utilities of important matters impacting the competitive retail market. OCMO can be reached at ra-OCMO@pa.gov.

Required Reports and Fees

As an electric generation supplier, IES Of PA is required to provide various reports and remit fees to the Commission on a periodic basis. We will not address or list all such reports or fees in this Order, but will, however, highlight a few of them in this section.

Electric generation suppliers are required to file with the Commission quarterly reports due by the 30th day after the end of each calendar quarter. In addition, EGSs are required to file with the Commission an annual report on or before April 30 each year. These reports identify the EGS's gross Pennsylvania intrastate operating revenues from the prior calendar quarter for quarterly reports and the prior calendar year for the annual reports,² among other information. These quarterly and annual reports are to be filed with Matthew L. Homsher, Secretary, Pennsylvania Public Utility Commission, 400 North Street, Harrisburg, PA, 17120.

² See 52 Pa. Code § 54.39(a) and (b).

Electric generation suppliers are also required to remit to the Commission applicable annual fees authorized by Act 155 of 2014.³ These fees were established by order of the Commission⁴ as a flat annual fee of \$350 to be paid by all licensed suppliers and brokers regardless of reported gross intrastate operating revenues due to the Commission by July 1 of each year. The fees are to be sent to Pennsylvania Public Utility Commission, Bureau of Administrative Services Fiscal Office, 400 North Street, Harrisburg, PA, 17120. Make checks payable to “Commonwealth of Pennsylvania.”

Conclusion

We find that IES Of PA LLC is fit, willing and able to properly perform the functions of an electric generation supplier, has agreed to abide by all Commission regulations, procedures, and orders, and has proposed to provide such a service consistent with the public interest and the policies declared in the Electricity Generation Customer Choice and Competition Act. Upon full consideration of all matters of record, we find that approval of this Application is necessary and proper for the service, accommodation, and convenience of the public; **THEREFORE,**

IT IS ORDERED:

1. That the Application of IES Of PA LLC is hereby approved, consistent with this Order.
2. That IES Of PA LLC’s request for a reduction in the bond level from \$250,000 to \$10,000 is hereby granted.

³ See 66 Pa. C.S. § 2809(g).

⁴ *Final Implementation Order on Implementation of Act 155 of 2014*, at pgs. 3-8, Docket No. M-2014-2448825 (Order entered April 24, 2015) (*Final Implementation Order*).

3. That the security amount of \$10,000 shall remain in effect for IES Of PA LLC as long as IES Of PA LLC does not make a change to its business model in Pennsylvania, whereby it would take title to generation supply and/or bill its customers directly for generation supply.

4. That IES Of PA LLC must file an original bond, letter of credit, continuation certificate, amendment, or other approved financial instrument with Matthew L. Homsher, Secretary, Pennsylvania Public Utility Commission, 400 North Street, Harrisburg, PA, 17120, at least 30 days prior to the EGS's current financial security expiration date.

5. That a license be issued authorizing IES Of PA LLC the right to begin to offer, render, furnish or supply electricity or electric generation services as a broker/marketer to residential, small commercial (25 kW and under demand), large commercial (over 25 kW demand), industrial, and governmental customers in all of the electric distribution company service territories throughout the Commonwealth of Pennsylvania.

6. That IES Of PA LLC shall file a quarterly report with the Pennsylvania Public Utility Commission by the 30th day after the end of each calendar quarter as required by 52 Pa. Code § 54.39(a).

7. That IES Of PA LLC shall file an annual report with the Pennsylvania Public Utility Commission by April 30 of each year as required by 52 Pa. Code § 54.39(b).

8. That IES Of PA LLC shall remit all applicable annual fees to the Pennsylvania Public Utility Commission by July 1 of each year as required by 66 Pa. C.S. § 2809(g).

9. That if IES Of PA LLC proposes to change its business model as described in Ordering Paragraph No. 3, it must notify the Commission at least 45 days prior to the

changes. With the notice, the Company must provide an update to the nature and scope of business information that was required by 52 Pa. Code § 54.40(c) to justify the modification granted in Ordering Paragraph No. 3. This will provide the Commission the opportunity to review IES Of PA LLC's bonding level and adjust as appropriate, prior to IES Of PA LLC implementing the proposed changes to its business model.

10. That if IES Of PA LLC changes its business model without providing to the Commission the notice and information required in Ordering Paragraph No. 9, then the reduced bonding level permitted by Ordering Paragraph No. 2 shall cease effective with the date of the change in the business model. The level of bonding effective at that time shall be \$250,000 or the level required by 52 Pa. Code § 54.40, whichever is greater.

11. That this proceeding at Docket No. A-2024-3049909 be closed.

BY THE COMMISSION,



Matthew L. Homsher
Secretary

(SEAL)

ORDER ADOPTED: April 24, 2025

ORDER ENTERED: April 24, 2025