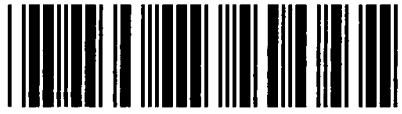




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**PETITION TO REVOKE THE RETAIL
ELECTRIC PROVIDER CERTIFICATE
OF ENTRUST ENERGY, INC.**

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PUBLIC UTILITY COMMISSION
PUBLIC UTILITY COMMISSION

OF TEXAS

**COMMISSION STAFF'S PETITION TO REVOKE THE RETAIL ELECTRIC
PROVIDER CERTIFICATE OF ENTRUST ENERGY, INC.**

The Staff (Commission Staff) of the Public Utility Commission of Texas (Commission) hereby files this Petition to Revoke the Retail Electric Provider (REP) Certificate of Entrust Energy, Inc. In support thereof, Commission Staff would show the following:

I. JURISDICTION

As detailed under PURA¹ §§ 14.051, 17.051, 39.352, and 39.356(a) and 16 Texas Administrative Code (TAC) § 25.107(j), the Commission may revoke a REP certificate for significant violations of PURA, Commission rules, or rules adopted by an independent organization. Further, under 16 TAC § 25.107(f) and (i)(7), the Commission is authorized to proceed against any financial resources that a REP relied on to obtain its REP certification in order to satisfy unpaid obligations to customers or administrative penalties.

II. BACKGROUND

Entrust Energy, Inc. (Entrust Energy) is authorized by the Commission to provide retail electric service under REP certificate number 10197. On Wednesday, March 3, 2021, the Electric Reliability Council of Texas (ERCOT) revoked all rights of Entrust Energy to conduct activity under the ERCOT Protocols due to a payment breach. Under ERCOT Protocols § 15.1.3.1 and Retail Market Guide § 7.11, ERCOT initiated a mass transition of Entrust Energy's customers to other REPs on March 3, 2021. Given these circumstances, Commission Staff believes that Entrust Energy is no longer able to meet its financial obligations to ERCOT.

Accordingly, Commission Staff has initiated the instant petition to: (1) revoke Entrust Energy's REP certificate number 10197; (2) identify claims against the financial resources relied

¹ Public Utility Regulatory Act, Tex. Util. Code Ann. §§ 11.001-66.016 (PURA).

upon by Entrust Energy in obtaining its REP certificate; and (3) proceed against any financial resources that Entrust Energy relied on to obtain its REP certification in accordance with 16 TAC § 25.107(f) and (i)(7).

III. REVOCATION OF ENTRUST ENERGY'S REP CERTIFICATE

The Commission should revoke Entrust Energy's REP certificate number 10197 because Entrust Energy committed significant violations of PURA and Commission rules and no longer has the capability to provide continuous and reliable electric service to its customers. Specifically, PURA § 39.356(a) states:

The Commission may suspend, revoke, or amend a retail electric provider's certificate for significant violations of this title or the rules adopted under this title or of any reliability standard adopted by an independent organization certified by the Commission to ensure the reliability of a power region's electrical network, including the failure to observe any scheduling, operating, planning, reliability, or settlement protocols established by the independent organization. The Commission may also suspend or revoke a retail electric provider's certificate if the provider no longer has the financial or technical capability to provide continuous and reliable electric service.

Further, 16 TAC § 25.107(j) includes a detailed list of "significant violations" that may result in the revocation of a REP certificate. The violations Entrust Energy has committed include, but are not limited to, the following:

- (a) Failure to maintain continuous and reliable electric service to customers pursuant to 16 TAC § 25.107;²
- (b) Bankruptcy, insolvency, or the inability to meet financial obligations on a reasonable and timely basis;³ and
- (c) Failure to timely remit payment for invoiced charges to an independent organization.⁴

² 16 Tex. Admin. Code (TAC) § 25.107(j)(5).

³ 16 TAC § 25.107(j)(7).

⁴ 16 TAC § 25.107(j)(3).

IV. NOTICE

Under 16 TAC §§ 22.54 and 22.55, Commission Staff must provide reasonable notice of a proceeding to persons affected by the proceeding in accordance with the Administrative Procedure Act (APA).⁵ In license revocation proceedings, APA § 2001.054 requires that notice be given “by personal service or by registered or certified mail to the license holder of facts or conduct alleged to warrant the intended action.” In order to proceed on a default basis where a party has a certificate approved by the Commission, 16 TAC § 22.183 requires Commission Staff to provide notice by certified mail, return receipt requested, to a certificate holder's last known address in the Commission's records. If Entrust Energy fails to request a hearing, the presiding officer may issue a default order on an informal basis without a hearing on the merits, pursuant to APA § 2001.056(4) and 16 TAC § 22.183.

In accordance with these provisions, Commission Staff will provide a copy of this petition by certified mail, return receipt requested, to the authorized representatives of Entrust Energy listed in the Commission's records:

Mr. Shoichiro Osawaceo
Managing Director
Entrust Energy, Inc.
1301 McKinney Street, Suite 2950
Houston, Texas 77010

Mr. Randy Gongora
Regulatory Compliance Manager
Entrust Energy, Inc.
1301 McKinney Street, Suite 2950
Houston, Texas 77010

Pursuant to 16 TAC § 22.183, Commission Staff hereby notifies Entrust Energy that the factual allegations in this petition could be deemed admitted and the relief sought herein granted by default if Entrust Energy fails to request a hearing within 30 days of receipt of Commission Staff's Petition.

V. REQUEST FOR RELIEF

Commission Staff requests that the Commission revoke Entrust Energy's REP certificate number 10197 in accordance with PURA § 39.356(a) and 16 TAC § 25.107(j) and, if available,

⁵ Administrative Procedure Act, Tex. Gov't Code Ann. §§ 2001.001-.902 (West 2008 & Supp. 2014) (APA).

that the Commission proceed against any financial resources Entrust Energy relied on to obtain its REP certification pursuant to 16 TAC §§ 25.107(f) and (i)(7).

Dated: March 4, 2021

Respectfully submitted,

**PUBLIC UTILITY COMMISSION OF TEXAS
LEGAL DIVISION**

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CERTIFICATE OF SERVICE

I certify that, unless otherwise ordered by the presiding officer, notice of the filing of this document was provided to all parties of record via electronic mail on March 4, 2021, in accordance with the Order Suspending Rules, issued in Project No. 50664.

/s/Courtney Dean
Courtney N. Dean