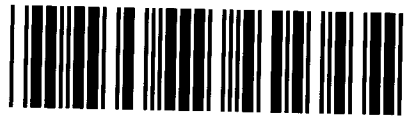




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DOCKET NO. 42789

RECEIVED
14 AUG 27 AM 9:54
PUBLIC UTILITY COMMISSION
FILING CLERK

AGREED NOTICE OF VIOLATION §
AND SETTLEMENT AGREEMENT §
RELATING TO TRIEAGLE ENERGY §
LP DBA POWER HOUSE ENERGY'S §
VIOLATION OF PURA § 39.904 AND §
P.U.C. SUBST. R. 25.173, §
CONCERNING RENEWABLE §
ENERGY CREDITS §

PUBLIC UTILITY COMMISSION
OF TEXAS

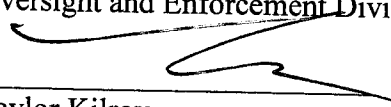
APPLICATION FOR APPROVAL OF SETTLEMENT AGREEMENT

Staff of the Public Utility Commission of Texas (Commission) files this Application for Approval of Settlement Agreement and would show in support as follows:

Commission Staff and TriEagle Energy, L.P. dba Power House Energy (TriEagle) (together, Parties) have entered into a Settlement Agreement and Report to Commission (Agreement). The Agreement, attached to this motion, has been signed by representatives of both parties and includes a Proposed Order. This Agreement resolves and concludes Commission Staff's investigation of TriEagle for violation of PURA § 39.904 and P.U.C. SUBST. R. 25.173, concerning its purchase and retirement of renewable energy credits related to the 2013 compliance period.

WHEREFORE, Commission Staff respectfully requests that its Application for Approval of Settlement Agreement be granted.


Respectfully Submitted,
Robert M. Long
Division Director
Oversight and Enforcement Division



Taylor Kilroy
Attorney, Oversight and Enforcement Division
State Bar No. 24087844
(512) 936-7127
(512) 936-7208 (facsimile)
Public Utility Commission of Texas
1701 N. Congress Avenue
P.O. Box 13326
Austin, Texas 78711-3326
taylor.kilroy@puc.texas.gov

CERTIFICATE OF SERVICE

I certify that a copy of this document will be served on all parties of record on this the 27th of August, 2014 in accordance with P.U.C. Procedural Rule 22.74.



Taylor Kilroy

DOCKET NO. _____

AGREED NOTICE OF VIOLATION	§	PUBLIC UTILITY COMMISSION
AND SETTLEMENT AGREEMENT	§	
RELATING TO TRIEAGLE ENERGY	§	OF TEXAS
LP DBA POWER HOUSE ENERGY'S	§	
VIOLATION OF PURA § 39.904 AND	§	
P.U.C. SUBST. R. 25.173,	§	
CONCERNING RENEWABLE	§	
ENERGY CREDITS	§	

SETTLEMENT AGREEMENT AND REPORT TO COMMISSION

Staff of the Public Utility Commission of Texas (Staff) and TriEagle Energy LP dba Power House Energy (TriEagle or Company) (together, Parties) enter into this Settlement Agreement and Report to Commission (Agreement). This Agreement resolves and concludes the investigation of the Company for violation of PURA¹ § 39.904 and P.U.C. SUBST. R. 25.173, concerning its purchase and retirement of renewable energy credits (RECs) related to the 2013 compliance period.

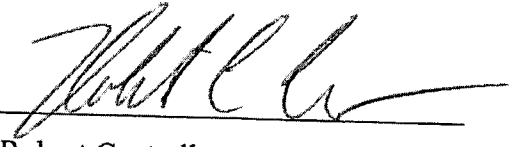
The Parties agree as follows:

1. The Parties stipulate to the facts contained in the attached Proposed Order and request approval of the Order by the Commission.
2. Staff recommended and TriEagle agrees to pay an administrative penalty of Four Thousand Four Hundred Fifty dollars (\$4,450.00) for TriEagle's violations described in the attached Proposed Order.
3. Staff recommended and TriEagle agrees to purchase and retire the eighty nine (89) RECs that it is responsible for during the 2013 compliance period.
4. Unless specifically provided for in this Agreement, TriEagle waives any notice and procedures that might otherwise be authorized or required in this proceeding.
5. Nothing in this Agreement shall limit Staff's ability to perform its enforcement functions as set forth in PURA and the Commission's rules.

¹ Public Utility Regulatory Act, TEX. UTIL CODE §§ 11.001-66.017 (Vernon 2007& Supp. 2013) (PURA).

6. A Party's support of the resolution of this docket in accordance with this Agreement may differ from its position or testimony regarding contested issues of law, policy, or fact in other proceedings before the Commission or other forums. Because this is a settlement agreement, a Party is under no obligation to take the same position as set out in this Agreement in other proceedings not referenced in this Agreement whether those dockets present the same or a different set of circumstances. The Parties' agreement to entry of a final order of the Commission consistent with this Agreement should not be regarded as an agreement as to the appropriateness or correctness of any assumptions, methodology, or legal or regulatory principle that may have been employed in reaching this Agreement.
7. The Parties contemplate that this Agreement will be approved pursuant to P.U.C. PROC. R. 22.246(g)(1)(C). In the event the Commission materially changes the terms of this Agreement, the Parties agree that any Party adversely affected by that material alteration has the right to withdraw from this Agreement, thereby becoming released from its obligations arising hereunder, and to proceed as otherwise permitted by law to exercise all rights available under law. The right to withdraw must be exercised by providing the other Party written notice within 20 calendar days of the date the Commission files the final order acting on this Agreement. Failure to provide such notice within the specified time period shall constitute a waiver of the right to withdraw and acceptance of the material changes to this Agreement made by the Commission.
8. This Agreement is the final and entire agreement between the Parties regarding its terms and supersedes all other communications among the Parties or their representatives regarding its terms.
9. Each person executing this Agreement represents that he or she has been authorized to sign on behalf of the Party represented. Copies of signatures are valid to show execution. If this Agreement is executed in multiple counterparts, each is deemed an original but all of which constitute the same Agreement.
10. The Company warrants that it has read this Agreement carefully, knows the contents thereof, and signs the same as its free act.

EXECUTED by the Parties by their authorized representatives designated below.



Robert Cantrell

President and COO,

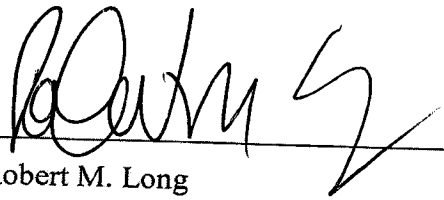
TriEagle Energy

2620 Technology Forest Blvd

Bruker Technology Park

The Woodlands, TX 77381

Date: 8-25-14



Robert M. Long

Director

Oversight and Enforcement Division

Public Utility Commission of Texas

Date: Aug 26 2014

ATTACHMENT

DOCKET NO. _____

AGREED NOTICE OF VIOLATION	§	PUBLIC UTILITY COMMISSION
AND SETTLEMENT AGREEMENT	§	
RELATING TO TRIEAGLE ENERGY	§	OF TEXAS
LP DBA POWER HOUSE ENERGY'S	§	
VIOLATION OF PURA § 39.904 AND	§	
P.U.C. SUBST. R. 25.173,	§	
CONCERNING RENEWABLE	§	
ENERGY CREDITS	§	

PROPOSED ORDER

Pursuant to P.U.C. PROC. R. 22.246(g)(1)(C), this Order approves the Settlement Agreement and Report to Commission (Agreement) between the Staff of the Public Utility Commission of Texas (Staff) and TriEagle Energy, L.P. dba Power House Energy (TriEagle or Company) (together, Parties) regarding Staff's investigation of Company for violation of PURA² § 39.904 and P.U.C. SUBST. R. 25.173, concerning its purchase and retirement of renewable energy credits related to the 2013 compliance period. This docket was processed in accordance with applicable statutes and Commission rules. The Agreement resolves all issues in this docket. The Agreement is unopposed and provides for a reasonable resolution to the issues in this docket.

The Public Utility Commission of Texas (Commission) adopts the following findings of fact and conclusions of law:

I. FINDINGS OF FACT

1. TriEagle holds Certificate No. 10064 and is a retail electric provider and a competitive retailer for purposes of P.U.C. SUBST. R. 25.173.
2. In 2013, pursuant to the calculation described in P.U.C. SUBST. R. 25.173(h), TriEagle was required to retire a specific number of MWh of renewable energy credits (RECs) to satisfy its allocated requirement.
3. The 2013 Annual Report on the Texas Renewable Energy Credit Trading Program filed in Project No. 27706 on May 15, 2014 by the program administrator, the Electric Reliability Council of Texas (ERCOT), showed that TriEagle failed to retire eighty nine (89) RECs it was required to retire for 2013 by the March 31, 2013 deadline, and thus failed to comply with P.U.C. SUBST. R. 25.173(d), (h), and (n).

² Public Utility Regulatory Act, TEX. UTIL. CODE ANN. §§ 11.001-66.017 (Vernon 2013 & Supp. 2013) (PURA).

4. On or about July 27, 2014, TriEagle was provided proper notice of Staff's investigation in this matter, the results of the investigation, information about its right to a hearing, and an opportunity to explain its activities.
5. TriEagle fully cooperated with Staff's investigation.
6. TriEagle participated in one or more settlement discussions with Staff, the purpose of which was to amicably resolve this matter, which was the subject of the investigation and is described herein.
7. TriEagle acknowledges the violation detailed in this Order.
8. Staff recommended and TriEagle agreed to pay an administrative penalty of Four Thousand Four Hundred Fifty dollars (\$4,450) for the violations described herein. The agreed penalty equals \$50 per MWh of REC, as required by P.U.C. Subst. R. 25.173(p).
9. Staff recommended and TriEagle agreed to purchase and retire the requisite number of RECs for the 2013 compliance period.

II. CONCLUSIONS OF LAW

1. The Commission has jurisdiction over this matter pursuant to PURA §§ 14.002, 14.051, 15.023, 15.024, and 39.904.
2. TriEagle was provided proper notice of Staff's investigation in this matter, the results of the investigation, information about its right to a hearing, and an opportunity to explain its activities.
3. PURA § 39.904 establishes a goal for renewable energy, stating that the cumulative installed renewable capacity in Texas shall total 2,280 watts by January 1, 2007, 3,272 watts by January 1, 2009, 4,264 watts by January 1, 2011, 5,256 watts by January 1, 2013, and 5,880 watts by January 1, 2015.
4. To achieve the goal detailed at PURA § 39.904, a renewable energy credit (REC) trading program was established by P.U.C. SUBST. R. 25.173, requiring retail entities to purchase a certain percentage of their load from renewable resources, thereby ensuring that all customers have access to providers of energy generated from renewable resources.
5. P.U.C. SUBST. R. 25.173(d) and (h) require a retail entity to retire the requisite number of RECs for the 2013 compliance period. Each retail entity, including TriEagle, is responsible for purchasing an amount allocated pursuant to P.U.C. SUBST. R. 25.173(h)(2)(A). This amount is calculated by dividing a retail entity's total retail energy sales in Texas by the total retail sales in Texas of all retail entities, and multiplying that percentage by the total statewide REC requirement for all compliance period.
6. P.U.C. SUBST. R. 25.173(n)(2) states that by March 31 of each compliance period, the competitive retailer must submit the allocated number of RECs to the program administrator.
7. TriEagle violated PURA § 39.904 and P.U.C. SUBST. R. 25.173(d), (h) and (n) when it failed to purchase and retire the requisite number of RECs for 2013 by the March 31, 2013 deadline.

8. P.U.C. SUBST. R. 25.173(p) provides that a retail entity that fails to purchase and retire its share of RECs by April 1 of the year following a compliance period is subject to an administrative penalty of \$50 per MWh that it is deficient.
9. P.U.C. PROC. R. 22.246(g)(1)(A), (B), and (C) requires issuance of a report of a settlement to the Commission and a written order that approves the settlement.

III. ORDERING PARAGRAPHS

In accordance with these findings of fact and conclusions of law, the Commission issues the following order:

1. The Agreement is approved.
2. TriEagle shall pay an administrative penalty to the Commission in an amount totaling Four Thousand Four Hundred Fifty dollars (\$4,450) no later than thirty (30) calendar days after the date of this order. Payment shall be made by check payable to the Public Utility Commission of Texas with this docket number referenced and sent to:
Public Utility Commission of Texas
ATTN: Fiscal Services
P.O. Box 13326
Austin, Texas 78711
3. TriEagle shall file an affidavit of payment in this docket no later than five calendar days after the payment is made.
4. TriEagle shall purchase and retire the requisite number of RECs for the 2013 compliance period no later than thirty (30) calendar days after the date of this order.
5. TriEagle shall file an affidavit attesting to the purchase and retirement of the RECs in this docket no later than five calendar days after execution of the purchase and retirement.
6. The Commission shall not be constrained in any manner from requiring additional action or penalties for violations that are not raised here.
7. Entry of this order does not indicate the Commission's endorsement or approval of any principal or methodology that may underlie the Agreement. Neither should the entry of an order consistent with the Agreement be regarded as a binding holding or precedent as to the appropriateness of any principle underlying the Agreement.
8. All other motions, requests for entry of specific findings of fact and conclusions of law, and any other request for general or specific relief, if not expressly granted herein, are denied.

SIGNED AT AUSTIN, TEXAS the ____ day of _____, 2014.

PUBLIC UTILITY COMMISSION OF TEXAS

DONNA L. NELSON, CHAIRMAN

KENNETH W. ANDERSON, JR., COMMISSIONER

BRANDY D. MARTY, COMMISSIONER