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US Department of Energy

OCT 31 2011

Electricity Delivery and  
Energy Reliability

October 31, 2011

**VIA MESSENGER**

United States Department of Energy  
Office of Electricity Delivery and Energy Reliability  
1000 Independence Avenue, SW  
Washington, DC 20585

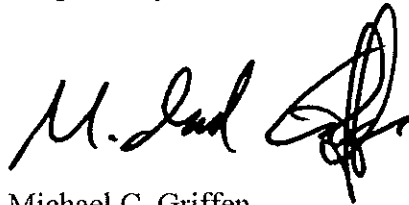
RE: BP Energy Company  
Application for Authorization to Export Energy to Mexico  
Docket No. EA 314-A

Dear Sir or Madam:

Enclosed please find an original and fifteen (15) copies of the application of BP Energy Company for authorization to transmit electric energy to Mexico.

Enclosed please also find a check in the amount of \$500, payable to Treasurer of the United States, in payment of the application fee.

Respectfully submitted,



Michael C. Griffen  
Attorney for BP Energy Company

Enclosures

**UNITED STATES OF AMERICA  
BEFORE THE  
DEPARTMENT OF ENERGY  
OFFICE OF ELECTRIC DELIVERY AND ENERGY RELIABILITY**

BP Energy Company

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Docket No. EA \_\_\_\_\_

**APPLICATION OF BP ENERGY COMPANY  
FOR AUTHORIZATION TO  
TRANSMIT ELECTRIC ENERGY TO MEXICO**

BP Energy Company ("BP Energy" or "Applicant") respectfully requests the United States Department of Energy, Office of Electricity Delivery and Energy Reliability ("DOE"), to grant BP Energy a blanket authorization to transmit electric energy from the United States to Mexico for a term of five (5) years. BP Energy submits this application pursuant to Section 202(e) of the Federal Power Act ("FPA"), 16 U.S.C. 824a(e), and 10 C.F.R. § 205.300, *et seq.*

BP Energy currently is authorized to export electricity to Mexico pursuant to an export authorization issued by DOE on February 22, 2007, in Order No. EA-314 ("Export Order"). BP Energy is authorized to export electricity to Mexico using transmission facilities identified in the Export Order and subject to limits and conditions identified in the Export Order.

BP Energy's current electricity export authorization pursuant to the Export Order will expire pursuant to the terms of the order on February 22, 2012. BP Energy respectfully requests action on this application and issuance of an order granting BP Energy renewed export authority to Mexico not later than February 10, 2012.

**I. DESCRIPTION OF APPLICANT**

BP Energy is a power marketer that is engaged in the business of marketing and trading electric energy and other energy-related products in the United States. BP Energy is authorized

to sell wholesale electric capacity and energy pursuant to a market-based rate wholesale power sales tariff on file with the Federal Energy Regulatory Commission (“FERC”).<sup>1</sup>

BP Energy is a Delaware corporation and a direct, wholly-owned subsidiary of BP America Production Company (“BP America Production”), an indirect, wholly-owned subsidiary of BP America, Inc. (“BP America”). BP America is an indirect, wholly-owned subsidiary of BP p.l.c. (“BP”), a company organized under the laws of England and Wales with its international headquarters in London, UK and its U.S. headquarters in Houston, Texas.

This Application is consistent with the North American Free Trade Agreement and United States energy policy as established in the Energy Policy Act of 1992. Grant of export authorization to BP Energy will foster the development and maintenance of a more efficient and competitive North American energy market. BP Energy requests authority for export transactions through specified border facilities even though specific transactions may not yet have been negotiated. DOE has granted export authority to similarly situated power marketers, and BP Energy agrees to abide by the general conditions set forth in the DOE’s prior orders authorizing power marketers to export power, including BP Energy’s existing export authorization order.<sup>2</sup>

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1. BP Energy Co., Letter Order in Docket No. ER00-3614-000 (October 18, 2000) (order accepting BP Energy’s market-based rate wholesale power sales tariff for filing).

2. See, e.g., BP Energy Co., FE Docket No. EA-314 (February 22, 2007); Coral Power, L.L.C., FE Docket No. EA-212 (Aug. 26, 2002).

## **II. INFORMATION REQUIRED PURSUANT TO 10 C.F.R. § 205.302**

BP Energy provides the following information:

**A. Exact legal name of applicant.**

BP Energy Company.

**B. Exact legal name of all partners.**

None

**C. Name, title, post office address, and telephone number of the person to whom correspondence in regard to the application shall be addressed.**

All service and correspondence concerning this Application should be directed to BP Energy's following representatives:

Casey P. McFaden  
BP America Inc.  
201 Helios Way  
Houston, TX 77079  
T: (713) 323-2552  
casey.mcfaden@bp.com

Michael C. Griffen  
Morgan, Lewis & Bockius LLP  
1111 Pennsylvania Avenue, NW  
Washington, DC 20004  
T: (202) 739-5257  
mgriffen@morganlewis.com

**D. State or territory under the laws of which the applicant is organized or incorporated, or authorized to operate. If the applicant is authorized to operate in more than one state, all pertinent facts shall be included:**

BP Energy Company is organized under the laws of Delaware. It maintains its principal place of business at 201 Helios Way, Houston, TX 77079.

As noted, BP Energy is authorized to sell wholesale electric capacity and energy pursuant to a market-based rate wholesale power sales tariff on file with FERC. Under that authorization, BP Energy is authorized to engage in wholesale energy marketing transactions in every state within the continental United States with the exception of sales within the ERCOT region of Texas. BP Energy is authorized to sell electric capacity, energy, and ancillary services within the ERCOT region of Texas under authorization granted by the Public Utility Commission of Texas

(“PUCT”). BP Energy also is authorized to sell electricity at retail in several states pursuant to licenses and authorizations granted by state regulatory commissions.

BP Energy is affiliated with entities that own or operate electric generating facilities or participate in electricity markets in North America. BP Energy’s affiliates engaged in the sale of electricity are as follows:

<b>Company</b>	<b>Primary Energy-Related Business</b>
BP America Production Company	Petroleum Refining
BP Mexico Energy Company	Power Marketing
BP West Coast Products LLC	Power Generation
Cedar Creek II, LLC	Power Generation
Cedar Creek Wind Energy, LLC	Power Generation
Edom Hills Project 1, LLC	Power Generation
Flat Ridge Wind Energy, LLC	Power Generation
Fowler Ridge II Wind Farm LLC	Power Generation
Fowler Ridge III Wind Farm LLC	Power Generation
Fowler Ridge Wind Farm LLC	Power Generation
Goshen Phase II LLC	Power Generation
Green Power Holdings, LLC	Power Generation
Long Island Solar Farm, LLC	Power Generation
Rolling Thunder I Power Partners, LLC	Power Generation
Sherbino I Wind Farm LLC	Power Generation
Silver Star I Power Partners, LLC	Power Generation
TXC Green Power LLC	Power Generation
Watson Cogeneration Company	Power Generation
Whiting Clean Energy, Inc.	Power Generation

- E. Name and address of any known Federal, State or local government agency which may have any jurisdiction over the action to be taken in this application and a brief description of that authority.**

Pursuant to section 202(e) of the FPA, DOE has jurisdiction over the action to be taken in this Application. No other known federal, state, or local government has jurisdiction over the action to be taken in this Application.

**F. Description of the transmission facilities through which the electric energy will be delivered to the foreign country, including the name of the owners and the location of any remote facilities.**

BP Energy seeks authorization to transmit electric energy to Mexico as a power marketer for a term of five (5) years. Neither BP Energy nor any of its affiliates own or control electric transmission facilities except for those facilities that are necessary to connect generating facilities owned by affiliates to the transmission grid. BP Energy will export electricity to Mexico using the transmission facilities identified in Exhibit C to this application.

**G. Technical discussion of the proposed electricity export's reliability, fuel use and system stability impact on the applicant's present and prospective electric power supply system. Applicant must explain why the proposed electricity export will not impair the sufficiency of electric supply on its system and why the export will not impede or tend to impede the regional coordination of electric utility planning or operation.**

BP Energy does not own or control power generation facilities operating in interstate commerce. BP Energy's affiliates own cogeneration facilities at company refining, chemical, and exploration and production sites and renewable energy-powered generating facilities, the output of which is sold to third-party customers. BP Energy and its affiliates own or control approximately 3,474 MW of generating capacity in the United States. Some of the electricity produced by cogeneration facilities owned by BP Energy's affiliates is used at the industrial sites at which the facilities are located, and the net excess power output is sold to third parties. Pursuant to applications for market-based rate authority and triennial market power updates filed with FERC, BP Energy and its affiliates have established that they do not have market power in markets for generation or transmission services.

BP Energy purchases the power it exports to Mexico in the markets in which it participates, including purchases from electric utilities, power marketers, federal power marketing agencies, and affiliated suppliers that is available pursuant to voluntary agreements. If

BP Energy transacts in a trade for export to Mexico, then such export transaction may be made on a firm or interruptible basis depending upon power supply and transmission export capacity available to Mexico. As such, BP Energy's exports to Mexico do not and will not impair the sufficiency of the electric power supply within the United States. In addition, BP Energy's exports of electric energy to Mexico will not impede or tend to impede the regional coordination of electric utility planning or operations, but will instead conform to system requirements as they may change over time.

BP Energy will make all necessary commercial arrangements and will obtain any and all other regulatory approvals required in order to effect any power exports. All of the electricity exported by BP Energy will be transmitted pursuant to arrangements with utilities or entities that own and/or operate existing transmission facilities and will be consistent with the export limitations and other terms and conditions contained in the existing Presidential Permits and electricity export authorizations associated with those facilities. BP Energy will comply with the terms and conditions contained in the authorizations issued for these cross-border facilities as well as any other export limitations that DOE may deem appropriate, consistent with DOE's orders authorizing exports of electric energy by power marketers.

BP Energy will schedule each transaction with the appropriate control area in compliance with the reliability criteria, standards, and guidelines of the North America Electric Reliability Corporation ("NERC") and its member regional reliability entities. BP Energy will obtain all necessary transmission access over the existing facilities listed in Exhibit C for its exports and will comply with all applicable statutes and implementing rules, regulations, and orders of the DOE and FERC. The controls inherent in any transaction that complies with NERC requirements and DOE export limits on the transmission facilities listed in Exhibit C are

sufficient to ensure that exports by BP Energy will not impede the coordinated use of transmission facilities within the meaning of Section 202(e) of the FPA.

As noted in Order No. EA-102<sup>3</sup>, DOE may use the reliability analyses performed in other export authorization proceedings for the transmission facilities listed in Exhibit C in order to make the findings required for the renewal of export authority to BP Energy. Because the proposed exports will take place over existing international transmission lines, BP Energy submits that the requested authorization does not require the preparation of an environmental impact statement or an environmental assessment pursuant to the National Environmental Policy Act of 1969.

**H. Original application shall be signed and verified under oath by an officer of the applicant having knowledge of the matters set forth therein.**

The executed verification of Casey P. McFaden is attached to this Application.

### **III. EXHIBITS AND ATTACHMENTS**

In accordance with 10 C.F.R. § 205.303, BP Energy provides the following exhibits and attachments:

Exhibit A	Agreements (Not applicable)
Exhibit B	Legal Opinion
Exhibit C	Transmission Facilities (submitted in lieu of maps)
Exhibit D	Non-U.S. Applicant's Power of Attorney (Not applicable)
Exhibit E	Statement of any corporate relationship or existing contract, which in any way relates to the control or fixing of electric power rates (Not applicable)
Exhibit F	Operating Procedures regarding available capacity and energy (Not applicable)

To the extent necessary, BP Energy requests waiver of the requirement to provide Exhibits A, D, E, and F.

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3. Enron Power Marketing, Inc., FE Docket No. EA-102 (Feb. 6, 1996).



Pursuant to the requirement of 10 C.F.R. § 205.309, a copy of the Application is being provided to:

Federal Energy Regulatory Commission  
888 First Street, N.E.  
Washington, DC 20426

State of New York  
Department of Public Service  
3 Empire State Plaza  
Albany, NY 12223

Maine Public Utilities Commission  
242 State Street  
State House Station 18  
Augusta, ME 04333

Michigan Public Service Commission  
6545 Mercantile Way  
P.O. Box 30221  
Lansing, MI 48909

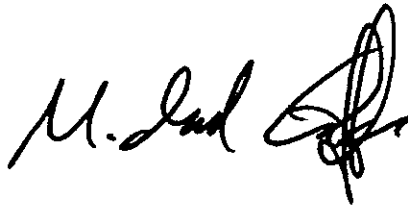
Vermont Department of Public Service  
112 State Street , 4th Floor  
Montpelier, VT 05620-2601

Washington Utilities  
and Transportation Commission  
P.O. Box 47250  
Olympia, WA 98504-7250

## VI. CONCLUSION

In consideration of the foregoing, BP Energy respectfully requests approval of this Application for authorization to export electric energy to Mexico for a term of five (5) years.

Respectfully submitted,



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Michael C. Griffen  
Morgan, Lewis & Bockius LLP  
1111 Pennsylvania Avenue, NW  
Washington, DC 20004

Casey P. McFaden  
BP America Inc.  
201 Helios Way  
Houston, TX 77079

Attorneys for BP Energy Company

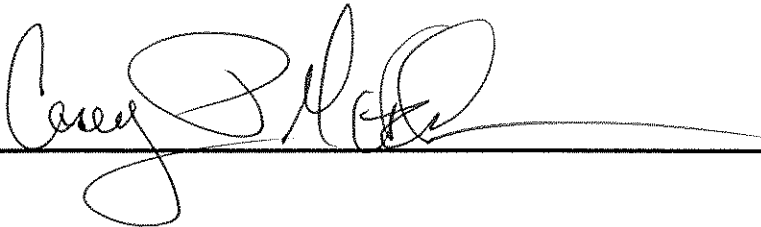
Dated: October 31, 2011

**EXHIBIT B**

**Legal Opinion**

I, Casey P. McFaden, of BP Energy Company (the Corporation), hereby certify on behalf of the Corporation and without personal liability in support of the Application of BP Energy Company for Authorization to Transmit Electric Energy to Mexico (the Application) dated 10/31/2011, that:

- (1) The Corporation is duly incorporated and validly existing under the corporate laws of the state of Delaware;
- (2) The Corporation has the corporate capacity to act in the manner described in the Application; and
- (3) To the best of my knowledge and belief, the Corporation and its officers and directors have complied with all pertinent federal and state laws related to the actions to be undertaken pursuant to the Application.

A handwritten signature in black ink, appearing to read "Casey P. McFaden", is written over a horizontal line.

Date: OCTOBER 31, 2011

**EXHIBIT C****CROSS-BORDER TRANSMISSION FACILITIES**

<b>Owner/Permittee</b>	<b>Pres. Permit</b>	<b>Voltage</b>	<b>Location</b>
Central Power and Light Co.	PP-94	138 kV	Brownsville, TX
	PP-94	69 kV	Brownsville, TX
Comision Federal de Electricidad	PP-50	138 kV	Eagle Pass, TX
	PP-57	138 kV	Laredo, TX
	N/A	138 kV	Falcon Dam, TX
El Paso Electric Co.	PP-92	115 kV	Diablo, NM
	PP-48	115 kV	Ascarate, TX
San Diego Gas & Electric Co.	PP-68	230 kV	Miguel, CA
	PP-79	230 kV	Imperial Valley, CA
Sharyland Utilities, Inc.	PP-285	138 kV	McAllen, TX

UNITED STATES OF AMERICA  
BEFORE THE  
DEPARTMENT OF ENERGY  
OFFICE OF ELECTRIC DELIVERY AND ENERGY RELIABILITY

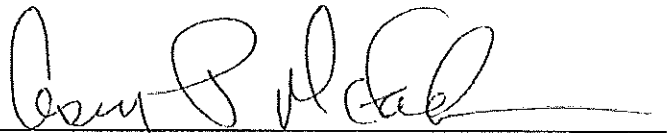
BP Energy Company

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Docket No. EA \_\_\_\_\_

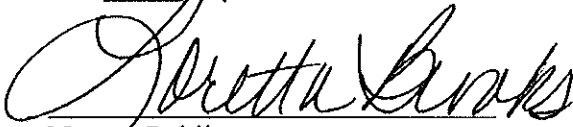
VERIFICATION

The undersigned, being duly sworn, states that he is the authorized representative of BP Energy Company; that he has read the foregoing application of BP Energy Company for authorization to transmit electric energy to Mexico; and that all of the statements contained therein are true and correct to the best of his knowledge, information, and belief.



Casey P. McFaden

Subscribed and sworn to before me  
this 31 day of October, 2011



Notary Public  
for the State of Texas

My Commission expires: April 24, 2013

