U.S. DEPARTMENT OF ENERGY OFFICE OF FOSSIL ENERGY

[Docket No. EA-48-I]

ORDER

AMENDING AUTHORIZATION TO
EXPORT ELECTRIC ENERGY TO MEXICO
AND SUPERSEDING PRIOR AUTHORIZATIONS;
EL PASO ELECTRIC COMPANY

BACKGROUND

On September 5, 1991, the El Paso Electric Company (EPE), applied to the Department of Energy (DOE), pursuant to section 202(e) of the Federal Power Act, to amend EPE's existing authorization to transmit electric energy to Mexico, issued by the Federal Power Commission on October 9, 1970.

The existing electricity export authorization, amended by the DOE on December 13, 1990, allows EPE to export electric energy to Mexico without energy limitations at a maximum transmission rate of 150,000 kilowatts (KW). EPE now requests that the export authorization be amended to increase the maximum transmission rate to 200,000 KW. EPE's request is occasioned by a request from the Comision Federal de Electricidad (CFE), the Mexican national electric utility, to increase the amount of energy that EPE exports to Ciudad Juarez, Mexico, in order to allow more efficient planning and operation of the trans-border electric supply system in the region.

The proposed export would be transmitted over two international transmission lines: the 115-kV Ascarate line upgraded from 69-kV

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by an amendment to Presidential Permit PP-48-3, issued on December 13, 1990, and the new 115-kV Diablo interconnection authorized on this date by Presidential Permit PP-92.

Notice of EPE's application was placed in the <u>Federal Register</u> on October 7, 1991, (56 FR 50570) stating that any person desiring to be heard or to make any protest with reference to the application should file with the DOE a petition to intervene or protest in accordance with the Rules of Practice and Procedure (18 CFR 385.211 or 385.214) on or before November 21, 1991. No comments, protests, or petitions to intervene were received.

The DOE has assessed the potential environmental impacts associated with amending the existing electricity export authorization by increasing the maximum rate of transmission from 150,000 KW to 200,000 KW and has determined that the proposed action would not constitute a major Federal action which could significantly affect the quality of the human environment within the meaning of the National Environmental Policy Act of 1969, 42 C.S.C. 4321, et seq. The DOE has prepared a Finding of No Significant Impact dated April 15, 1992, which documents the rationale supporting this finding.

The DOE also has assessed the impact that the proposed increase from 150,000 KW to 200,000 KW in the maximum rate of export would have on the reliability of the U.S. electric power supply system.

This review showed that whenever EPE exchanges electric energy with Mexico, synchronism between the two systems can only be maintained either by separating CFE's Ciudad Juarez electric system from CFE's national electric grid or by separating EPE's electric system from the rest of the Western Systems Coordinating Counsel (WSCC) system. Such an arrangement causes the importing system to be "seen" as a radial load by the exporting system. Presently, during periods when no energy is scheduled for delivery across the U.S.-Mexican border, line disconnect switches on the EPE system are opened, thus electrically disconnecting the EPE and Ciudad Juarez electrical systems and precluding the possibility of a fault on one system from affecting the other. continuation of this operating procedure will ensure that any "cross-border" loads served by either EPE or CFE will be connected only radially to the supplying system and would not result in any impairment of reliability of the U.S. power supply system. As a result of this review the DOE has determined that the export of electric energy to Mexico as requested by EPE would not impair the sufficiency of electric supply within the United States and would not impede or tend to impede the coordination in the public interest of facilities subject to the jurisdiction of the DOE. A staff analysis in support of this finding has been made a part of Docket No. EA-48-I.

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FINDING

The Deputy Assistant Secretary for Fuels Programs finds that the proposed transmission of electric energy from the United States to Mexico, as limited herein and as hereinafter authorized, will not have any significant environmental impacts, will not impair the sufficiency of electric supply within the United States, and will not impede or tend to impede the coordination in the public interest of facilities subject to the jurisdiction of the Department of Energy.

IT IS HEREBY ORDERED THAT:

- A) The export authorization issued to EPE in Docket No.

 PP-48A-3 is hereby amended to increase the maximum allowable rate of transmission to 200,000 KW.
- (B) The electric energy which EPE hereby is authorized to transmit from the United States to Mexico shall be transmitted over any facilities for which El Paso Electric holds a Presidential permit issued pursuant to Executive Order 10485, as amended by Executive Order 12038.
- (C) El Paso Electric is authorized to export electric energy to Mexico only when that portion of the Ciudad Juarez electrical system served by EPE is electrically separated and isolated from the CFE national interconnected electrical system. EPE is herein limited to supplying only those loads

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on the Ciudad Juarez electric system when they are connected to the EPE system in a radial mode.

- (D) El Paso Electric shall reduce or terminate exports to CFE, including emergency sales, during any system operating conditions on the El Paso system which would create a potential reliability problem.
- (E) The authorization herein granted may be modified from time to time or terminated by further order of the DOE.
- (F) EPE shall conduct all operations pursuant to the authorization hereby granted in accordance with the provisions of the Federal Power Act and pertinent rules, regulations or orders adopted or issued by the DOE.
- (G) This authorization shall be without prejudice to the authority of any State or State regulatory commission for the exercise of any lawful authority vested in such State or State regulatory commission.
- (H) EPE shall make and preserve full and complete records with respect to the electrical energy exported to Mexico. EPE shall furnish a report to the DOE annually, on or before February 15, showing the gross amount of electricity

delivered, the consideration received during each month of the calendar year, and the maximum hourly rate of transmission.

Issued in Washington, D.C., April /6, 1992.

Charles F. Vacek

Deputy Assistant Secretary

for Fuels Programs Office of Fossil Energy