

EL PASO ELECTRIC COMPANY

ORDER No. EA-48-L

I. BACKGROUND

Exports of electric energy from the United States to a foreign country are regulated and require authorization under section 202(e) of the Federal Power Act (FPA) (16 U.S.C. §824a(e)).

On June 9, 1997, El Paso Electric Company (EPE) filed a letter application with the Office of Fossil Energy (FE) of the Department of Energy (DOE) requesting that EPE's electricity export authorization be amended to increase the allowable level of exports to Mexico from 200 megawatts (MW) to 210 MW through August 1997. EPE's request was occasioned by a recent request from the Comision Federal de Electricidad (CFE), the national electric utility of Mexico, for additional purchases of capacity to accommodate hourly fluctuations in the CFE load requirements during the summer. The increased exports would be delivered to CFE over EPE's two existing 115-kV international transmission lines previously authorized by Presidential Permits PP-48 and PP-92.

The EPE and CFE normally are operated asynchronously. During periods when EPE is either exporting electric energy to, or importing from CFE, synchronism between the two systems can only be maintained when either a portion of CFE's Ciudad Juarez system is not connected to CFE's national interconnected electrical system or El Paso's system is not interconnected with the rest of the Western System Coordinating Council (WSCC) system. When CFE receives electric energy from EPE, it must isolate a portion of its system from the remainder of the CFE system and rely on EPE to supply the full electrical requirements of that isolated portion. When supplying electrical service to that isolated portion of the CFE system, EPE must be able to accommodate the hourly fluctuation in load. EPE has estimated that these hourly fluctuations could require EPE to supply up to 210 MW of electric power to the isolated portion of the CFE system. Since EPE's existing export authorization (EA-48-I) limits exports to CFE to 200 MW, EPE has requested a 10-MW increase in the authorized level of exports for the summer months.

DOE is issuing this Order concurrent with the public notice in the Federal Register. DOE's intent in so doing is to accommodate an immediate need for power in Mexico that can only be satisfied by this accelerated process.

II. DISCUSSION and ANALYSIS

On October 29, 1996, the Secretary of Energy signed Delegation Order No. 0204-163, which delegated and assigned to the Federal Energy Regulatory Commission (FERC) authority to carry out such functions vested in the Secretary to regulate access to, and the rates, terms and conditions for, transmission services over EPE's international transmission facilities. This authority was delegated to FERC for the sole purpose of carrying out the Department's policy of comparable open-access, non-discriminatory transmission service over international transmission lines and, thus, authorized FERC to take any further actions that may be necessary to effectuate open access transmission over the United States portion of EPE's international lines. Notice and a copy of the Delegation Order were published in the Federal Register on November 1, 1996, at 61 FR 56525.

The Delegation Order did not preclude the Secretary from exercising or further delegating any of the authority therein delegated. Accordingly, the instant application by EPE is being processed by DOE. In addition, because of the immediate nature of the CFE request, the limited notice provided to EPE of the added energy requirement, and the technical inability of CFE to obtain the required relief from other domestic or U.S. sources, DOE is expediting its normal process to provide CFE maximum relief.

DOE calls EPE's attention to the repetitive nature of summer emergency and short term requests to export at increased power levels to Mexico. Because of these historic trends in the operation of the EPE/CFE interconnection, DOE encourages EPE to prepare, prior to the 1998 peak load season, studies to support an application to permanently increase the authorized rate of transmission to CFE above the current 200 MW limit to handle future emergency needs of CFE during the summer months.

III. FINDING and DECISION

The circumstances described in the letter application in FE Docket EA-48-L to amend Order EA-48-I by temporarily increasing the authorized rate of transmission to 210 MW for the summer months of 1997 are similar to other temporary emergency authorizations issued EPE in the past. DOE has determined that the electric reliability review prepared on March 19, 1992, in FE Docket FE-48-I, and its review of EPE's June 9, 1997 Study of System Impacts that modeled the proposed increase in transmission to CFE, fulfills the statutory requirements of the FPA. Specifically, this review determined that operating these facilities in compliance with the system criteria of EPE and WSCC, combined with the EPE/CFE interconnection agreement that permits EPE to reduce or terminate exports to CFE (even emergency sales) during any system operating conditions on the EPE system which would create a potential reliability problem, would not adversely impact on the reliability of the U.S. electric power supply system.

Similarly, DOE finds that it has adequately satisfied its responsibility under the National Environmental Policy Act of 1969 through adoption of the Finding of No Significant Impact dated April 15, 1992, and contained in FE Docket EA-48-I.

IV. ORDER

Based on the above discussion and findings, paragraph (A) of Order EA-48-I is amended by adding the following sentence:

From the date of this Order until August 31, 1997, EPE is authorized to export electric energy to Mexico at a maximum allowable rate of transmission of 210 MW.

Issued in Washington, D.C., on June 13, 1997.

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