

JUL 23 2012

Electricity Delivery and Energy Reliability UNITED STATES OF AMERICA
BEFORE THE
DEPARTMENT OF ENERGY
OFFICE OF ELECTRICITY DELIVERY AND ENERGY RELIABILITY

TexMex Energy, LLC

)

Docket No. EA-294-A *B*

**APPLICATION OF TEXMEX ENERGY, LLC
FOR RENEWAL OF AUTHORIZATION TO
TRANSMIT ELECTRIC ENERGY TO MEXICO**

This Application for Renewal of Authorization to Transmit Electric Energy to Mexico is filed by TexMex Energy, LLC (TexMex) pursuant to Section 202(e) of the Federal Power Act, 16 U.S.C. § 824a(e), and Part 205, Subpart W of the Department of Energy's (Department) regulations, 10 C.F.R. §§ 205.300 through 205.309 (2012). TexMex respectfully requests that this application be granted for the reasons set forth below.

I. BACKGROUND

On August 25, 2004, the Department issued Order No. EA-294 and authorized TexMex to transmit electric energy from the United States to Mexico as a power marketer. On February 22, 2007, the Department issued Order No. EA-294-A and renewed TexMex's authorization to transmit electric energy from the United States to Mexico. That authorization expired on February 22, 2012. TexMex did not apply to renew the authorization at that time and has not engaged in any export activities since the authorization expired. Since then, however, TexMex has decided to apply to renew its export authorization and is filing the instant application for that purpose. TexMex specifically requests authorization to export electric energy from the United States to Mexico for a period of five (5) years, or for such other period as the Department deems appropriate, effective from the date of the order granting this application.

II. DESCRIPTION OF APPLICANT

The exact name of the applicant is TexMex Energy, LLC. TexMex is a limited liability company organized and existing under the laws of the State of Delaware with its principal place of business located at c/o Protama, S.A. de C.V., Tonalá 44, Col. Roma, 06700 Mexico, D.F., Mexico. TexMex is a wholly-owned subsidiary of Protama, S.A. de C.V. (Protama), a Mexican corporation that specializes in the development of energy projects.

TexMex was formed by Protama for the exclusive purpose of purchasing power at wholesale within the United States for export to Mexico. Neither TexMex nor any of its affiliates owns, controls, or operates any electric generation, electric distribution or transmission facilities, or natural gas distribution or transmission facilities, construction/engineering firms that could engage in the construction of generation or transmission facilities, or generation sites in the United States. Moreover, neither TexMex nor any of its affiliates has a franchise or service territory for the sale, distribution, or transmission of electricity or natural gas in the United States.

II. INFORMATION PROVIDED PURSUANT TO 10 C.F.R. § 205.302 (2012)

- (a) The exact legal name of the applicant is TexMex Energy, LLC.
- (b) TexMex does not have any partners to this application.
- (c) All service and correspondence concerning this application should be directed to the following:

Guillermo González G.
c/o Protama S.A. de C.V., Tonalá 44
Col. Roma
06700 Mexico D.F.
Mexico
Phone: 52 (55) 5511-5375
Fax: 52 (55) 5208-7465
Email: ggg001@me.com

Douglas F. John
Matthew T. Rick
JOHN & HENGERER
1730 Rhode Island Avenue, N.W.
Suite 600
Washington, D.C. 20036-3116
Phone: (202) 429-8800
Fax: (202) 429-8805
Email: djohn@jhenergy.com

(d) As noted, TexMex is organized under the laws of the State of Delaware. TexMex is authorized to operate in the State of Texas. TexMex is not herein requesting authority to export power from any state other than Texas, although it may seek to do so in the future, in which case TexMex would register to do business in such other state(s) and seek the appropriate authorizations from the Department and the Federal Energy Regulatory Commission.

(e) Pursuant to Section 202(e) of the Federal Power Act, 16 U.S.C. § 824a, the Department is the sole agency with jurisdiction over the proposed export of energy to Mexico. No other known Federal, State, or local government has jurisdiction over the export transactions proposed herein. TexMex will make all other necessary arrangements to export power to Mexico, including (i) scheduling each transaction with the appropriate balancing area in compliance with all reliability criteria, standards, and guidelines of the North American Electric Reliability Council (NERC), and (ii) obtaining all necessary transmission access over the existing facilities listed in Exhibit C.

(f) The cross-border transmission facilities through which TexMex seeks authority to deliver electric energy to Mexico pursuant to this application are listed in Exhibit C. TexMex will comply with the terms and conditions contained in the Presidential Permits and export authorizations applicable to these cross-border facilities, as well as any export limitations that the Department has deemed or may deem appropriate for those facilities.

(g) As noted above, TexMex's export authorization expired on February 22, 2012. TexMex herein seeks renewed authorization to transmit electric power to Mexico for a period of five (5) years, or for such other period as the Department deems appropriate, effective from the date of the order granting this application. In previous orders, the Department has endorsed a flexible

approach for evaluating reliability issues associated with proposed export transactions.¹ The Department has relied, for example, on the technical analyses available for existing international transmission facilities when considering applications from power marketers and other similar entities seeking to use those facilities.

TexMex requests that the Department apply this standard to the instant application. TexMex has not exported electric power pursuant to its previous export authorizations. The electric power that TexMex plans to export, on either a firm or interruptible basis, will be surplus energy purchased in wholesale markets within Texas. Specifically, prior to engaging in any export transactions, TexMex anticipates registering as a power marketer with the Public Utility Commission of Texas in order to purchase power at wholesale within the Electric Reliability Council of Texas, Inc. (ERCOT) for export into Mexico.² Any such export transactions will be completed through ERCOT, using ERCOT's transmission scheduling procedures and market structure, and will be coordinated with the Comision Federal de Electricidad (CFE), the national electric utility responsible for generation, transmission, and distribution of electrical power in Mexico. As such, TexMex's export activities will take place within, and be fully consistent with, market and transmission structures that are already in place.

Moreover, as noted above, TexMex does not own, operate, or control any electric power generation, transmission or distribution facilities in the United States, nor is it affiliated with any

¹ *NorAm Energy Services, Inc.*, No. EA-105-CN (Aug. 16, 1996); *MidCon Power Services Corp.*, No. EA-114 (Jul. 15, 1996); *USGen Power Services*, No. EA-112 (Jun. 27, 1996); *CNG Power Services Corp.*, No. EA-110 (Jun. 20, 1996); *Destec Power Services, Inc.*, No. EA-113 (May 31, 1996); *North American Energy Conservation, Inc.*, No. EA-103 (May 30, 1996); *NorAm Energy Services, Inc.*, No. EA-105-MX (May 30, 1996); and *Enron Power Marketing, Inc.*, No. EA-102 (Feb. 6, 1996).

² The Federal Energy Regulatory Commission has determined that an entity need not register as a power marketer under the Federal Power Act if the entity's power marketing activities are conducted solely within ERCOT. See *Destec Power Services, Inc.*, 72 FERC ¶ 61,277 at p. 62,204 (1995).

owner of power generation, transmission, or distribution facilities in the United States. As such, TexMex's export transactions will not adversely impact native load customers or other market participants. Under these circumstances, which are substantially identical to those relied upon by the Department when granting TexMex export authority in Order Nos. EA-294 and EA-294-A, the exports proposed herein will not impair the sufficiency of power in the United States, nor will the transactions impede or tend to impede the coordinated use of transmission facilities.

(h) This application has been verified under oath by an officer of TexMex who has knowledge of the matters set forth herein. The verification is provided in Exhibit G.

III. REQUIRED EXHIBITS PURSUANT TO 10 C.F.R. § 205.303 (2012)

In compliance with 10 C.F.R. § 205.303, the following Exhibits and Attachments are included with this application:

Exhibit A Agreements

Not applicable.

Exhibit B Legal Opinion of Counsel.

Attached hereto.

Exhibit C Identification of the proposed border crossing point(s) or power transfer point(s) by Presidential Permit number.

Attached hereto.

Exhibit D Non-U.S. Applicant's Power of Attorney

Attached hereto.

Exhibit E Statement of any Corporate Relationship or Existing Contract Which in Any Way Relates to the Control or Fixing of Electric Power

Not applicable.

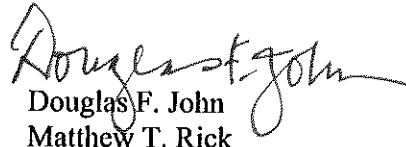
Exhibit F Operating Procedures Regarding Available Capacity and Energy

Not applicable.

IV. CONCLUSION

For the reasons set forth above, TexMex respectfully requests that the Department review and grant expeditiously its application on substantially the same terms and conditions as applied to similarly-situated electric power marketers.

Respectfully submitted,

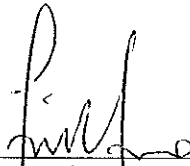
A handwritten signature in black ink, appearing to read "Douglas F. John". The signature is written in a cursive, flowing style.

Douglas F. John
Matthew T. Rick
Counsel for TexMex Energy, LLC

Dated: July 23, 2012

VERIFICATION

Guillermo González being duly sworn, deposes and says that he is an officer of TexMex Energy, LLC, that he has read the foregoing Application of TexMex Energy, LLC for Renewal of Authorization to Transmit Electric Energy to Mexico and is familiar with its contents, and that the statements contained therein are true and correct to the best of his knowledge, information and belief.



Guillermo González
President and Chief Executive Officer
TexMex Energy, LLC

Sworn to and subscribed before me, a Notary Public, in and for the State of
_____ this _____ day of July, 2012.

(NOTARIAL SEAL)

Notary Public

My Commission Expires:

RUIZ~VIVANCO Y ASOCIADOS, S.C.
TRADUCTORES E INTERPRETES

PASEO DE LA REFORMA 265
COL. CUAUHTEMOC
06500 MEXICO, D.F.
traductores@ruizvivanco.com

5525 3557
FAX: 5514 0316
www.ruizvivanco.com
peritostraductores@ruizvivanco.com

VERIFICACION

Guillermo González, habiendo sido debidamente juramentado declara y dice que es funcionario de TexMex Energy, LLC, que ha leído la Solicitud anterior de TexMex Energy, LLC de Renovación de la Autorización para Transmitir Energía Eléctrica a México y está familiarizado con su contenido y que las declaraciones contenidas en el presente son verdaderas y correctas a su leal saber y entender.

(Firmado)

Guillermo González
Presidente y Director Ejecutivo
TexMex Energy, LLC

Juramentado y suscrito ante mí, un Notario Público, en y para el Estado de
este día _____ de julio de 2012.

(SELLO NOTARIAL)

Notario Público

MI Comisión Vence el día:

Araceli Ruiz-Vivanco, Perito Traductor e Intérprete debidamente autorizada por el H. Poder Judicial de la Federación según lista publicada en el Diario Oficial de la Federación del 01 de diciembre de 2011, con número de registro P.161-2002, y por el H. Tribunal Superior de Justicia del Distrito Federal, según lista publicada en el Boletín Judicial del 13 de julio de 2011, por el presente hago constar que la anterior traducción del idioma inglés del documento original denominado "VERIFICATION" que consta de 01 página es, a mi leal saber y entender, fiel y completa.

México, D.F., a 12 de julio de 2012.



ALEJANDRO EUGENIO PEREZ TEUFFER FOURNIER, titular de la notaría número cuarenta y cuatro del Estado de México, con residencia en Huixquilucan, **HAGO CONSTAR:** Que el señor **GUILLERMO JESUS GONZALEZ GUAJARDO**, de quien me aseguré de su identidad conforme a la relación que corre agregada al apéndice con la letra "B", del instrumento que más adelante se relaciona y a quien conceptúo capacitado legalmente para la celebración de este acto, reconoció como suya la firma que aparece en este documento, ratificando su contenido en tres fojas útiles de las cuales las dos primeras van selladas e inicialadas por mí.-----
Todo lo anterior consta en el instrumento marcado con el número treinta y ocho mil setecientos ochenta y dos, de fecha diecisiete de julio del año dos mil doce.-----

Ante mí.-----

Doy Fe.-----

Huixquilucan, Estado de México, a dieciocho de julio del año dos mil doce.

VVS/STP



A large, stylized handwritten signature in black ink. To the right of the signature is a circular notary seal, which is partially obscured by the signature. The seal contains the text "Notario Público" and "Alejandro Eugenio Pérez Teuffer Fournier".

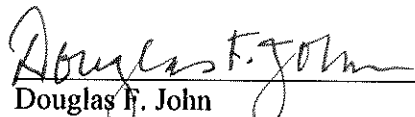
Exhibit B

Legal Opinion of TexMex's Counsel

LEGAL OPINION

The following opinion is given in support of the foregoing application of TexMex Energy, LLC for Renewal of Authorization to Transmit Electric Energy to Mexico.

- (1) I am an attorney at law, authorized to practice law in the State of Texas and the District of Columbia.
- (2) I am counsel to TexMex Energy, LLC, a duly incorporated and validly existing limited liability company, which is in good standing under the laws of the State of Delaware.
- (3) To the best of my knowledge and belief, TexMex Energy, LLC, has full power and authority to buy, sell or act as a marketer/broker in the sale and exportation of electric energy as requested in the application.
- (4) To the best of my knowledge and belief, TexMex Energy, LLC, has complied with Section 202(e) of the Federal Power Act and all such other pertinent Federal and state laws.


Douglas F. John
Counsel for TexMex Energy, LLC

Dated: July 23, 2012.

Exhibit C

Transmission System Information

Exhibit C

Transmission System Information

TexMex requests authorization to export electric energy to Mexico over the following existing international transmission facilities, as identified by Presidential Permit number:

<u>Present Owner</u>	<u>Location</u>	<u>Voltage</u>	<u>Presidential Permit No¹</u>
AEP Texas Central Company	Brownsville, TX	138 kV 69 kV	PP-94
	Laredo, TX	138 kV 230 kV	PP-317
	Eagle Pass, TX	138 kV	PP-50 PP-219
Comision Federal de Electricidad	Falcon Dam, TX	138 kV	None
Sharyland Utilities, L.P.	McAllen, TX	138 kV	PP-285

¹ These Presidential Permit numbers refer to the generic Department permit number and are intended to include any subsequent amendments to the permit authorizing the facility.

Exhibit D

Non-U.S. Applicant's Power of Attorney

IRREVOCABLE LIMITED POWER OF ATTORNEY

This IRREVOCABLE LIMITED POWER OF ATTORNEY is made July 3, 2012, by TexMex Energy, LLC (the "Principal"), a limited liability company organized and existing under the laws of the State of Delaware, with its principal place of business located at c/o Protama, S.A. de C.V. Tonalá 44, Col. Roam, 06700 Mexico D.F., Mexico.

1. Appointment. The Principal does hereby appoint Corporate Holding Services, Inc., 802 West Street, Wilmington, DE 19801, USA as the Principal's true and lawful agent and attorney-in-fact ("Attorney-in-Fact") for the limited purpose hereinafter set out.
2. Scope of Authority. The Attorney-in-Fact shall have the limited power and authority to receive service of process for any and all matters relating to Principal's reporting requirements to the Department of Energy pursuant to Principal's Authority to Transmit Electric Energy to Mexico.
3. Irrevocability. This Power of Attorney is irrevocable by the Principal.

IN WITNESS WHEREOF, the Principal has caused this Power of Attorney to be duly executed on the 3rd day of July, 2012.

TexMex Energy, LLC

By: _____

Name: Guillermo González

Title: President and Chief Executive Officer

This instrument was acknowledged before me this 3rd day of July, 2012, by _____ at _____.

By: _____

Name: _____

RUIZ-VIVANCO Y ASOCIADOS, S.C.
TRADUCTORES E INTERPRETES

PASEO DE LA REFORMA 265
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PODER LIMITADO IRREVOCABLE

Este PODER LIMITADO E IRREVOCABLE es celebrado el día 3 de julio de 2012 por TexMex Energy, LLC (el "Mandante"), una sociedad de responsabilidad limitada constituida y existente conforme a las leyes del Estado de Delaware, con lugar principal de operaciones ubicado en c/o Protama, S.A. de C.V. Tonalá 44, Col. Roma, 06700 México D.F., México.

1. Nombramiento. El Mandante nombra por el presente a Corporate Holding Services, Inc., 802 West Street, Wilmington, DE 19801, EUA como el apoderado fiel y legítimo del Mandante ("Apoderado") para el objeto limitado establecido a continuación.
2. Alcance de la Autoridad. El Apoderado tendrá el poder y facultad limitados para recibir emplazamiento para todos y cualesquiera asuntos relativos a los requisitos de reporte del Mandante al Departamento de Energía conforme a la Autoridad del Mandante para Transmitir Energía Eléctrica a México.
3. Irrevocabilidad. Este poder es irrevocable por el Mandante.

EN TESTIMONIO DE LO CUAL, el Mandante ha hecho que este Poder sea debidamente celebrado el día 3 de julio de 2012.

TexMex Energy, LLC

Por: _____ (Firmado)

Nombre: Guillermo González
Cargo: Presidente y Director Ejecutivo



Este Instrumento fue reconocido ante mí este día 3 de julio de 2012 por
en _____.

Por: _____

Nombre: _____

Araceli Ruiz-Vivanco, Perito Traductor e Intérprete debidamente autorizada por el H. Poder Judicial de la Federación según lista publicada en el Diario Oficial de la Federación del 01 de diciembre de 2011, con número de registro P.161-2002, y por el H. Tribunal Superior de Justicia del Distrito Federal, según lista publicada en el Boletín Judicial del 13 de julio de 2011, por el presente hago constar que la anterior traducción del idioma Inglés del documento original denominado "IRREVOCABLE LIMITED POWER OF ATTORNEY" que consta de 02 páginas es, a mi leal saber y entender, fiel y completa.

México, D.F. a 12 de julio de 2012.



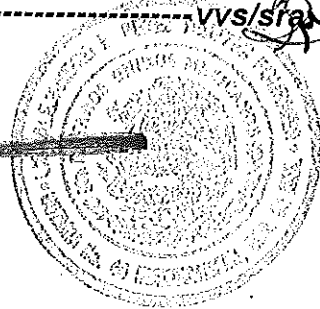
ALEJANDRO EUGENIO PEREZ TEUFFER FOURNIER, titular de la notaría número cuarenta y cuatro del Estado de México, con residencia en Huixquilucan, HAGO CONSTAR: Que el señor GUILLERMO JESUS GONZALEZ GUAJARDO, de quien me aseguré de su identidad conforme a la relación que corre agregada al apéndice con la letra "B", del instrumento que más adelante se relaciona y a quien conceptúo capacitado legalmente para la celebración de este acto, reconoció como suya la firma que aparece en este documento, ratificando su contenido en cuatro fojas útiles de las cuales las tres primeras van selladas e inicialadas por mí. -----
Todo lo anterior consta en el instrumento marcado con el número treinta y ocho mil setecientos ochenta y dos, de fecha diecisiete de julio del año dos mil doce. -----

Ante mí. -----

Doy Fe. -----

Huixquilucan, Estado de México, a dieciocho de julio del año dos mil doce.

vvs/sra



US Department of Energy

JUL 23 2012

ORIGINAL

Electricity Delivery and
Energy Reliability

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July 23, 2012

United States Department of Energy
Mr. Christopher Lawrence
Office of Electricity Delivery and Energy Reliability
OE-20, Room 8G-024
1000 Independence Avenue, SW
Washington, DC 20585-0350

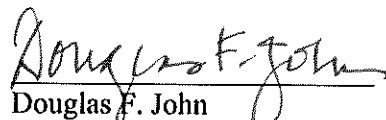
**Re: *Application of TexMex Energy, LLC for Renewal of Authorization to Transmit
Electric Energy to Mexico, Docket No. EA-294-A***

Dear Mr. Lawrence:

Enclosed please find an original and two copies of an Application of TexMex Energy, LLC for Renewal of Authorization to Transmit Electric Energy to Mexico and a check in the amount of \$500.00 as required by 10 C.F.R. § 205.309 (2012). Contemporaneously herewith, a copy of the application is being served upon the Federal Energy Regulatory Commission. **Two additional copies of the application are being provided to be date-stamped and returned with our courier.**

Thank you for your attention to this matter. Please contact the undersigned at 202-429-8801 if you have any questions or concerns.

Respectfully submitted,



Douglas F. John
Attorney for TexMex Energy, LLC