

JUL - 3 2019

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

Electricity Delivery and
Energy Reliability

Emera Energy U.S. Subsidiary No. 2, Inc.

Docket No. EA-312- B

**APPLICATION OF EMERA ENERGY U.S. SUBSIDIARY NO. 2, INC.
FOR AUTHORIZATION TO TRANSMIT ELECTRIC ENERGY TO CANADA**

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.*, Emera Energy U.S. Subsidiary No. 2, Inc. ("EE US No. 2") hereby files with the Department of Energy ("DOE" or the "Department") an original and two (2) copies of the instant application ("Application") for blanket authority to transmit electric energy from the United States to Canada. On November 18, 2014, the Office of Electricity Delivery and Energy Reliability issued Order No. EA-312-A, authorizing EE US No. 2 to export electric energy to Canada as a power marketer for a term of five years. EE US No. 2 respectfully requests renewal of its authorization to transmit electricity from the United States to Canada for a term of five years.

I. DESCRIPTION OF THE APPLICANT

The exact legal name of the applicant is Emera Energy U.S. Subsidiary No. 2, Inc. EE US No. 2 is a Delaware Corporation formed under Delaware law with its principal place of business at Suite 101, #37 Route 236, Kittery, Maine 03904. EE US No. 2 is a wholly-owned subsidiary of Emera Incorporated ("Emera"), a Nova Scotia corporation that is a diversified energy and services company. EE US No. 2 is involved in the trading and marketing of natural gas and electricity in the United States. EE US No. 2 has received market-based rate authority from the

Federal Energy Regulatory Commission ("FERC" or "Commission").¹ In applications for Export Authorizations for other Emera entities filed with DOE on February 22, 2018, Emera had stated that it would not be seeking renewal of this authority for EE US No. 2 since it would be terminating the entity.² However, EE US No. 2 has not been terminated and continues to engage in energy trading. Therefore, Emera seeks renewal of its export authorization for EE US No. 2.

Emera owns other energy concerns. Emera Energy Services, Inc. ("EES") is a Delaware corporation, and has received market-based rate authority from FERC.³ EES is a licensed Competitive Electric Provider in Maine, but has not offered to serve or served any retail load under that license. EES has DOE authorization to transmit electric energy from the United States to Canada.⁴ Emera Energy U.S. Subsidiary No. 1, Inc. ("EE US No. 1") is a Delaware corporation. EE US No. 1 has received market-based rate authority from FERC.⁵ EE US No. 1 is a wholly-owned subsidiary of Emera that has DOE authorization to transmit electric energy from the United States to Canada.⁶ Emera Energy Services Subsidiary Nos. 1 through 15 are each limited liability companies created under the laws of Delaware. Emera Energy Services Subsidiary Nos. 1 through 15 are wholly-owned subsidiaries of Emera that engage or anticipate engaging in energy transactions in the eastern United States and have each received market-

¹ *Emera Energy U.S. Subsidiary No. 2, Inc.*, Letter Order, Docket Nos. ER06-796-000, *et al.* (June 20, 2006).

² See, for example, Application of Emera Energy Services, Inc. for Authorization to Transmit Electric Energy to Canada, Docket No. EA-257-E, p. 2, fn. 6.

³ *Emera Energy Services, Inc.*, Letter Order, Docket No. ER02-723-000 (Mar. 1, 2002).

⁴ Order No. EA-257-E.

⁵ *Emera Energy U.S. Subsidiary No. 1, Inc.*, Letter Order, Docket No. ER04-359-000 (Feb. 24, 2004).

⁶ Order No. A-287-C.

based rate authority from the Commission.⁷ Emera Energy Services Subsidiary Nos. 1-15 are authorized to export electric energy from the United States to Canada.⁸

Emera Maine, a Maine corporation headquartered in Bangor, Maine, is a wholly owned subsidiary of Emera⁹. Emera Maine is the consolidated corporation following the merger of Bangor Hydro Electric Company (“Bangor Hydro”) and Maine Public Service Company (“Maine Public”) on January 1, 2014. Emera Maine is primarily engaged in the transmission and distribution of electric energy and related services in eastern and coastal Maine and in northern Maine. The Northern Division of Emera Maine (originally Maine Public’s facilities) comprises approximately 390 miles of transmission lines and includes the United States portion of four transmission lines that run from Aroostook County to New Brunswick, Canada. The Southern Division of Emera Maine (originally Bangor Hydro’s facilities) comprises approximately 827 miles of transmission lines and includes the United States portion of the Northeastern Reliability Interconnect, a 345-kV transmission line, which runs from the Bangor area to New Brunswick, Canada.¹⁰

⁷ *Emera Energy Servs. Subsidiary No. 1, LLC*, Letter Order, Docket Nos. ER07-553-000, *et al.* (Mar. 21, 2007) (accepting market based rate tariffs of EES Nos. 1 to 5); *Emera Energy Servs. Subsidiary No. 6 LLC*, Letter Order, Docket Nos. ER12- 2492-000, *et al.* (Dec. 19, 2012) (accepting market-based rate tariffs of EES Nos. 6 to 10). *Emera Energy Servs. Subsidiary No. 11 LLC*, Letter Order, Docket Nos. ER-16-2455-01, *et al.* (Oct. 26, 2016) (accepting market-based rate tariffs of EE Nos. 11-15).

⁸ Orders EA-321-B, EA-322-B, EA-323-B, EA-324-B, and- EA-325-B, effective on October 1, 2018; Orders EA-391-A, EA-392-A and EA-393-A, effective on May 16, 2019; and Orders EA-444, EA-445, EA-446, EA-447, EA-448, EA-449, and EA-450, effective on June 22, 2018.

⁹ On March 25, 2019, Emera announced that it entered into a definitive agreement to sell its interest in Emera Maine to ENMAX Corporation. The transaction is subject to certain conditions and regulatory approvals and is expected to close in late 2019.

¹⁰ On December 30, 2013, Maine Public and Bangor Hydro submitted joint applications for the reissuance of four Presidential Permits to Emera Maine: PP-12, PP-29-1, PP-81, and PP-89-1. On March 31, 2016, Emera Maine filed an application to rescind Export Authorization E-6751, which had originally been issued to Maine Public, and to have the authorization issued to Emera Maine.

Emera Maine holds an interest in Maine Electric Power Company, Inc. (“MEPCO”). MEPCO owns and operates a 345 kV interconnection between New Brunswick, Canada and Wiscasset, Maine, along with related facilities. MEPCO transmits power under its Open Access Transmission Tariff approved by FERC. Central Maine Power Company (“CMP”), which is not affiliated with any Emera entity, holds the majority interest in MEPCO of 78.3%, with Emera Maine holding the remaining interest.

Chester SVC Partnership owns a static VAR compensator facility in Chester, Maine, which provides transmission system reinforcement allowing the Hydro-Quebec Phase II transmission line in New Hampshire and the MEPCO line to operate at full capability simultaneously. Bangor Var Company, Inc., a wholly-owned subsidiary of Emera Maine, is a general partner holding a 50% interest in Chester. CMP holds the other 50% interest.

Emera Energy Limited Partnership (“EELP”) is a limited partnership formed under the laws of Nova Scotia. Emera is the limited partner of EELP, and Emera Energy General Partner Inc. (“EEGP”) is the general partner of EELP. EEGP is incorporated under the laws of Nova Scotia, and is a wholly-owned subsidiary of Emera. EELP provides energy management services to Canadian clients and customers, as well as conducting proprietary natural gas and electricity trading and marketing in the Canadian marketplace. Nova Scotia Power Inc. is a wholly-owned subsidiary of Emera that provides service to customers located in Nova Scotia, Canada. Emera has a 12.92% ownership in the Maritimes and Northeast Pipeline, a natural gas pipeline that originates in Goldboro, Nova Scotia, and terminates at a point of interconnection with the United States pipeline grid at Dracut, Massachusetts. Emera owns a subsidiary, Emera

Utility Services Incorporated, which provides transformer refurbishment, cable work, and electrical construction (“EUS”)¹¹.

Emera has a wholly-owned subsidiary, Emera Brunswick Pipeline Company Ltd., which owns the Brunswick Pipeline, a 145 kilometer pipeline that connects the Canaport LNG (liquefied natural gas) terminal in Saint John, New Brunswick, Canada to the United States portion of the Maritimes and Northeast Pipeline near St. Stephen, New Brunswick, Canada.

Emera owns Emera (Caribbean) Inc. (formerly Light & Power Holdings Ltd.), which in turn owns 100% of the Barbados Light & Power Company Limited (“BLPC”), a 20% indirect interest in St. Lucia Electricity Services Limited (“Lucelec”) and a 51.9% interest in Dominica Electricity Services Limited (“Domlec”). BLPC is the sole electricity provider on the island of Barbados and has been granted a franchise to produce, transmit and distribute electricity on the island until 2028. Lucelec is an electric utility with exclusive license to generate, transmit and distribute electricity on the island of St. Lucia until 2045. Domlec is the sole electricity provider in the Commonwealth of Dominica and has been granted a non-exclusive generation license and an exclusive license to transmit, distribute and supply electricity within Dominica. Grand Bahama Power Company Limited (“GBPC”) is a wholly-owned subsidiary of Emera. GBPC is the sole licensed and regulated utility operator on Grand Bahama Island with an exclusive franchise to produce, transmit and distribute electricity on Grand Bahama Island until 2054. Emera also owns an 3.3 % interest in OpenHydro Group Limited, an Irish technology business that designs and manufactures marine turbines to generate renewable energy from tidal streams.

Emera owns a 50% indirect interest in Bear Swamp Power Company LLC, a Delaware limited liability company that owns and operates the 625 MW Bear Swamp Pumped Storage

¹¹ On May 23, 2019, Emera announced that it is transitioning out of the utility construction service business. EUS is expected to continue to operate until the autumn of 2019.

Hydroelectric Facility located on the Deerfield River in northern Massachusetts and the nearby 10 MW Fife Brook run-of-river hydroelectric facility. Bear Swamp holds authorization to sell power at market-based rates from FERC.¹²

Tampa Electric Co. is a public utility operating within the Florida. Tampa Electric is engaged in the generation, purchase, transmission, distribution and wholesale and retail sale of electric energy. The retail territory served comprises an area of approximately 2,000 square miles in west central Florida, with approximately 750,000 customers. In addition, Tampa Electric engages in wholesale sales to utilities and other resellers of electricity, and has received market-based rate authority.¹³ Tampa Electric has three electric generating stations, along with several solar generating facilities for a total of 5,700 MW (nameplate) of generating capacity. Open access to Tampa Electric's transmission system in west central Florida is provided pursuant to the company's Open Access Transmission Tariff, which is on file with the Commission.¹⁴ Peoples Gas is a local natural gas distribution company engaged in providing natural gas to approximately 365,000 customers in Florida, and operating about 12,500 miles of natural gas distribution mains and 160 miles of transmission lines in the state. New Mexico Gas Company is a local distribution company engaged in providing natural gas to approximately 513,000 customers in New Mexico and operating about 12,000 miles of natural gas pipelines in the state.

EE US No. 2 does not own or control any electric power generation or transmission facilities and does not have a franchised electric power service area. EE US No. 2 operates as a

¹² *Bear Swamp Power Co., LLC*, 110 FERC ¶ 61,208 at P 23 (2005).

¹³ *Tampa Elec. Co.*, Docket No. ER99-2342-000, Letter Order, May 27, 1999.

¹⁴ *Tampa Elec. Co.*, Docket No. ER10-1508-000, Letter Order dated Aug. 12, 2010.

marketing company involved in, among other things, the purchase and sale of electricity in the United States as a power marketer.

II. COMMUNICATIONS.

Communications regarding this Application should be addressed to the following persons:

EE US No. 2

Will Szubielski
Vice President, Legal & Regulatory
Emera Energy
5151 Terminal Road
Halifax, Nova Scotia B3J 1A1
William.szubielski@emeraenergy.com

Suchman Law LLC

Bonnie A. Suchman
Suchman Law LLC
8104 Paisley Place
Potomac, Maryland 20854
bonnie@suchmanlawllc.com

A. Michael Burnell
President
Emera Energy U.S. Subsidiary No. 2, Inc.
Suite 101, #37 Route 236,
Kittery, Maine 03904

III. JURISDICTION.

Under Section 202(e) of the FPA, 16 U.S.C. § 824a(e), and DOE's regulations, 10 C.F.R. § 205.300 *et seq.*, any person seeking to transmit electric energy from the United States to a foreign country must first secure an order from DOE authorizing the export. No other known federal, state or local government has jurisdiction over the actions to be taken under the authority set out in this application.

IV. TECHNICAL DISCUSSION OF PROPOSAL.

EE US No. 2 seeks renewal of its authority to transmit electric energy to Canada. EE US No. 2 intends to export power over existing transmission interconnections between the United

States and Canada. Exhibit C to this Application provides the location and description of the transmission facilities through which the electric energy may be delivered into Canada, and includes the name of the facility owners as well as the Presidential Permit numbers.

EE US No. 2 will purchase surplus electric energy from electric utilities and other suppliers within the United States and will export this energy to Canada over the international electric transmission facilities. The present owners of the transmission facilities are listed in Exhibit C. Because this electric energy will be purchased from others voluntarily, it will be surplus to the needs of the selling entities. EE US No. 2's export of power will not impair the sufficiency of electric power supply in the U.S.

EE US No. 2 will make all necessary commercial arrangements and will obtain any and all other regulatory approvals required in order to effect any power exports. This will include: (1) scheduling each transaction with the appropriate control area in compliance with all reliability criteria, standards, and guidelines of the North American Electric Reliability Corporation ("NERC") and applicable Regional Entities in effect at the time of export; (2) obtaining all necessary transmission access over the existing facilities listed in Exhibit C; and (3) providing evidence of the agreements with transmission owners to DOE.

Consistent with past DOE precedent, EE US No. 2 requests that DOE use the reliability analyses performed in the most recent export authorization proceedings that rely upon the border transmission facilities referenced in Exhibit C. EE US No. 2 agrees to abide by the export limits of these transmission facilities. The controls that are inherent in any transaction that complies with all NERC requirements and the export limits imposed by DOE on the referenced transmission facilities are sufficient to ensure that exports by EE US No. 2 will not impede or

tend to impede the coordinated use of transmission facilities within the meaning of Section 202(e) of the FPA.

V. PROCEDURES

EE US No. 2 is willing to accept all conditions imposed by the Department of Energy on its authorization to export power. In particular, if required by DOE, exports made by EE US No. 2 will not exceed the export limits for the transmission facilities utilized by EE US No. 2, or otherwise cause a violation of the terms and conditions set forth in the export authorization. When scheduling the delivery of power, EE US No. 2 will comply with the applicable NERC reliability criteria, standards, and guidelines. EE US No. 2 will provide DOE with all required reports indicating the gross amount of electricity delivered to Canada, consideration received during each month, and the maximum hourly rate of transmission, as well as any additional annual reports required.

VI. SERVICE AND FEE.

In accordance with the requirements of 10 C.F.R. § 205.309, copies of this application will be provided to the following:

Ms. Kimberly D. Bose
Secretary
Federal Energy Regulatory Commission
888 First Street, N.W.
Washington, D.C. 20426

A check in the amount of \$500.00 made payable to the Treasurer of the United States is enclosed in payment of the fee specified in 10 C.F.R. § 205.309.

VII. VERIFICATION.

Verification executed by Applicant's authorized representative, A. Michael Burnell, in accordance with 10 C.F.R. § 205.302(h) is enclosed with this Application.

VIII. EXHIBITS.

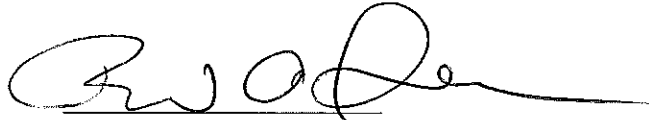
In accordance with the requirements of 10 C.F.R. § 205.303, the following exhibits are attached hereto:

- Exhibit A Transmission Agreements
- Exhibit B Opinion of Counsel
- Exhibit C International Transmission Facilities (Submitted in lieu of Maps)
- Exhibit D Power of Attorney
- Exhibit E Statement of Any Corporate Relationship or Existing Contract
- Exhibit F Operating Procedures

IX. CONCLUSION.

WHEREFORE, EE US No. 2 respectfully requests that this Application for Authorization to Transmit Electric Energy to Canada be considered and approved.

Respectfully Submitted,

A handwritten signature in black ink, appearing to read 'Bonnie A. Suchman', with a long horizontal flourish extending to the right.

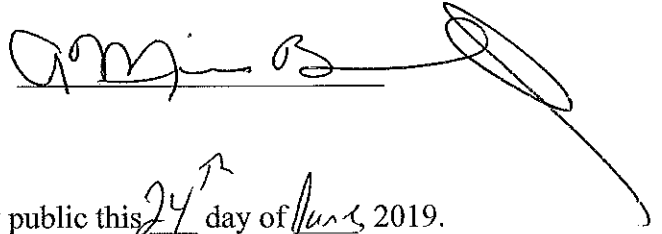
Bonnie A. Suchman, Esq.
Suchman Law LLC
8104 Paisley Place
Potomac, Maryland 20854
bonnie@suchmanlawllc.com

*Attorney for
Emera Energy U.S. Subsidiary No. 2, Inc.*

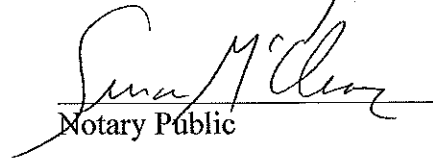
Dated: July 3, 2019

VERIFICATION

I, A. Michael Burnell, President of Emera Energy U.S. Subsidiary No. 2, Inc., having knowledge of the matters set forth in the above Application for Authorization to Transmit Energy to Canada, hereby verify that the contents thereof are true and correct to the best of my knowledge and belief.



SUBSCRIBED AND SWORN before me, a notary public this 24th day of June, 2019.


Notary Public

My Commission Expires: Jan. 13, 2021

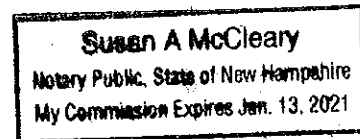


EXHIBIT A -- TRANSMISSION AGREEMENTS

Currently, EE US No. 2 has no transmission reservations or transmission agreements within the United States.

EXHIBIT B

Statement of Opinion of Counsel

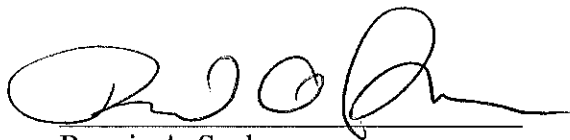
This opinion is rendered in connection with the Application of Emera Energy U.S. Subsidiary No. 2, Inc. ("EE US No. 2") for Authorization to Transmit Electric Energy to Canada, dated July 3, 2019, and pursuant to 10 C.F.R. Section 205.303(b).

Based on my understanding and review of EE US No. 2, my knowledge of the corporate powers of EE US No. 2, and my examination of such documents, records and matters of laws as I have considered to be relevant, it is my opinion that:

1. The proposed exports of electrical power described in the Application are within the corporate powers of EE US No. 2; and
2. EE US No. 2 has complied and will comply with all pertinent Federal and State laws.

I am opining herein only as to federal laws of the United States and laws of relevant States within the United States, and I express no opinion as to the laws of any other jurisdiction. I am not assuming any obligation to review or update this opinion should the law or existing facts or circumstances change. This opinion is provided by me as counsel for EE US No. 2 solely to you for your exclusive use and is not to be made available to or relied upon by any other person or entity without my prior written consent.

Respectfully Submitted,



Bonnie A. Suchman

Dated: July 3, 2019

EXHIBIT C

International Transmission Facilities At the U.S.-Canada Authorized for Use by Third-Party Transmitters

<u>Present Owner</u>	<u>Location</u>	<u>Voltage</u>	<u>Presidential Permit No</u>
Bangor Hydro Electric Company	Baileyville, ME	345-kV	PP-89
Basin Electric Power Cooperative	Tioga, ND	230-kV	PP-64
Bonneville Power Administration	Blaine, WA	2-500-kV	PP-10
	Nelway, WA	230kV	PP-36
	Nelway, WA	230-kV	PP-46
Eastern Maine Electric Cooperative	Calais, ME	69-kV	PP-32
International Transmission Company	Detroit, MI	230-kV	PP-230
	Marysville, MI	230-kV	PP-230
	St. Claire, MI	230-kV	PP-230
	St. Claire, MI	345-kV	PP-230
Joint Owners of the Highgate Project	Highgate, VT	120-kV	PP-82
Long Sault, Inc	Massena, NY	2-115-kV	PP-24
Maine Electric Power Company	Houlton, ME	345-kV	PP-43
Maine Public Service Company	Limestone, ME	69-kV	PP-12
	Fort Fairfield, ME	69-kV	PP-12
	Madawaska, ME	138-kV	PP-29
	Aroostook, ME	2-69-kV	PP-29
Minnesota Power Inc	International Falls, MN	115-kV	PP-78
Minnkota Power Cooperative	Roseau County, MN	230-kV	PP-61
Montana Alberta Tie Ltd.	Cut Bank, MT	230-kV	PP-305
New York Power Authority	Massena, NY	765-kV	PP-56
	Massena, NY	2-230-kV	PP-25
	Niagara Falls, NY	2-345-kV	PP-74
	Devil's Hole, NY	230-kV	PP-30
Niagara Mohawk Power Corp.	Devil's Hole, NY	230-kV	PP-190
Northern States Power Company	Red River, ND	230-kV	PP-45
	Roseau County, MN	500-kV	PP-63
	Rugby, ND	230-kV	PP-231
Sea Breeze Olympic Converter LP	Port Angeles, WA	±450-kV DC	PP-299
Vermont Electric Power Co.	Derby Line, VT	120-kV	PP-66

Vermont Electric Transmission Co.	Norton, VT Imperial Valley, CA	\pm 450-kV DC 230-kV	PP-76 PP-79
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EXHIBIT D – POWER OF ATTORNEY

Not Applicable

EXHIBIT E

Statement of Any Corporate Relationship or Existing Contract

Not Applicable.

EXHIBIT F -- OPERATING PROCEDURES

Not Applicable