

JUL 26 2012

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

Electricity Delivery and  
Energy Reliability

RBC Energy Services LP

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Docket No. EA-328- A

APPLICATION OF RBC ENERGY SERVICES LP  
FOR AUTHORIZATION TO  
TRANSMIT ELECTRIC ENERGY TO CANADA

RBC Energy Services LP ("RBC Energy" or "Applicant") hereby files its application (this "Application") for blanket authority to transmit electric energy from the United States to Canada.<sup>1</sup> On September 26, 2007, the Office of Electricity Delivery and Energy Reliability issued Order No. EA-328 authorizing RBC Energy to export electric energy to Canada as a power marketer for a term of five (5) years. RBC Energy requests the renewal by the Department of Energy of its authorization to transmit electric power from the United States to Canada for a term of five (5) years.

I.

**Legal Names of Applicant and Partners**

The exact legal name of the Applicant is RBC Energy Services LP. RBC Energy's general partner is 2001 RBCP Canadian GP Limited and its sole limited partner is Royal Bank of Canada. 2001 RBCP Canadian GP Limited is a wholly owned, direct subsidiary of RBC Capital Partners Limited. RBC Capital Partners Limited is a wholly owned, direct subsidiary of Royal Bank of Canada.

II.

**Correspondence**

Correspondence concerning this Application should be directed to the following:

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<sup>1</sup> Pursuant to Federal Power Act ("FPA") Section 202(e), 16 U.S.C. § 824a(e) and Part 205, Subpart W of the United States Department of Energy's Regulations, 10 C.F.R §§ 205.300 *et seq.*

Matthew S. Arnold, Senior Counsel  
Royal Bank of Canada  
200 Bay Street  
14<sup>th</sup> Floor, North Tower  
Toronto, Ontario  
Canada M5J 2J5  
Phone: (416) 974-4371  
[matthew.arnold@rbccm.com](mailto:matthew.arnold@rbccm.com)

Elizabeth Jordan, Vice President, Compliance  
RBC Capital Markets  
200 Bay Street  
9<sup>th</sup> Floor, South Tower  
Toronto, Ontario  
Canada M5J 2J2  
Phone: (416) 842-4434  
[liz.jordan@rbccm.com](mailto:liz.jordan@rbccm.com)

### III.

#### Description of Applicant

RBC Energy is a limited partnership organized under the laws of the province of Ontario with its executive offices and principal place of business in Toronto, Ontario, Canada. RBC Energy is also authorized to do business in Ohio.

Royal Bank of Canada is Canada's largest bank as measured by assets and market capitalization, and is one of North America's leading diversified financial services companies. Royal Bank of Canada has over 400 subsidiaries and provides personal and commercial banking, wealth management, insurance, corporate and investment banking, and transaction processing services on a global basis, serving clients through offices in North America and 52 jurisdictions around the world.<sup>2</sup>

RBC Energy was granted authority by the Federal Energy Regulatory Commission ("FERC") to market and sell wholesale power, capacity, ancillary services and related services in various markets in the United States by letter order issued on July 18, 2007. *See* Docket No. ER07-1088-000. As a wholesale power marketer, RBC Energy purchases and sells electric power, and enters into financial derivative contracts for power, natural gas and other energy products for its own account, and on behalf of the accounts of U.S. suppliers and Canadian

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<sup>2</sup> Royal Bank of Canada is a publicly traded financial service company.

purchasers in the wholesale markets in the United States and Canada.<sup>3</sup> All RBC Energy power transactions are and will be at rates negotiated between RBC Energy and its counterparties.

Neither RBC Energy nor any of its affiliates (collectively, the “RBC Companies”) owns, operates or controls any electric power transmission or distribution facilities in the United States. The RBC Companies also do not own, operate or control any electric generation assets. As part of their trading and investment activities in various industry sectors, the RBC Companies periodically take passive or other non-controlling positions in, or are passive lenders to, unaffiliated companies that directly or indirectly own electric generation or transmission, have franchised service territories or provide inputs to generation in the United States. Neither RBC Energy nor any of its affiliates hold any board position in the energy-related companies in which they invest or otherwise engage in the day-to-day operations of such unaffiliated energy-related companies. When RBC Companies make investments with unaffiliated investment managers, the RBC Companies do not direct the investment decisions of such investment managers. Neither RBC Energy nor any of its affiliates holds a franchise or service territory for the transmission, distribution or sale of electric power at this time.

#### **IV.**

##### **Other Government Agencies Having Jurisdiction**

RBC Energy believes that the Department of Energy (“Department”) is the only governmental agency with authority over this Application. FERC has jurisdiction over RBC Energy’s wholesale electric power sales activities in the United States.

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<sup>3</sup> As used herein, the term “marketer” or “power marketer” means an entity that buys and sells electric power for its own account.

## **V.**

### **Description of Transmission Facilities**

RBC Energy seeks authority to export electric power to Canada as a power marketer over existing cross-border facilities as well as any additional future facilities that are appropriate for third-party use. RBC Energy has complied and will continue to comply with the terms and conditions of the applicable Presidential Permits and export authorizations issued for such cross-border facilities, as well as any other conditions the Department may deem appropriate for those facilities.

## **VI.**

### **Technical Discussion of Proposal**

RBC Energy seeks to renew its authority to export electric power to Canada as a power marketer. As noted above, RBC Energy does not own or control any power supply system in the United States. RBC Energy will purchase the power to be exported from electric facilities, federal power marketing agencies, qualifying cogeneration, small power production facilities and exempt wholesale generators, as those terms are defined in the FPA, and other public utilities. Any power purchased by RBC Energy for export will be surplus to the needs of those entities selling power to RBC Energy. Thus, as required by FPA Section 202(e), RBC Energy's exports will not impair the sufficiency of electric supply within the United States, nor will the transmissions impede or tend to impede the coordination in the public interest of U.S. transmission facilities. Furthermore, RBC Energy power exports will not adversely impact the reliability or stability of any supply system utilized for such exports.

In previous orders granting export authorization to electric power marketers, the Department has declined to follow a rigid application of the information filing requirements

contained in its regulations.<sup>4</sup> Instead, the Department has employed a flexible approach, taking into consideration the unique nature of power marketers in terms of the Department's assessment of any reliability analysis. The Department has concluded that the existing technical analyses supporting the present export authorizations *via* international border transmission facilities are sound, and will be applied to power marketers seeking to use these facilities.<sup>5</sup> RBC Energy respectfully requests that the Department continue to apply this standard during its review of the instant application.

## VII.

### Compliance With Conditions and Procedures

Approval of this Application would foster a more efficient and competitive North American Energy market. Thus, this Application is consistent with the North American Free Trade Agreement (1993) and United States energy policy.

RBC Energy proposes to abide by the general conditions consistent with the Department's previous grants of authorization to power marketers as set forth in its previous orders, as described herein. From time to time, RBC Energy will enter into agreements with third parties which involve the export of electric power from the United States to Canada. RBC Energy's exports over the subject transmission facilities will not exceed the export limits for the facilities, or otherwise cause a violation of the terms and conditions set forth in the export authorizations applicable to each. When scheduling delivery of power, RBC Energy will comply with the applicable reliability criteria, standards and guidelines of the North American Electric

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<sup>4</sup> See, e.g., *NorAm Energy Services, inc.*, No. EA-105-CN (DOE August 16, 1996); *MidCon Power Services Corp.*, No. EA-114 (DOE July 15, 1996); *USGen Power Services*, No. EA-112 (DOE June 27, 1996); *CNG Power Services Corp.*, No. EA-110 (DOE June 20, 1996); *Destec Power Services, Inc.*, No. EA-113 (DOE May 31, 1996); *North American Energy Conservation, Inc.*, EA-103 (DOE May 30, 1996); *NorAm Energy Services, Inc.*, No. EA-105-MX (DOE May 30, 1996); and *Enron Power Marketing, Inc.*, No. EA-102 (DOE February 6, 1996) ("Order no. EA-102").

<sup>5</sup> Order No. EA-102 at 4-6.

Reliability Corporation and regional reliability councils. Within thirty days following the end of each calendar quarter, RBC Energy will provide the Department with reports indicating the gross amount of electricity delivered to Canada, consideration received during each month, and the maximum hourly rate of transmission.

## **VIII.**

### **Exhibits and Attachments**

The following Exhibits and Attachments are included with this Application pursuant to 10 C.F.R. § 205.303:

<u>Exhibit A-</u>	Transmission Agreements (Not applicable)
<u>Exhibit B-</u>	Legal Opinion of RBC Energy Services
<u>Exhibit C-</u>	Transmission Facilities
<u>Exhibit D-</u>	Irrevocable Power of Attorney
<u>Exhibit E-</u>	Statement of any Corporate Relationship or Existing Contract which in Any Way Relates to the Control or Fixing of Electric Power (Not applicable)
<u>Exhibit F-</u>	Operating Procedures Regarding Available Capacity and Energy (Not applicable)

## **IX.**

### **Other**

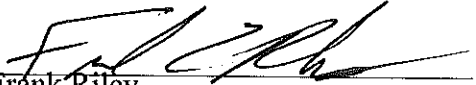
Pursuant to 10 C.F.R. § 205.309, a copy of this Application has been served on the Secretary of FERC.

**X.**

**Conclusion**

For the foregoing reasons, RBC Energy respectfully requests that the Department grant this Application for blanket authority to transmit electric energy to Canada for a term of five (5) years on substantially the same terms and conditions as applied to similarly-situated electric power marketer.

Respectfully submitted,

  
Frank Riley  
Vice President  
2001 RBCP Canadian GP Limited

Dated: July 18, 2012

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

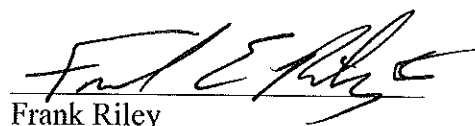
**RBC Energy Services LP**

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**Docket No. EA-\_\_\_\_\_**

**DECLARATION**

I, Frank Riley, Vice President of 2001 RBCP Canadian GP Limited, the general partner of RBC Energy Services LP, declare under penalty of perjury that I am duly authorized to verify the forgoing Application on behalf of RBC Energy Services LP, and that to the best of my knowledge, information, and belief, all of the statements contained in said Application are true and correct.



Frank Riley  
Vice President  
2001 RBCP Canadian GP Limited

Executed on July 18, 2012



**Exhibit A**

**Transmission Agreements**

Not applicable.


**Exhibit B**

**Legal Opinion of RBC Energy Services LP**

## LEGAL OPINION

The following opinion is given in support of RBC Energy Services LP's application for authorization to transmit electric energy to Canada, dated July 18, 2012 (the "Application").

- (1). I am qualified to practice law in the Province of Ontario.
- (2). As Assistant General Counsel to Royal Bank of Canada, which is the sole limited partner in RBC Energy Services LP, an Ontario limited partnership, I provide legal counsel to RBC Energy Services LP, which is in good standing under the laws of the Province of Ontario.
- (3). RBC Energy Services LP has been granted market-based rate authority to buy, sell or act as a marketer in the sale and exportation of electric energy by the Federal Energy Regulatory Commission as granted July 18, 2007 in Docket No. ER07-1088-000.
- (4). To the best of my knowledge and belief, RBC Energy Services LP has complied or will comply with Section 202(e) of the Federal Power Act and all pertinent Federal and state laws relevant to the Application.
- (5). The opinion set forth herein may be relied upon only by the U.S. Department of Energy and may not be relied upon by any other person, firm or corporation. This legal opinion is not to be used, circulated, quoted or otherwise referred to for any other purpose without my prior written approval in each instance. This legal opinion is limited to the matters stated herein and does not extend to and is not to be read as extending by implication to any other matters not referred to herein, and I have no responsibility or obligation to update this legal opinion or take into account changes in law, facts, or any other development of which I may later become aware. This legal opinion is being rendered in my capacity as an employee of Royal Bank of Canada and not in my personal capacity and is being given without personal liability on my part.

  
Tracy Ross  
Assistant General Counsel  
Royal Bank of Canada

Executed on July 18, 2012

**Exhibit C**


**Irrevocable Limited Power of Attorney**


## IRREVOCABLE LIMITED POWER OF ATTORNEY

This irrevocable limited power of attorney is made July 23, 2012, by RBC Energy Services LP (the "Principal"), an Ontario limited partnership with its executive offices and principal place of business at 200 Bay Street, 2<sup>nd</sup> Floor, Toronto, Ontario, Canada M5J 2W7.

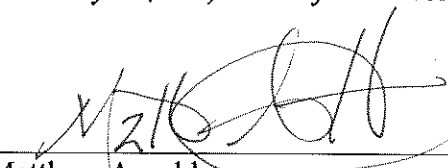
1. Appointment. The Principal hereby appoints Royal Bank of Canada, New York Branch, whose principal place of business is at 3 World Financial Center, 200 Vesey Street, New York, NY 20005-3096, as the Principal's true and lawful agent and attorney-in-fact ("Attorney-in-Fact") for the limited purpose described herein.
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 the Principal's application before the U.S. Department of Energy to transmit electric energy to Canada, filed pursuant to 10 C.F.R. §§ 205.300 *et seq.*
3. Irrevocability. This power of attorney is irrevocable by the Principal, subject only to the Principal's right to re-designate, or substitute the Attorney-in-Fact upon thirty days prior written notice to the U.S. Department of Energy and the Attorney-in-Fact.

IN WITNESS WHEREOF, the Principal has caused this power of attorney to be duly executed on this 23<sup>rd</sup> day of July, 2012.

By:   
Nick Tomovski  
Director  
2001 RBCP Canadian GP Limited, in its  
capacity as general partner of RBC Energy  
Services LP

By:   
Blair Rodgers  
Chief Financial Officer  
2001 RBCP Canadian GP Limited, in its  
capacity as general partner of RBC Energy  
Services LP

This instrument was acknowledged before me on the 23<sup>rd</sup> day of <sup>July</sup> ~~June~~, 2012 by Nick Tomovski and Blair Rodgers in Toronto, Ontario.

  
Matthew Arnold  
Senior Counsel

## **Exhibit D**

### **Transmission System Information**

RBC Energy Services LP seeks authority to export electric power using existing and future Department of Energy-approved cross-border transmission facilities that are appropriate for third-party use.

**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.