



**Electricity Delivery and
Energy Reliability**

US Department of Energy

January 10, 2012

VIA FEDERAL EXPRESS

**Electricity Delivery and
Energy Reliability**

Mr. Christopher Lawrence
Office of Electricity Delivery and Energy Reliability
OE-20, Room 8G-024
1000 Independence Avenue, S.W.
Washington, DC 20585

**Re: Pilot Power Group, Inc., Application For Authorization To Export Electric Energy
To Mexico; Docket No. EA 393.**

Dear Sir or Madam:

Enclosed please find an original and sixteen (16) copies of the application of Pilot Power Group, Inc. for authorization to transmit electric energy to Mexico.

Also enclosed please find a check in the amount of \$500.00, payable to the Treasurer of the United States, in payment of the application fee.

Please date stamp and return, in the enclosed addressed and postage prepaid envelope, the additional copy of the application. If you have any questions, please feel free to call.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Thomas R. Darton", is written over a horizontal line.

Thomas R. Darton
Vice President/Secretary/General Counsel
Pilot Power Group, Inc.

Enclosures

JAN 12 2012

Electricity Delivery and
Energy Reliability

UNITED STATES OF AMERICA

BEFORE THE

DEPARTMENT OF ENERGY

OFFICE OF ELECTRIC DELIVERY AND ENERGY RELIABILITY

Pilot Power Group, Inc.

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Docket No. EA 383

APPLICATION OF PILOT POWER GROUP, INC.
FOR AUTHORIZATION TO
TRANSMIT ELECTRIC ENERGY TO MEXICO

Pilot Power Group, Inc. ("Pilot Power" or "Applicant") respectfully requests the United States Department of Energy, Office of Electricity Delivery and Energy Reliability ("DOE"), to grant Pilot Power a blanket authorization to transmit electric energy from the United States to Mexico for a term of five (5) years. Pilot Power submits this application pursuant to Section 202(e) of the Federal Power Act ("FPA"), 16 U.S.C. Section 824a(e), and 10 C.F.R. Section 205.300, et seq.

This Application is consistent with the North American Free Trade Agreement and United States energy policy as established in the Energy Policy Act of 1992. Grant of export authorization to Pilot Power will foster the development and maintenance of a more efficient and competitive North American energy market. Pilot Power requests authority for export transactions through specified border facilities even though specific transactions have not yet been negotiated. The DOE has granted export authority to similarly situated power marketers, and Pilot Power agrees to abide by the general conditions set forth in the DOE's prior orders authorizing power marketers to export power.

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I. INFORMATION REQUIRED PURSUANT TO 10 C.F.R. SECTION 205.302

Pilot Power provides the following information:

A. Exact legal name of Applicant:

Pilot Power Group, Inc.

B. Exact legal name of all partners:

None.

C. Name, title, post office address, and telephone number of the person to whom correspondence in regard to the application shall be addressed:

Thomas R. Darton
Pilot Power Group, Inc.
8910 University Center Lane, Suite 520
San Diego, CA 92122
T: (858) 678-0118
Email: tdarton@pilotpowergroup.com

D. State or territory under the laws of which the Applicant is organized or incorporated, or authorized to operate. If the Applicant is authorized to operate in more than one state, all pertinent facts shall be included:

Pilot Power is a California corporation, organized on March 28, 2001, with its principal office located at 8910 University Center Lane, Suite 520, San Diego, California 92122. Pilot Power is licensed as an Electric Service Provider in the State of California and as a Retail Electric Provider in the State of Texas to provide retail electricity to end-use customers. Pilot Power is certified as a Schedule Coordinator with the California Independent System Operator ("CAISO"), and as a Qualified Scheduling Entity with the Electric Reliability Council of Texas ("ERCOT"). Pilot Power is also a power marketer engaged in the business of marketing and trading electric energy and other energy related products in the United States. Pilot Power is authorized to sell wholesale electric capacity and energy pursuant to a market-based rate

wholesale power sales tariff on file with the Federal Energy Regulatory Commission ("FERC"), in Docket No. ER01-1699-000.

E. Name and address of any known Federal, State or local government agency which may have any jurisdiction over the action to be taken in this application and a brief description of that authority:

Pursuant to the Federal Power Act 202(e), 16 U.S.C. Section 824a, the United States Department of Energy, Office of Electricity Delivery and Energy Reliability, is the sole agency with jurisdiction over the proposed export of electric energy to Mexico. No other known Federal, State or local government entity or agency has jurisdiction over the proposed actions described in this Application.

F. Description of the transmission facilities through which the electric energy will be delivered to the foreign country, including the name of the owners and the location of any remote facilities:

Pilot Power seeks authorization to transmit electric energy to Mexico as a power marketer for a term of five (5) years. Pilot Power does not own, operate, nor control any electricity transmission facilities. Pilot Power proposes to export electric energy to Mexico utilizing one or more of the transmission facilities identified in Exhibit C to this Application.

G. Technical discussion of the proposed electricity export's reliability, fuel use and system stability impact on the Applicant's present and prospective electric power supply system. Applicant must explain why the proposed electricity export will not impair the sufficiency of electric supply on its system and why the export will not impede or tend to impede the regional coordination of electric utility planning or operation:

Pilot Power neither owns, operates nor controls an electric supply system. As a result, its exports cannot have any adverse impact on the reliability, stability, nor sufficiency of supply on franchised electric supply system. Pilot Power's supply obligations are those for which it has contracted. The electric energy that will be exported pursuant to the authorization requested in this Application, whether on a firm or interruptible basis, will be purchased in bi-lateral,

voluntary transactions from the surplus and available electric energy of the generator/seller. As such, Pilot Power's proposed exports to Mexico will not impair the sufficiency of the electric power supply within the United States. In addition, Pilot Power's exports of electric energy to Mexico will not impede or tend to impede the regional coordination of electric utility planning or operations, but will instead conform to system requirements as they may change over time.

Pilot Power will make all necessary commercial arrangements and will obtain any and all other regulatory approvals required in order to effect any power exports. All of the electricity exported by Pilot Power will be transmitted pursuant to arrangements with utilities or entities that own and/or operate existing transmission facilities and will be consistent with the export limitations and other terms and conditions contained in the existing Presidential Permits and electricity export authorizations associated with those facilities. Pilot Power will comply with the terms and conditions contained in the authorizations issued for these cross-border facilities as well as any other export limitations that DOE may deem appropriate, consistent with DOE's orders authorizing exports of electric energy by power marketers.

Pilot Power will schedule each transaction with the appropriate control area in compliance with the reliability criteria, standards, and guidelines of the North America Electric Reliability Corporation ("NERC") and its member regional reliability entities. Pilot Power will obtain all necessary transmission access over the existing facilities listed in Exhibit C for its exports and will comply with all applicable statutes and implementing rules, regulations, and orders of the DOE, FERC and ERCOT as applicable. The controls inherent in any transaction that complies with NERC requirements and DOE export limits on the transmission facilities listed in Exhibit C are sufficient to ensure that exports by Pilot Power will not impede the coordinated use of transmission facilities within the meaning of Section 202(e) of the FPA.

As noted in Order No. EA-102 (Enron Power Marketing, Inc., FE Docket No. EA-102 (Feb. 6, 1996)), DOE may use the reliability analyses performed in other export authorization proceedings for the transmission facilities listed in Exhibit C in order to make the findings required for the export authorization requested by Pilot Power. Because the proposed exports will take place over existing international transmission lines, Pilot Power respectfully submits that the requested authorization does not require the preparation of an environmental impact statement or an environmental assessment pursuant to the National Environmental Policy Act of 1969 ("NEPA"). Accordingly, Pilot Power respectfully requests an exclusion from the requirement under NEPA of either an environmental impact statement or an environmental assessment in connection with this Application.

H. Original application shall be signed and verified under oath by an officer of the Applicant having knowledge of the matters set forth therein:

The executed verification of Thomas R. Darton is attached to this Application.

II. EXHIBITS AND ATTACHMENTS

In accordance with 10 C.F.R. Section 205.303, Pilot Power provides the following exhibits and attachments:

EXHIBIT A	Agreements (Not Applicable)
EXHIBIT B	Legal Opinion
EXHIBIT C	Transmission Facilities (submitted in lieu of maps)
EXHIBIT D	Non-U.S. Applicant's Power of Attorney (Not Applicable)
EXHIBIT E	Statement of any corporate relationship or existing contract, which in any way relates to the control or fixing of electric power rates (Not Applicable)
EXHIBIT F	Operating Procedures regarding available capacity and energy (Not Applicable)
ATTACHMENT 1	Verification

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To the extent necessary, Pilot Power requests waiver of the requirement to provide Exhibits A, D, E, and F.

Pursuant to the requirements of 10 C.F.R. Section 205.309, a copy of the Application is being provided to:

Federal Energy Regulatory Commission
888 First Street, N.E.
Washington, DC 20426

California Public Utilities Commission
505 Van Ness Avenue
San Francisco, CA 94102

Public Utilities Commission of Texas
1701 N. Congress Avenue
P.O. Box 13326
Austin, TX 78711-3326

III. CONCLUSION

In consideration of the foregoing, Pilot Power respectfully requests approval of this Application for blanket authorization to export electric energy to Mexico for a term of five (5) years.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Thomas R. Darton", is written over a horizontal line.

Thomas R. Darton
General Counsel
Pilot Power Group, Inc.
8910 University Center Lane, Suite 520
San Diego, CA 92122

Dated: January 10, 2012

EXHIBIT A
AGREEMENTS

Not Applicable

EXHIBIT B
LEGAL OPINION

I, Thomas R. Darton, am the Vice President, Secretary and General Counsel of Pilot Power Group, Inc., and in support of its Application to export electric energy to Mexico, hereby certify on behalf of Pilot Power Group, Inc. that:

1. Pilot Power Group, Inc. is duly incorporated and validly existing under the corporate laws of the state of California;
2. Pilot Power Group, Inc. has the corporate capacity to act in the manner described in the Application; and
3. To the best of my knowledge, information and belief, Pilot Power Group, Inc. and its officers and directors have complied and will comply with all pertinent federal and state laws related to the actions to be undertaken pursuant to the Application.

Dated: January 10, 2012

THOMAS R. DARTON

By: _____

Thomas R. Darton

EXHIBIT C

CROSS-BORDER TRANSMISSION FACILITIES

OWNER/PERMITTEE	PRES. PERMIT	VOLTAGE	LOCATION
Central Power and Light Co.	PP-94	138 kV	Brownsville, TX
	PP-94	69 kV	Brownsville, TX
Comision Federal de Electricidad	PP-50	138 kV	Eagle Pass, TX
	PP-57	138 kV	Laredo, TX
	N/A	138 kV	Falcon Dam, TX
El Paso Electric Co.	PP-92	115 kV	Diablo, NM
	PP-48	115 kV	Ascarate, TX
San Diego Gas & Electric Co.	PP-68	230 kV	Miguel, CA
	PP-79	230 kV	Imperial Valley, CA
Sharyland Utilities, Inc.	PP-285	138 kV	McAllen, TX

EXHIBIT D

NON-US APPLICANT'S POWER OF ATTORNEY

Not Applicable

EXHIBIT E

**STATEMENT OF ANY CORPORATE RELATIONSHIP OR
EXISTING CONTRACT WHICH IN ANY WAY RELATES
TO THE CONTROL OR FIXING OF ELECTRIC POWER RATES**

Not Applicable

EXHIBIT F

OPERATING PROCEDURES REGARDING AVAILABLE CAPACITY AND ENERGY

Not Applicable

ATTACHMENT 1

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

Pilot Power Group, Inc.

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Docket No. EA_____

VERIFICATION

I, Thomas R. Darton, the undersigned, being duly sworn, state that I am the authorized representative of Pilot Power Group, Inc.; that I have read the foregoing Application of Pilot Power Group, Inc. for authorization to transmit electric energy to Mexico; and that all of the statements contained therein are true and correct to the best of my knowledge, information, and belief.


Thomas R. Darton

State of California
City of San Diego

Subscribed and sworn to before me on 1.10.12

by Thomas Ramon Darton

proved to me on the basis of satisfactory evidence
to be the person(s) who appeared before me.

Alex Marczyński Notary Public

