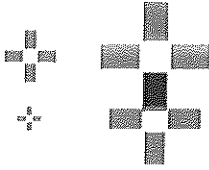


US Department of Energy



JAN 23 2012

Electricity Delivery and  
Energy Reliability

NRG Power Marketing LLC  
211 Carnegie Center  
Princeton, NJ 08540  
Direct Dial: 609-423-3440  
Fax (609) 524-4540  
Email: [herbert.thornhill@nrgenergy.com](mailto:herbert.thornhill@nrgenergy.com)

January 20, 2012

**VIA UPS**

United States Department of Energy  
Office of Electricity Delivery and Energy Reliability  
OE-20, Room 6H-034  
1000 Independence Avenue, SW  
Washington, DC 20585-0350

Re: Application of NRG Power Marketing LLC for Authorization to Transmit Electric  
Energy to Mexico

Dear Sir or Madam:

Enclosed for filing on behalf of NRG Power Marketing LLC are:

1. An original and fifteen copies of the Application of NRG Power Marketing LLC for Authorization to Transmit Electric Energy to Mexico; and
2. A check in the amount of \$500 payable to the Treasurer of the United States as required under 10 C.F.R. Section 205.309.

At this time, NRG Power Marketing LLC would like to request authorization for a 5-year period.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Herbert Thornhill", is written over a horizontal line.

Herbert Thornhill  
Assistant General Counsel  
NRG Energy, Inc.

Enclosures

UNITED STATES OF AMERICA  
THE DEPARTMENT OF ENERGY  
OFFICE OF FOSSIL ENERGY

JAN 23 2012

Electricity Delivery and  
Energy Reliability

NRG Power Marketing LLC

)

Order No.: EA- 384

**APPLICATION OF NRG POWER MARKETING LLC FOR  
AUTHORIZATION TO TRANSMIT ELECTRIC ENERGY TO  
MEXICO**

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 to 205.309, NRG Power Marketing LLC ("NRGPML") hereby files its application for blanket authority to transmit electric energy from the United States to Mexico. NRGPML is presently authorized to export energy to Canada and is now filing its application to do the same with Mexico.

**I. DESCRIPTION OF APPLICANT**

The exact legal name of Applicant is NRG Power Marketing LLC, formerly known as NRG Power Marketing Inc ("NRGPMI")<sup>1</sup>. NRGPML is a Delaware limited liability corporation with a principal place of business in Princeton, New Jersey. NRGPML is a wholesale buyer and seller of capacity and energy. NRGPML is a wholly-owned subsidiary of NRG Energy, Inc., an independent power producer engaged in acquiring, developing, operating, and owning interests in independent power production and cogeneration facilities, thermal energy production, transmission facilities, and resource recovery facilities. Presently, NRGPML is qualified to do business in the states of Arkansas, California, Connecticut, Louisiana, Maryland, Massachusetts, New Jersey, New York, Pennsylvania, and Texas. NRG Energy, Inc. is qualified to do business in the states of California, Connecticut, District of Columbia, Illinois, Louisiana, Maryland, Massachusetts, Minnesota, Missouri, New Jersey, New York, Pennsylvania, and Texas.

NRGPML does not own or control any electric power generation or transmission facilities and does not have a franchised electric power service area. NRGPML operates as a marketer<sup>2</sup> and broker of electric power at wholesale and arranges services in related areas such as fuel supplies and transmission services. NRGPML will purchase the energy to be exported from electric utilities and federal power marketing agencies as defined in 16 U.S.C. Section 796

<sup>1</sup> Effective December 31, 2007, NRG Power Marketing Inc. ("NRGPMI") changed its name to NRG Power Marketing LLC ("NRGPML"). The same entity continues in existence but has been converted from a corporation to a limited liability corporation.

<sup>2</sup> As used herein, the terms "marketer" and "power marketer" mean an entity that buys and sells electric power for its own account. NRGPML has currently effective power marketing rate schedules approved by the Federal Energy Regulatory Commission ("FERC"). A copy of NRGPML's currently effective FERC tariff under which it makes sales of electric power at wholesale in interstate commerce at market-based rates is attached hereto as Attachment 1

(19, 22) of the FPA. The instant application relates to NRGPML as a marketer of electric energy only.

## **II. JURISDICTION**

No other known federal, state or local government has jurisdiction over the actions to be taken under the authority sought in this application.

## **III. COMMUNICATIONS**

All service and correspondence concerning this application should be sent to:

NRG Power Marketing LLC  
211 Carnegie Center  
Princeton, NJ 08540-6213  
ATTN: Herbert Thornhill, Legal Department  
Phone: 609-423-3440  
Fax: 609-524-4589

## **IV. TECHNICAL DISCUSSION OF PROPOSAL**

NRGPML seeks authority to transmit electric energy to Mexico as a power marketer. As noted above, NRGPML does not have its own "system" on which its exports of energy could have a reliability or stability impact. NRGPML will purchase the energy to be exported from electric utilities and federal power marketing agencies, as those terms are defined in Section 3(19) and (22) of the FPA. By definition, such energy is surplus to the system of the generator and thus, exportation of said energy will not impair the adequacy of electric power supply within the United States.<sup>3</sup>

NRGPML will make all necessary commercial arrangements and will obtain any and all regulatory approvals required to affect any exports of electric energy. Such efforts 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 member Regional Entities, which are in effect at the time of export and (2) obtaining all necessary transmission access over the existing facilities listed in Exhibit C.<sup>4</sup>

As the Department of Energy ("DOE") noted in Order No. EA-220-B, issued to NRG Power Marketing Inc.<sup>5</sup>(referred to hereinafter as "EA- 220-B"), the DOE may utilize the reliability analyses performed in the most recent export authorization proceedings of the above-

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<sup>3</sup>Order No. EA-220-B, issued August 23, 2005 to NRGPMI.

<sup>4</sup> The location, voltage, owner and the Presidential Permits under which the relevant border transmission facilities were constructed and are maintained are also set forth in Exhibit C.

<sup>5</sup> Order No. EA-220-B, issued August 23, 2005 to NRGPMI.

named transmission systems in order to make the findings required for a grant of export authority to NRGPML. NRGPML respectfully requests that the DOE do so and agrees to abide by the export limits contained in the relevant export authorization of any transmission system over which NRGPML exports electric energy to Mexico. The controls inherent in any transaction which complies with all NERC requirements and the export limits imposed by the DOE on the above-named transmission systems are sufficient to ensure that exports by NRGPML would not impede or tend to impede the coordinated use of transmission facilities within the meaning of Section 202(e) of the FPA.

## **V. PROCEDURES**

NRGPML proposes to comply with procedures similar to those imposed by EA-220-B. From time to time, NRGPML and third parties may enter into agreements which will involve the export of electric energy from the United States to Mexico. Prior to commencing (or continuing) the export of electric energy under such agreements, NRGPML will provide the DOE with written evidence that sufficient transmission access to complete the export transaction has been obtained. NRGPML will make and preserve complete records with respect to the electric energy exported to Mexico and will provide the DOE with quarterly reports within 30 days following each calendar quarter. These quarterly reports will show the gross amount of kilowatt-hours of electric energy delivered and the consideration received therefor during each month of the previous quarter and the maximum hourly rate of transmission.

## **VI. EXHIBITS AND ATTACHMENTS**

The following Exhibits and Attachments are attached hereto:

**Exhibit A-** Agreements - Not applicable at this time

**Exhibit B-** Legal opinion of NRGPML's counsel

**Exhibit C-** Transmission system information (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** – NRG Power Marketing LLC, FERC Electric Tariff, Second Revised Volume No. 1

## **VII. CONCLUSION**

NRGPML respectfully requests that this application for blanket authority to transmit electric energy to Mexico be expeditiously considered and approved on substantially similar terms as were imposed in EA-220-B.

Respectfully submitted,

NRG POWER MARKETING LLC



Christopher S. Moser  
Chairman, President & CEO  
NRG Power Marketing LLC

Dated: January 20, 2012

**VERIFICATION**

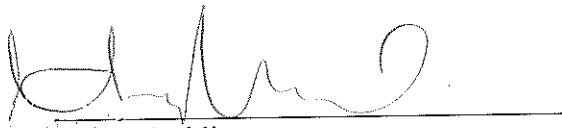
STATE OF NEW JERSEY §  
§  
§  
COUNTY OF MERCER §

Christopher S. Moser, being first duly sworn, states that he is an authorized representative of NRG Power Marketing LLC; that he is authorized to execute this Verification; that he has read the above and foregoing document and is familiar with the contents thereof; and that all allegations of fact therein contained are true and correct to the best of his knowledge and belief.



Christopher S. Moser  
Chairman, President and CEO  
NRG Power Marketing LLC

**SUBSCRIBED AND SWORN** to before me on this 20<sup>th</sup> day of January, 2012.



Notary Public

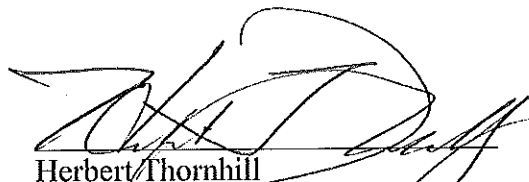
**CHRISOULA M. MANOUSSAKIS**  
**NOTARY PUBLIC OF NEW JERSEY**  
My Commission Expires 4/6/2015

## EXHIBIT B

### OPINION OF COUNSEL

The following opinion, dated January 20, 2012, is given in support of the Application of NRG Power Marketing LLC for Authorization to Transmit Electric Energy to Mexico.

1. I am an attorney at law, authorized to practice law in the states of New York and Connecticut, and I am supported by attorneys who are members of the bar of the State of New Jersey.
2. I am counsel to NRG Power Marketing LLC ("NRGPML").
3. NRGPML is a limited liability corporation, validly existing and in good standing under the laws of the State of Delaware and is authorized to do business in the State of New Jersey.
4. NRGPML has full corporate power and authority to engage in exports of electric energy as requested in the application.
5. NRGPML has complied or is in the process of complying with all Federal and State laws regarding the matters contemplated in the application.



Herbert Thornhill  
Counsel for NRG Power Marketing LLC

## **EXHIBIT C – Transmission System Information**

### **TRANSMISSION LINES TO BE USED TO EXPORT ENERGY**

<b><u>Present Owner</u></b>	<b><u>Permit No.</u></b>	<b><u>Voltage</u></b>	<b><u>Location</u></b>
AEP Texas Central Company	PP 317	138kv/230kv	Laredo, TX
AEP Texas Central Company	PP 219	138kv	Eagle Pass, TX
Sharyland Utilities, Inc.	PP 285	138Kv	McAllen, TX
San Diego Gas & Elect	PP 68	230kv	Miguel, CA
San Diego Gas & Elect	PP 79	230kv	Imperial Valley, CA



## **Attachment 1**

NRG Power Marketing LLC, FERC Electric Tariff, Volume No. 1

**NRG POWER MARKETING LLC  
FERC ELECTRIC TARIFF, VOLUME NO. 1**

1. **Availability:** NRG Power Marketing LLC ("Seller") makes available under this Tariff the following services to customers with whom Seller has contracted:
  - a. electric energy and capacity available under this tariff to any purchaser; and
  - b. ancillary services, as described in section 5 below.
2. **Applicability:** This Tariff is applicable to all wholesale power sales, including energy and capacity sales not otherwise subject to a particular rate schedule of Seller, and applicable ancillary services.
3. **Rates:** All sales shall be made at rates established by agreement between the purchaser and Seller.
4. **Other Terms and Conditions:** All other terms and conditions shall be established by agreement between the purchaser and Seller.
5. **Ancillary Services:** Seller may sell the following ancillary services to any purchaser for resale under this Tariff from time-to-time at rates, terms and conditions established by agreement between purchaser and Seller:
  - a. **California:** Seller offers regulation service, spinning reserve service, and non-spinning reserve service to the California Independent System Operator Corporation ("CAISO") and to others that are self-supplying ancillary services to the CAISO.
  - b. **New England:** Seller offers regulation and frequency response service (automatic generator control), operating reserve service (which includes 10-minute spinning reserve, 10-minute non-spinning reserve, and 30-minute operating reserve service) to purchasers within the markets administered by the ISO New England, Inc.
  - c. **New York:** Seller offers regulation and frequency response service, and operating reserve service (which include 10-minute non-synchronous, 30-minute operating reserves, 10-minute spinning reserves, and 10-minute non-spinning reserves) for sale to purchasers in the market administered by the New York Independent System Operator, Inc.

- d. **PJM:** Seller offers regulation and frequency response service, energy imbalance service, and operating reserve service (which includes spinning, 10-minute, and 30-minute reserves) for sale into the market administered by PJM Interconnection, L.L.C. ("PJM") and, where the PJM Open Access Transmission Tariff permits, the self-supply of these services to purchasers for a bilateral sale that is used to satisfy the ancillary services requirements of the PJM Office of Interconnection.
  - e. **Midwest ISO:** Seller offers regulation service and operating reserve service (which include a 10-minute spinning reserve and 10-minute supplemental reserve) for sale to the Midwest Independent Transmission System Operator, Inc. (Midwest ISO) and to others that are self-supplying ancillary services to Midwest ISO.
  - f. **Third-party ancillary services:** Seller offers regulation and frequency response service, energy imbalance service, operating reserve-spinning service, and/or operating reserve-supplemental services. Sales will not include the following: (1) sales to an RTO or an ISO, *i.e.*, where that entity has no ability to self-supply ancillary services but instead depends on third parties; (2) sales to a traditional, franchised public utility affiliated with the third-party supplier, or sales where the underlying transmission service is on the system of the public utility affiliated with the third-party supplier; and (3) sales to a public utility that is purchasing ancillary services to satisfy its own open access transmission tariff requirements to offer ancillary services to its own customers.
6. **Communications:** Except as otherwise agreed to in writing by the purchaser and Seller, any notice, demand, or request provided for in this Tariff shall be deemed to be properly given or made if set forth in writing and delivered or sent first class mail, postage prepaid, to Seller at its principal office or any purchaser when sales are made to wholesale purchasers under this Tariff.
7. **Duration:** This Tariff shall continue in effect until terminated or changed and such termination or change becomes effective in accordance with any applicable regulatory requirements.
8. **Modifications:** Seller may unilaterally apply, under Federal Power Act section 205 and the regulations promulgated thereunder, to the Commission or other regulatory agency having jurisdiction for a modification of this Tariff.

9. **Effective Date:** This Tariff is effective upon the date authorized by the Commission.
10. **Compliance with Commission Regulations:** Seller shall comply with the provisions of 18 CFR Part 35, Subpart H, as applicable, and with any conditions the Commission imposes in its orders concerning Seller's market-based rate authority, including orders in which the Commission authorizes Seller to engage in affiliate sales under this Tariff or otherwise restricts or limits the Seller's market-based rate authority. Failure to comply with the applicable provisions of 18 CFR Part 35, Subpart H, and with any orders of the Commission concerning Seller's market-based rate authority, will constitute a violation of this Tariff.
11. **Limitations and Exemptions Regarding Market-Based Rate Authority:** Seller does not have any limitations on its market-based rate authority, except as otherwise provided in this Tariff. Seller has obtained waivers from Subparts B and C of Part 35, regarding the filing of tariffs, except sections 35.12(a), 35.13(b), 35.15 and 35.16; Part 41, regarding accounts, records, and memoranda; Part 101, regarding uniform system of accounts; and Part 141, regarding statements and reports. Seller also has blanket approval under Part 34 of the Commission's regulations of future issuances regarding securities and assumptions of liabilities. *See NRG Power Marketing Inc.*, 81 FERC ¶ 61,187 (1997). These waivers and blanket approvals are consistent with the Commission's Order No. 697, *Market-Based Rates for Wholesale Sales of Electric Energy, Capacity and Ancillary Services by Public Utilities*, 119 FERC ¶ 61,295 (June 21, 2007).
12. **Seller Category:** Seller is a Category 1 seller, as defined in 18 C.F.R. § 35.36(a), in the Central and SPP regions. Seller is a Category 2 seller, as defined in 18 C.F.R. § 35.36(a), in the Northeast, Southeast and Southwest regions.