

MAY 29 2015

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

Targray Americas Inc.

)
)

Docket No. EA-411-000

**APPLICATION OF TARGRAY AMERICAS INC.
FOR AUTHORITY 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., Targray Americas Inc. ("Targray") hereby submits this application for a blanket authorization to export electricity from the United States to Canada ("Application"). Targray respectfully requests authorization to transmit electric energy from the United States to Canada for a period of five (5) years. Targray further respectfully requests that this application be made effective no later than August 1, 2015.

I. COMMUNICATIONS

Communications and correspondence concerning this filing should be addressed to:

Ruta Kalvaitis Skučas
Pierce Atwood LLC
900 17th St., NW Suite 350
Washington, DC 20006
Tel. (202) 530-6428
Fax. (202) 223-2239
rskucas@pierceatwood.com

Karen Roberge, CPA, CA*
Director of Finance
Targray Technology International Inc.
18105 Transcanadienne
Kirkland QC, H9J 3Z4 Canada
Tel. (514) 693-3125
Fax. (514) 695-0593
vroberge@targray.com

II. DESCRIPTION OF APPLICANT

Targray is a Canadian limited liability company with its principle place of business in Kirkland, Québec. Targray is owned by 100% by Thomas A.G. Richardson Investments Inc.,

which in turn is owned 30% by The Richardson-Lewis Family Trust, 12% by 4337280 Canada Inc., 12% by 4337255 Canada Inc., 12% by 4337301 Canada Inc. and 34% by 4337263 Canada Inc. Targray Americas, Inc. is affiliated with Targray Inc. and Targray Technology International Inc., through Thomas A.G. Richardson Investments Inc.'s ownership of 100% of the interests in these entities. In turn, Targray Technology International Inc. owns 100% of the interests in Targray Industries, Inc. None of Targray's affiliates or upstream owners have any ownership interest or involvement in any other company that is a traditional utility or that owns, operates, or controls any electric generation, transmission or distribution facilities, nor do they have any direct involvement with the energy industry other than through the ownership of Targray. Targray notes that it has a Biofuels Division, which resells biofuels, including biodiesel, at wholesale

Targray has applied for authorization at FERC to be a FERC-authorized power marketer engaging in the purchase and sale of physical and/or virtual energy in the Day-ahead and Real-time Markets of various Independent System Operators and Regional Transmission Organizations. Targray applied for market-based rate authority from the Federal Energy Regulatory Commission ("FERC") on May 14, 2015 in FERC Docket No. ER15-1714-000.

III. JURISDICTION

Targray believes that the U.S. Department of Energy ("DOE") is the only governmental agency that has jurisdiction over this application.

IV. DESCRIPTION OF TRANSMISSION FACILITIES

Targray intends to export electricity over existing international transmission facilities between Canada and the United States, as identified in Exhibit C. Targray requests authority to

export electricity to Canada over any international transmission facility authorized by Presidential Permit that is appropriate for open access by third parties in accordance with the assessment made by DOE of the transmission limits for operation in the export mode.

V. TECHNICAL DISCUSSION OF PROPOSAL

Section 202(e) of the Federal Power Act ("FPA") and DOE's regulations provide that exports should be allowed unless the proposed export would impair the sufficiency of electric power supply within the United States or would tend to impede the coordinated use of the United States power supply network.¹ Targray seeks blanket authority to transmit electric power to Canada as a power marketer. Targray has no electric power supply system on which the proposed exports could have a reliability, fuel use system or stability impact. Targray also has no obligation to serve native load usually associated with a franchised service area, and, thus, the exports proposed by Targray will not impair its ability to meet current and prospective power supply obligations.

Targray will purchase power to be exported from a variety of sources such as power marketers, independent power producers, or U.S. electric utilities and federal power marketing entities as those terms are defined in Sections 3(22) and 3(19) of the FPA. By definition, such power is surplus to the system of the generator and, therefore, the electric power that Targray will export on either a firm or interruptible basis will not impair the sufficiency of the electric power supply within the U.S.²

Targray will make all necessary commercial arrangements and will obtain any and all other regulatory approvals required in order to schedule and deliver power exports. All of the

¹ 16 U.S.C. § 824a(e).

² See *Enron Power Marketing, Inc.*, Order EA-102 (1996).

electricity exported by Targray will be transmitted pursuant to arrangements with utilities that own and 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 these transmission facilities. Targray will schedule its transactions with the appropriate balancing authority areas in compliance with the reliability criteria standards and guidelines established by the North American Reliability Corporation ("NERC") and its member Regional Entities in effect at the time of the export.

In previous orders granting export authorization to electric power marketers, DOE declined to rigidly apply the information filing requirements contained in its regulations and instead used a flexible approach which takes into consideration the unique nature of power marketers, the requirements of FERC Order No. 888 and previously authorized export limit of cross-border facilities.³ These same considerations demonstrate that the exports proposed by Targray will not impair or tend to impede the sufficiency of electric supplies in the U.S. or the regional coordination of electric utility planning or operations.

VI. COMPLIANCE WITH CONDITIONS AND PROCEDURES

Targray proposes to abide by the general conditions consistent with DOE's previous grants of authorizations to power marketers as set forth in its previous orders, as described herein. From time to time, Targray will enter into agreements with third parties which involve the export of electric power from the United States into Canada. Exports made by Targray will not exceed the export limits for the facilities, or otherwise cause a violation of the terms and

³ See e.g. *NorAm Energy Services, Inc.*, Order No. EA-105-CN (Aug. 16, 1996); *MidCon Power Services Corp.*, Order No. EA-114 (July 15, 1996); *USGen Power Services*, No. EA-112 (June 27, 1996); *CNG Power Services Corp.*, Order No. EA-110 (June 20, 1996); *North American Energy Conservation, Inc.*, Order No. EA-103 (May 30, 1996).

conditions set forth in the export authorizations for each. With regard to specific transactions, Targray will provide written evidence to DOE that it has secured sufficient transmission service for the delivery of power to the border. When scheduling the delivery of power, Targray will comply with the applicable NERC reliability standards. For each calendar year, Targray will provide DOE with 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.

VII. VERIFICATION, REQUIRED COPIES, AND FEE

Verification executed by Targray's authorized representative in accordance with 10 C.F.R. § 205.302(h) is enclosed with the Application. In accordance with the requirements of 10 C.F.R. § 205.307, and DOE's directions, five (5) copies of the Application are being provided to the Department. In accordance with the requirements of 10 C.F.R. § 205.309, a copy of this application will be provided to the Secretary of the Federal Energy Regulatory Commission.

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.

VIII. REQUIRED EXHIBITS

The following information is provided pursuant to the required exhibits as set forth in DOE regulations 10 C.F.R. § 205.303:

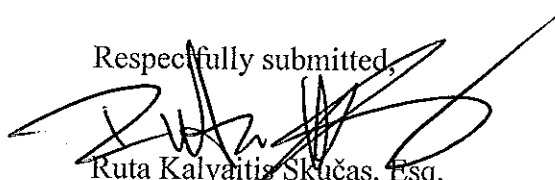
Exhibit A	Transmission Agreements	Not Applicable
Exhibit B	Opinion of Counsel	Attached
Exhibit C	Transmission Facilities	List of international transmission facilities submitted in lieu of a map

Exhibit D	Designation of Agent	Attached
Exhibit E	Statement of Corporate Relationship	Not Applicable
Exhibit F	Operating Procedures	Not Applicable
Exhibit G	FERC Market Based Rate Authority	Attached – Application by Targray Americas for Market-Based Rate Authorization under Docket No. ER15-1714-000 ⁴

IX. CONCLUSION

WHEREFORE, Targray Americas Inc. respectfully requests that DOE grant this application for blanket authorization to export power from the United States to Canada, for a period of five (5) years, with such authorization to be effective as of August 1, 2015.

Respectfully submitted,



Ruta Kalvaitis Skucas, Esq.
Pierce Atwood LLP
900 17th St N.W., Suite 350
Washington, D.C. 20006
Telephone: (202) 530-6428
Facsimile: (202) 223-2239
rskucas@pierceatwood.com

Attorney for Targray Americas Inc.

May 29, 2015

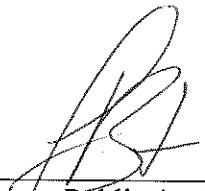
⁴ This application was filed on May 14, 2015 in Docket No. ER15-1714-000 and remains pending before FERC. Targray will notify DOE when the delegated letter order approving its application for market-based rate authority is issued.

VERIFICATION

I, Andrew Richardson, being authorized to execute this verification and having knowledge of the matters set forth in this Application of Targray Americas Inc., hereby verify that the contents thereof are true and correct to the best of my knowledge and belief.



Andrew Richardson
President
Targray Americas Inc.



Name of Notary Public (*printed name*)

Notary Public, LUC BÉRICHON

My commission expires: for life

Luc Bérichon, Notaire, Notary
3535 boul. St-Charles, bur. 500
Kirkland, QC Canada H9H 5B9

EXHIBIT A – TRANSMISSION AGREEMENTS

Targray Americas Inc. has not entered into any transmission agreements at this time.

EXHIBIT B – OPINION OF COUNSEL

May 28, 2015

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

RE: Application of Targray Americas Inc. for Authorization to Export Electricity

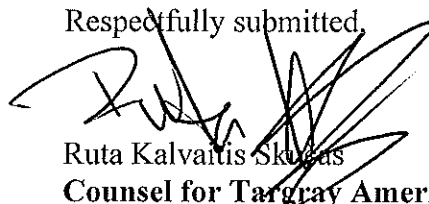
Dear Mr. Lawrence:

Pursuant to 10 C.F.R. § 205.303(b), I hereby provide a legal opinion regarding the corporate powers of Targray Americas, Inc. to export electricity to Canada. I have examined the Articles of Organization of Targray Americas, Inc. ("Targray"). Based on my review of those documents and representations provided to me by authorized representatives of Targray, it is my opinion that:

1. The import and export of electricity contemplated by this Application is within the corporate powers of Targray Americas, Inc.; and
2. To the best of my knowledge and belief, Targray has directed its officers and agents to take all necessary steps to comply with all applicable state and federal laws in connection with the actions to be taken under the Application.

I am opining here only as to the federal laws of the United States, and laws of relevant states within the United States. 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 to Targray solely to you for your exclusive use and is not to be made available or relied upon by any other person or entity without my prior written authorization.

Respectfully submitted,



Ruta Kalvaitis Skučas
Counsel for Targray Americas, Inc.

EXHIBIT C – INTERNATIONAL TRANSMISSION FACILITIES

**At the U.S.-Canada Border
Authorized for Use by Third Party Transmitters**

Present Owner	Location	Voltage	Presidential Permit No.
Bangor Hydro Electric Co.	Baileyville, ME	345 kV	PP-89
Basin Electric Power Cooperative	Tioga, ND	230 kV	PP-64
Bonneville Power Administration	Blaine, WA	2x 500 kV	PP-10
	Nelway, WA	230 kV	PP-36
	Nelway, WA	230 kV	PP-46
Eastern Maine Electric Cooperative	Calais, ME	69 kV	PP-32
International Transmission Co.	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	2x 115 kV	PP-24
Maine Electric Power Co.	Houlton, ME	345 kV	PP-43
Maine Public Service Co.	Limestone, ME	69 kV	PP-12
	Fort Fairfield, ME	69 kV	PP-12
	Madawaska, ME	138 kV	PP-29
	Aroostock, ME	2x 69 kV	PP-29
Minnesota Power Inc.	International Falls, MN	115 kV	PP-78

Present Owner	Location	Voltage	Presidential Permit No.
Minnkota Power Cooperative	Roseau County, MN	230 kV	PP-61
Montana Alberta Tie Ltd.	Cut Bank, MT	230 kV	PP-305 ⁵
New York Power Authority	Massena, NY	765 kV	PP-56
	Massena, NY	2x 230 kV	PP-25
	Niagara Falls, NY	2x 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 Co.	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	PP-299 ⁶
Vermont Electric Power Co.	Derby Line, VT	120 kV	PP-66
Vermont Electric Transmission Co.	Norton, VT	±450 kV DC	PP-76
	Millbury, MA	345 kV	
	Medway, MA	345 kV	

⁵ These transmission facilities have been authorized but not yet constructed or placed into operation

⁶ These transmission facilities have been authorized but not yet constructed or placed into operation

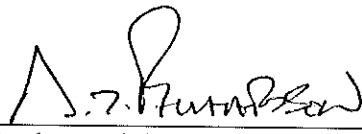
EXHIBIT D – DESIGNATION OF AGENT AND POWER OF ATTORNEY

**IRREVOCABLE LIMITED
POWER OF ATTORNEY**

This IRREVOCABLE LIMITED POWER OF ATTORNEY is made on May 25, 2015 by Targray Americas Inc. (the "Principal"), a corporation organized and existing under the Canadian Business Corporations Act, with its headquarters at 18105 Transcanadienne, Kirkland QC, H9J 3Z4 Canada.

1. Appointment. The Principal hereby appoints Attorney Ruta Skucas, with principle place of business at Pierce Atwood LLP, 900 17th St. NW Suite 350, Washington DC 20006, as the Principal's true and lawful agent for the limited purpose set forth below.
2. Scope of Authority. Pursuant to 10 C.F.R. § 205.303(d), Attorney Skucas shall have the limited power and authority to serve as the agent for the Principal regarding all matters related to the Principal's authorization to export electricity to Canada as issued by the U.S. Department of Energy ("DOE"). This appointment will remain in effect for the duration of the authorization, a five-year period, and will terminate simultaneously with the expiration of the authorization granted by DOE.
3. Irrevocability. This Power of Attorney is irrevocable by the Principal.

IN WITNESS HEREOF, the Principal has caused this Power of Attorney to be duly executed on this 25th day of May, 2015.

By: 
Andrew Richardson
President
Targray Americas Inc.
18105 Transcanadienne
Kirkland QC, H9J 3Z4 Canada

SUBSCRIBED AND SWORN BEFORE ME, this 25th day of May, 2015.

Name of Notary Public (*printed name*)

Notary Public, 

My commission expires: *for life*

Luc Bérichon, Notaire, Notary
3536 boul. St-Charles, bur. 500
Kirkland, QC Canada H9H 5B9



**EXHIBIT E – STATEMENT OF ANY CORPORATE RELATIONSHIP
OR EXISTING CONTRACT**

Not Applicable

EXHIBIT F – OPERATING PROCEDURES

Not Applicable

EXHIBIT G – FERC MARKET BASED RATE AUTHORITY

*Application to FERC
For Market-Based Rate Authorization
Docket No. ER15-1714-000
Filed May 14, 2015*

PIERCE ATWOOD

Ruta Kalvaitis Skučas

900 17th Street N.W.
Suite 350
Washington, D.C. 20006

202.530.6428 voice
888.847.9228 fax
rskucas@pierceatwood.com

www.pierceatwood.com

May 14, 2015

The Honorable Kimberly D. Bose, Secretary
Federal Energy Regulatory Commission
888 First Street, N.E.
Washington, DC 20426

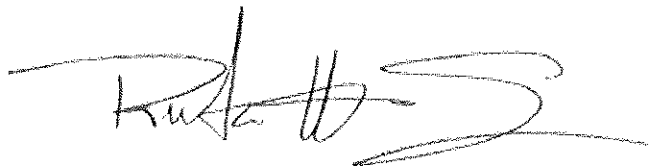
**Re: Application for Market-Based Rate Authorization, Designation of
Category 1 Status, and Request for Waivers and Blanket Approvals for
Targray Americas Inc. Docket No. ER15-____-000**

Dear Secretary Bose:

Pursuant to Section 205 of the Federal Power Act, enclosed for filing is the Application for Market-Based Rate Authorization, Designation of Category 1 Status, and Request for Waivers and Blanket Approvals of Targray Americas Inc. ("Targray"). Additionally, Targray submits its FERC Electric MBR Tariff No. 1, and respectfully requests that the Commission accept this filing to become effective July 1, 2015.

Should you have any questions or concerns regarding this matter, please do not hesitate to contact the undersigned.

Respectfully submitted,



Ruta Kalvaitis Skučas
Pierce Atwood LLP
900 17th St NW, Suite 350
Washington, D.C. 20006
Telephone: (202) 530-6428
Fax: (202) 223-2239
RSkucas@pierceatwood.com

Attorney for Targray Americas Inc.

**UNITED STATES OF AMERICA
BEFORE THE
FEDERAL ENERGY REGULATORY COMMISSION**

Targray Americas Inc.

)

Docket No. ER15-_____-000

**APPLICATION FOR MARKET-BASED RATE AUTHORIZATION,
DESIGNATION OF CATEGORY 1 STATUS, AND
REQUEST FOR WAIVERS AND BLANKET APPROVALS**

Pursuant to Section 205 of the Federal Power Act ("FPA"), 16 U.S.C. § 824d (2006), Rules 205 and 207 of the Rules of Practice and Procedure of the Federal Energy Regulatory Commission, 18 C.F.R. §§ 385.205 and 385.207 (2014), and Part 35 of the Commission's regulations, 18 C.F.R. Part 35 (2014), Targray Americas Inc. ("Targray" or "Applicant") hereby respectfully requests that the Commission: (1) grant it authorization to make wholesale sales of electric capacity, energy, and ancillary services at market-based rates; (2) designate it as a Category 1 Seller for all regions; (3) accept for filing its attached market-based rate tariff, FERC Electric Tariff, Original Volume No. 1 ("Tariff"), to become effective July 1, 2015; and (4) grant such waivers and blanket authorizations as the Commission has granted to other market-based rate sellers, as well as such waivers necessary to permit the requested July 1, 2015 effective date. In support of this application, Targray provides the following:

I. COMMUNICATIONS

Communications and correspondence concerning this filing should be addressed to:

Ruta Kalvaitis Skučas*
Pierce Atwood LLC
900 17th St., NW Suite 350
Washington, DC 20006
Tel. (202) 470-6428
Fax. (202) 223-2239
rskucas@pierceatwood.com

Karen Roberge, CPA, CA*
Director of Finance
Targray Technology International Inc.
18105 Transcanadienne
Kirkland QC, H9J 3Z4 Canada
Tel. (514) 693-3125
Fax. (514) 695-0593
kroberge@targray.com

*Designates Parties to receive service pursuant to Rule 203(b)(3) of the Commission's Rules of Practice and Procedure

II. DESCRIPTION OF APPLICANT

Targray is a Canadian limited liability company with its principle place of business in Kirkland, Québec. Targray is owned by 100% by Thomas A.G. Richardson Investments Inc., which in turn is owned 30% by The Richardson-Lewis Family Trust, 12% by 4337280 Canada Inc., 12% by 4337255 Canada Inc., 12% by 4337301 Canada Inc. and 34% by 4337263 Canada Inc. Targray Americas, Inc. is affiliated with Targray Inc. and Targray Technology International Inc., through Thomas A.G. Richardson Investments Inc.'s ownership of 100% of the interests in these entities. In turn, Targray Technology International Inc. owns 100% of the interests in Targray Industries, Inc. None of Targray's affiliates or upstream owners have any ownership interest or involvement in any other company that is a traditional utility or that owns, operates, or controls any electric generation, transmission or distribution facilities, nor do they have any direct involvement with the energy industry other than through the ownership of Targray. Targray notes that it has a Biofuels Division, which resells biofuels, including biodiesel, at wholesale to companies worldwide; however, this biofuel is not used in the generation of electric energy.

Targray intends to engage in the purchase and sale of physical and/or virtual energy in the Day-ahead and Real-time Markets of the various Independent System Operators ("ISO") and Regional Transmission Organizations ("RTO"). It may engage in the export of electric energy to Canada and will be filing an application for export authority with the U.S. Department of Energy in the near future.

III. REQUEST FOR AUTHORITY TO MAKE WHOLESALE SALES OF ELECTRIC CAPACITY, ENERGY AND ANCILLARY SERVICES AT MARKET-BASED RATES

Targray respectfully requests that the Commission grant it authority to sell electric capacity, energy and ancillary services at market-based rates pursuant to the attached Tariff. The Commission authorizes market-based sales if the seller and its affiliates do not have, or have adequately mitigated, horizontal and vertical market power and cannot erect other barriers to market entry. As described below, Targray meets all of the Commission's requirements for authorization to make wholesale sales of electric energy and related services at market-based rates.

Order No. 697 modified the Commission's framework for determining whether a seller of electric energy, capacity, or ancillary services qualifies for market-based rate authority.¹ The Commission replaced its traditional four-prong analysis (evaluating generation market power, transmission market power, barriers to entry, and affiliate abuse/reciprocal dealing) with a two-part analysis that reviews (a) horizontal market power, which includes the seller and its affiliates' generation market power, and (b) vertical market power, which includes transmission (downstream) market power or upstream barriers to entry.² The Commission has also codified affiliate restrictions in its regulations, which must be satisfied on an ongoing basis.

A. Applicant Lacks Horizontal Market Power

Under the Commission's regulations and Order Nos. 697 and 697-A, all applicants for market-based rates are required to show a lack of horizontal market power. The Horizontal

¹ *Market-Based Rates for Wholesale Sales of Electric Energy, Capacity, and Ancillary Services by Public Utilities*, Order No. 697, 119 FERC ¶ 61,295 (2007) ("Order No. 697"), *order clarifying final rule*, 121 FERC ¶ 61,260 (2007), *order on reh'g and clarification*, Order No. 697-A, 123 FERC ¶ 61,055 ("Order No. 697-A"), *order on partial reh'g and clarification*, 124 FERC ¶ 61,055 (2008), Order No. 697-B, 125 FERC ¶ 61,326 (2008).

² Order No. 697 at P 13, 397, 399.

Market Power Analysis examines the balancing authority area that the seller's generation is physically located in through two screens, the Wholesale Market Share Analysis and the Pivotal Supplier Analysis, each of which serves as a cross-check on the other to determine whether a seller has the ability to exercise horizontal market power.³ Use of the two screens enables the Commission to measure market power unilaterally and in coordinated interaction with other sellers.⁴ Order No. 697 provides that if a seller passes both of the indicative screens, there is a rebuttable presumption that it does not possess horizontal market power.⁵

The Commission has authorized the submission of streamlined applications and the use of simplifying assumptions, where appropriate.⁶ Targray passes the Commission's two indicative screens regarding Horizontal Market Power, as Targray and its affiliates do not own any generation or control any uncommitted capacity. Additionally, Targray and its affiliates do not own or control generation facilities in the relevant geographic markets. Finally, Targray affirmatively states that it and its affiliates have not erected barriers to entry in the relevant market and will not erect barriers to entry in the relevant market.

B. Applicant Lacks Vertical Market Power

When determining whether to grant market-based rate authority, the Commission also takes into consideration the transmission market power of an applicant and its affiliates, as well as their ability to erect barriers to market entry.⁷ Targray does not present any vertical market power concerns because Targray and its affiliates do not own or control, and are not affiliated with anyone that owns or controls, any electric transmission or other electric utility assets.

³ *Id.* at P 33, 37.

⁴ *Id.* at P 36, 65, 70.

⁵ *Id.* at P 62; 18 C.F.R. § 35.37(c)(1) (2012).

⁶ *See id.* at P 337; *AEP Power Marketing, Inc.*, 107 FERC ¶ 61,018 at P 113-17 (2004).

⁷ Order No. 697-A at P 111.

Further, Targray and its affiliates do not operate or control inputs to electric generation that could be used to restrict entry into the market by competing suppliers, marketers or brokers. Targray and its affiliates do not control intrastate natural gas transportation, intrastate natural gas storage or distribution facilities, sites for generation capacity development, or sources of coal supplies and the transportation of coal supplies such as barges and rail cars.⁸ Further, Targray affirmatively states that it and its affiliates have not erected barriers to entry into the relevant market and will not erect barriers to entry into the relevant market. Accordingly, Targray satisfies the Commission's transmission market power standard.

IV. SELLER CATEGORY

In Order No. 697, Commission established two categories of sellers: Category 1 Sellers and Category 2 Sellers.⁹ Category 1 Sellers include wholesale power marketers and wholesale power producers that: (1) own or control 500 MWs or less of generation in the aggregate per region; (2) do not own, operate or control transmission facilities other than limited equipment necessary to connect individual generating facilities to the transmission grid (or have been granted waiver of the requirements of Order No. 888); (3) are not affiliated with anyone that owns, operates or controls transmission facilities in the same region as the seller's generation assets; (4) are not affiliated with a franchised public utility in the same region as the seller's generation assets; and (5) do not raise other vertical market power issues.¹⁰ Category 2 Sellers are all sellers not in Category 1.

Targray meets all five of these requirements to qualify as a Category 1 Seller, in that

⁸ Targray notes that it has a Biofuels Division, which resells biofuels, including biodiesel, at wholesale to companies worldwide; however, this biofuel is not used in the generation of electric energy.

⁹ *Id.* at P 832–868.

¹⁰ *Id.*; 35 C.F.R. § 35.36(a)(2).

Targray and its affiliates: (1) do not own or control more than 500 MW of generation in the aggregate per region; (2) do not own, operate or control any transmission facilities; (3) are not affiliated with anyone that owns, operates or controls transmission facilities; (4) are not affiliated with a franchised public utility; and (5) do not raise any other vertical market power concerns. Pursuant to the Commission's regulations for determining Category 1 and Category 2 status, Targray submits that it qualifies as a Category 1 seller and, thus, respectfully requests that the Commission designate it as such.

V. REQUEST FOR WAIVERS AND ADDITIONAL BLANKET AUTHORITY

Targray requests waiver of the following Commission regulations, which have been granted to other power marketers and sellers:

1. Waiver of the 60-day prior notice requirement set forth in 18 C.F.R. § 35.3(a). Accordingly, pursuant to 18 C.F.R. § 35.11 of the Commission's regulations and consistent with Commission precedent, Targray requests that its Tariff become effective July 1, 2015.
2. Waiver of the accounting and related reporting requirements of Parts 41, 101, and 141 of the Commission's regulations, other than Sections 141.14 and 141.15;
3. Waiver of the requirements of Subparts B and C of Part 35 of the Commission's regulations, other than Sections 35.12(a), 35.13(b), 35.15 and 35.16; and
4. Blanket authorization under Part 34 of all future issuances of securities and assumptions of obligations or liabilities as guarantor, endorser, surety or otherwise in respect to any security of any person.

VI. QUARTERLY FILINGS

Targray agrees to submit electronic quarterly reports of its purchase and sales transactions, as required by the Commission. Targray agrees to submit such reports even to state that no transactions occurred during the particular calendar quarter.

VII. EFFECTIVE DATE

Order No. 697 requires entities seeking market-based rates to include an effective date for its Tariff. Targray respectfully requests waiver of the Commission's 60-day notice period, pursuant to 18 C.F.R. § 35.3(a) of FERC's regulations to allow its Tariff to become effective on July 1, 2015. Good cause exists to grant the limited waiver requested herein because Targray does not own or control any transmission or generation facilities, and thus does not have horizontal or vertical market power, and has not erected barriers to market entry and will not erect such barriers in the future.

VIII. CONCLUSION

Based upon the foregoing, Targray Americas Inc. respectfully requests that the Commission accept for filing its proposed Tariff, effective July 1, 2015, and designate Targray as a Category 1 Seller for all regions.

Respectfully submitted,



Ruta Kalvaitis Skučas, Esq.
Pierce Atwood LLP
900 17th St N.W., Suite 350
Washington, D.C. 20006
Telephone: (202) 530-6428
Facsimile: (202) 223-2239
rskucas@pierceatwood.com

Attorney for Targray Americas Inc.

Date: May 14, 2015

**Market-Based Rate Authority and Generation Assets for
Targray Americas Inc.**

Filing Entity	Docket # Where MBR Authority Granted	Generation Name	Owned By	Controlled By	Date Control Transferred	Location		In- service Date	Nameplate and/or Seasonal Rating
						Balancing Authority Area	Geographic Region (per Appendix D)		
Targray Americas Inc.	ER15-__- 000	NA	NA	NA	NA	NA	NA	NA	NA
Targray Technology International Inc.	NA	NA	NA	NA	NA	NA	NA	NA	NA
Targray Industries, Inc.	NA	NA	NA	NA	NA	NA	NA	NA	NA
Targray Inc.	NA	NA	NA	NA	NA	NA	NA	NA	NA

**Electric Transmission Assets and/or Natural Gas Intrastate Pipelines and/or
Gas Storage Facilities for The Targray Americas Inc. and Affiliates**

Filing Entity	Asset Name and Use	Owned By	Controlled By	Date Control Transferred	Location		Size
					Balancing Authority Area	Geographic Region (per Appendix D)	
Targray Americas Inc.	NA	NA	NA	NA	NA	NA	NA
Targray Technology International Inc.	NA	NA	NA	NA	NA	NA	NA
Targray Industries, Inc.	NA	NA	NA	NA	NA	NA	NA
Targray Inc.	NA	NA	NA	NA	NA	NA	NA

Targray Americas Inc.
FERC Electric MBR Tariff No. 1

1. Availability: Targray Americas Inc. ("Seller") makes electric energy, capacity, and certain ancillary services available under this Rate Schedule to any purchaser for resale.
2. Rates: All sales shall be made at rates established by agreement between the purchaser and Seller.
3. Seller Category: Seller is a Category 1 Seller in all regions, as defined in 18 C.F.R. § 35.36(a).
4. Compliance with Commission Regulations: Seller shall comply with the provisions of 18 C.F.R. 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 C.F.R. 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.
5. Limitations and Exemptions Regarding Market-Based Rate Authority: Seller has received waiver of: Subparts B and C of Part 35, except for sections 35.12(a), 35.13(b), 35.15 and 35.16; Part 41, Part 101, and Part 141, except sections 141.14 and 141.15.; and received blanket approval under Part 34. *Targray Americas Inc.*, ER15-____-000 (2015).
6. Ancillary Services: Seller will also make available to any purchaser with whom it has contracted, the ancillary services listed in this Paragraph 5.
 - (a) 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.
 - (b) 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.
 - (c) 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.

(d) 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.

(e) MISO: Seller offers regulation service and operating reserve service (which include 10-minute spinning reserve and 10-minute supplemental reserve) for sale to the Midcontinent Independent System Operator, Inc. ("MISO") and to others that are self-supplying ancillary services to MISO.

(f) SPP: Seller offers regulation service and operating reserve service (which include 10-minute spinning reserve and 10-minute supplemental reserve) for sale to the Southwest Power Pool, Inc. ("SPP") and to others that are self-supplying ancillary services to SPP.

(g) Third Party Ancillary Services: Seller offers Regulation and Frequency Response Service, Reactive Supply and Voltage Control Service, Energy and Generator Imbalance Service, Operating Reserve-Spinning, and Operating Reserve-Supplemental. 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; and (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. Sales of Operating Reserve-Spinning and Operating Reserve-Supplemental will not include 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, except where the Commission has granted authorization. Sales of Regulation and Frequency Response Service and Reactive Supply and Voltage Control Service will not include 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, except at rates not to exceed the buying public utility transmission provider's OATT rate for the same service or where the Commission has granted authorization.

Targray Americas Inc.
FERC Electric MBR Tariff No. 1

1. Availability: Targray Americas Inc. ("Seller") makes electric energy, capacity, and certain ancillary services available under this Rate Schedule to any purchaser for resale.
2. Rates: All sales shall be made at rates established by agreement between the purchaser and Seller.
3. Seller Category: Seller is a Category 1 Seller in all regions, as defined in 18 C.F.R. § 35.36(a).
4. Compliance with Commission Regulations: Seller shall comply with the provisions of 18 C.F.R. 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 C.F.R. 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.
5. Limitations and Exemptions Regarding Market-Based Rate Authority: Seller has received waiver of: Subparts B and C of Part 35, except for sections 35.12(a), 35.13(b), 35.15 and 35.16; Part 41, Part 101, and Part 141, except sections 141.14 and 141.15.; and received blanket approval under Part 34. *Targray Americas Inc.*, ER15-____-000 (2015).
6. Ancillary Services: Seller will also make available to any purchaser with whom it has contracted, the ancillary services listed in this Paragraph 5.
 - (a) 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.
 - (b) 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.
 - (c) 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.

- (d) 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.
- (e) MISO: Seller offers regulation service and operating reserve service (which include 10-minute spinning reserve and 10-minute supplemental reserve) for sale to the Midcontinent Independent System Operator, Inc. ("MISO") and to others that are self-supplying ancillary services to MISO.
- (f) SPP: Seller offers regulation service and operating reserve service (which include 10-minute spinning reserve and 10-minute supplemental reserve) for sale to the Southwest Power Pool, Inc. ("SPP") and to others that are self-supplying ancillary services to SPP.
- (g) Third Party Ancillary Services: Seller offers Regulation and Frequency Response Service, Reactive Supply and Voltage Control Service, Energy and Generator Imbalance Service, Operating Reserve-Spinning, and Operating Reserve-Supplemental. 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; and (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. Sales of Operating Reserve-Spinning and Operating Reserve-Supplemental will not include 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, except where the Commission has granted authorization. Sales of Regulation and Frequency Response Service and Reactive Supply and Voltage Control Service will not include 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, except at rates not to exceed the buying public utility transmission provider's OATT rate for the same service or where the Commission has granted authorization.

FERC rendition of the electronically filed tariff records in Docket No. ER15-01714-000

Filing Data:

CID: C004826

Filing Title: New Filing

Company Filing Identifier: 1

Type of Filing Code: 400

Associated Filing Identifier:

Tariff Title: Market based rates

Tariff ID: 1

Payment Confirmation:

Suspension Motion: N

Tariff Record Data:

Record Content Description, Tariff Record Title, Record Version Number, Option Code:

Section 1, Market based rates, 0.0.0, A

Record Narrative Name:

Tariff Record ID: 10

Tariff Record Collation Value: 10 Tariff Record Parent Identifier: 0

Proposed Date: 2015-07-01

Priority Order: 500

Record Change Type: New

Record Content Type: 1

Associated Filing Identifier:

**Targray Americas Inc.
FERC Electric MBR Tariff No. 1**

1. Availability: Targray Americas Inc. ("Seller") makes electric energy, capacity, and certain ancillary services available under this Rate Schedule to any purchaser for resale.
2. Rates: All sales shall be made at rates established by agreement between the purchaser and Seller.
3. Seller Category: Seller is a Category 1 Seller in all regions, as defined in 18 C.F.R. § 35.36(a).
4. Compliance with Commission Regulations: Seller shall comply with the provisions of 18 C.F.R. 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 C.F.R. 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.
5. Limitations and Exemptions Regarding Market-Based Rate Authority: Seller has received waiver of: Subparts B and C of Part 35, except for sections 35.12(a), 35.13(b), 35.15 and 35.16; Part 41, Part 101, and Part 141, except sections 141.14 and 141.15.; and received blanket approval under Part 34. *Targray Americas Inc.*, ER15-____-000 (2015).
6. Ancillary Services: Seller will also make available to any purchaser with whom it has contracted, the ancillary services listed in this Paragraph 5.

- (a) 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.
- (b) 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.
- (c) 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.
- (d) 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.
- (e) MISO: Seller offers regulation service and operating reserve service (which include 10-minute spinning reserve and 10-minute supplemental reserve) for sale to the Midcontinent Independent System Operator, Inc. ("MISO") and to others that are self-supplying ancillary services to MISO.
- (f) SPP: Seller offers regulation service and operating reserve service (which include 10-minute spinning reserve and 10-minute supplemental reserve) for sale to the Southwest Power Pool, Inc. ("SPP") and to others that are self-supplying ancillary services to SPP.
- (g) Third Party Ancillary Services: Seller offers Regulation and Frequency Response Service, Reactive Supply and Voltage Control Service, Energy and Generator Imbalance Service, Operating Reserve-Spinning, and Operating Reserve-Supplemental. 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; and (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. Sales of Operating Reserve-Spinning and Operating Reserve-Supplemental will not include 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, except where the Commission has granted authorization. Sales of Regulation and Frequency Response Service and Reactive Supply and Voltage Control Service will not include 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, except at rates not to exceed the buying public utility transmission provider's OATT rate for the same service or where the Commission has granted authorization.

Document Content(s)

Targray MBR Letter.DOCX.....1-12

Clean Tariff.DOCX.....13-14

FERC GENERATED TARIFF FILING.RTF.....15-17