

JUN 05 2015

UNITED STATES OF AMERICA      Electricity Delivery and  
BEFORE THE                      Energy Reliability  
DEPARTMENT OF ENERGY  
OFFICE OF ELECTRICITY DELIVERY AND ENERGY RELIABILITY

ELAN ENERGY SERVICES, LLC

)

Docket No. EA- 413

APPLICATION OF ELAN ENERGY SERVICES, LLC  
FOR AUTHORIZATION TO TRANSMIT ELECTRICITY TO MEXICO

Pursuant to Section 202(e) of the Federal Power Act, 16 U.S.C. § 824(e), and 10 C.F.R. § 205.300 *et seq.*, Elan Energy Services, LLC ("Applicant") hereby files this application ("Application") for authorization to transmit electric energy from the United States to Mexico for a term of five years. In support of this Application, Applicant states as follows:

I. DESCRIPTION OF APPLICANT AND BACKGROUND FOR REQUEST

Applicant is a Texas limited liability company that is authorized to operate in the State of Texas. The sole member of Applicant is Elan Energia Renovable S.A.P.I. de C.V., a Mexican Sociedad Anónima Promotora de Inversión.

Applicant intends to operate as a power marketer in the Electric Reliability Council of Texas ("ERCOT"). It will make wholesale purchases of electricity in the competitive markets operated by ERCOT. Applicant will export such electricity in order to make wholesale and retail sales of electricity in Mexico. To facilitate the export of electricity from ERCOT to Mexico, Applicant will purchase transmission services from transmission providers at rates regulated by the Public Utility Commission of Texas ("PUCT"). As a result, Applicant requests the Department of Energy's ("DOE") authorization to export electricity over the transmission facilities connecting ERCOT and Mexico listed in Exhibit C.

Applicant will not own, operate or control any electric generation or transmission facilities. Applicant will register as a Power Marketer with the PUCT. Applicant does not require market-based rate authority from the Federal Energy Regulatory Commission ("FERC") because it only intends to make wholesale sales of electricity in ERCOT. Applicant will also register as a Purchasing Selling Entity with the Texas Reliability Entity ("TRE") and the North American Electric Reliability Corporation ("NERC"). Applicant will comply with the reliability standards promulgated by the TRE and NERC, and approved by FERC, as well as any terms and conditions contained in the DOE's export authorization.

## **II. INFORMATION REQUIRED PURSUANT TO 10 C.F.R. § 205.302**

### **a. Exact legal name of Applicant:**

The exact legal name of the Applicant is Elan Energy Services, LLC.

### **b. Exact legal name of all partners:**

As a limited liability company, the Applicant has no partners. The sole member of Applicant is Elan Energia Renovable S.A.P.I. de C.V., a Mexican Sociedad Anónima Promotora de Inversión.

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

Isaac Romano  
Manager, Elan Energy Services, LLC  
Av. Observatorio 444  
Col. Dieciseis de Septiembre  
Miguel Hidalgo, 11810, Mexico D.F.  
Ph: +521-55-5400-3298  
E-Mail: iromano@elanenergy.com

and

Andrew B. Young  
Mayer Brown LLP  
1999 K Street, NW  
Washington, DC 20006  
Ph: (202) 263-3272  
E-Mail: ayoung@mayerbrown.com

- d. State of 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:**

Applicant is a Texas limited liability company, organized on February 2, 2015, that is authorized to operate in the State of Texas.

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

As described in Part I of this Application, the PUCT has jurisdiction over wholesale purchase and sales of electricity in ERCOT. The PUCT also has jurisdiction over the transmission of electricity in ERCOT. The TRE, NERC and FERC have jurisdiction over the reliability of the bulk electric system in ERCOT. Finally, pursuant to section 202(e) of the Federal Power Act, the DOE's Office of Electricity Delivery and Energy Reliability is the agency with jurisdiction over the proposed export of electric energy from ERCOT to Mexico. No other known Federal, State or local government entity or agency has jurisdiction over the proposed activities 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:**

Applicant seeks authorization to export electricity across the facilities currently interconnecting ERCOT and Mexico, which are listed in Exhibit C.

- 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 the 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:**

Section 202(e) of the Federal Power Act and the DOE's regulations provide that exports of electricity should be allowed unless the proposed export would negatively impact either (i) the sufficiency of electric supply or (ii) the coordination of the electric grid within the United States. The DOE has interpreted the first criterion to mean that sufficient generating capacity and electric energy must exist, such that the proposed export could be made without compromising the energy needs of the exporting region, including serving all load obligations in the region while maintaining appropriate reserve levels. The DOE has interpreted the second criterion primarily as an issue of the operational reliability of the domestic electric transmission system, such that the proposed export must not compromise transmission system security and reliability.

As a power marketer, Applicant does not own, operate or control an electric power supply system on which the proposed exports could affect the energy needs of the exporting region. Applicant also has no native load obligations usually associated with a franchised service territory. Any purchase of electricity by Applicant in ERCOT will be voluntary, and thus will be surplus to the needs of the selling entities. Accordingly, Applicant's proposed exports of electricity will not impair or tend to impair the sufficiency of electric supply within the United States.

Applicant also does not own, operate or control an electric transmission system on which the proposed exports could affect transmission system security and reliability. As described above, Applicant will register as a Power Marketer with the PUCT. Applicant will also register as a Purchasing Selling Entity with TRE and NERC. Any export of electricity engaged in by the

Applicant will be completed using ERCOT's procedures and/or market structures, and coordinated with all relevant parties as required pursuant to applicable market rules implemented by ERCOT, and the reliability standards promulgated by TRE and NERC, and approved by FERC. Accordingly, Applicant's proposed exports of electricity will not impede or tend to impede the regional coordination of electric utility planning or operation within the United States.

- h. The original application shall be signed and verified under oath by an officer of the application having knowledge of the matters set forth therein:**

The verification is included in Attachment A to the Application.

### **III. EXHIBITS REQUIRED BY 10 C.F.R. § 205.303**

In compliance with 10 C.F.R. § 205.303, the following Exhibits are attached to this application:

- a. Exhibit A. A copy of the agreement or proposed agreement under which the electricity is to be transmitted including a listing of the terms and conditions. If this agreement contains proprietary information that should not be released to the general public, the applicant must identify such data and include a statement explaining why proprietary treatment is appropriate.**

Not Applicable. Applicant will purchase transmission services from transmission providers within ERCOT at rates, terms and conditions subject to regulation by the PUCT.

- b. Exhibit B. A showing, including a signed opinion of counsel that the proposed export of electricity is within the corporate power of the applicant, and that the applicant has complied or will comply with all pertinent Federal and State Laws.**

Please see opinion of counsel attached as Exhibit B.

- c. Exhibit C. A general map showing the applicant's overall electric system and a detailed map highlighting the location of the facilities or the proposed facilities to be used for the generation and transmission of the electric energy to be exported. The detailed map shall identify the location of the proposed border crossing point(s) or power transfer point(s) by Presidential Permit number whenever possible.**

As a power marketer, Applicant does not have an electric system. The proposed facilities to be used for the transmission of electric energy to be exported are listed in Exhibit C.

- d. **Exhibit D. If an applicant resides or has its principal office outside the United States, such an applicant shall designate, by irrevocable power of attorney, an agent residing within the United States. A verified copy of such power of attorney shall be furnished with the application.**

Please see the verified copy of such power of attorney attached as Exhibit D.

- e. **Exhibit E. A statement of any corporate relationship or existing contract between the applicant and any other person, corporation, or foreign government, which in any way relates to the control or fixing of rates for the purchase, sale or transmission of electric energy.**

Not applicable. Applicant intends to purchase electricity from the competitive wholesale markets operated by ERCOT at negotiated, market-based rates. Applicant also intends to purchase transmission services from ERCOT at rates regulated by the PUCT.

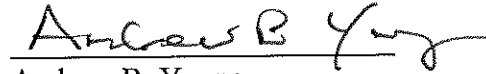
- f. **Exhibit F. An explanation of methodology (Operating Procedures) to inform neighboring electric utilities in the United States of the available capacity and energy which may be in excess of the applicant's requirements before the delivering of such capacity to the foreign purchaser. Approved firm export, diversity exchange and emergency exports are exempted from this requirement. Those materials required by this section which have been filed previously with the ERA may be incorporated by reference.**

Not applicable. Applicant is a power marketer, and is not a franchised public utility with captive retail customers. The electricity that Applicant plans to export will be surplus energy obtained from ERCOT's wholesale markets, and any such export transactions will be completed using ERCOT's procedures and/or market structures, and coordinated with all relevant parties as required pursuant to applicable market rules implemented by ERCOT, as well as the reliability standards promulgated by TRE and NERC, and approved by FERC.

#### IV. CONCLUSION

In consideration of the foregoing, Applicant respectfully requests that the DOE grant Applicant authorization to export electric energy to Mexico.

Respectfully submitted,



Andrew B. Young  
Mayer Brown LLP  
1999 K Street, NW  
Washington, DC 20006  
Ph: (202) 263-3272  
E-Mail: ayoung@mayerbrown.com

*Counsel to  
Elan Energy Services, LLC*

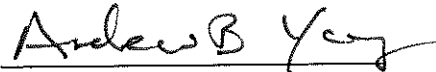
June 5, 2015

## **EXHIBIT B**

### **LEGAL OPINION**

The following opinion is given in support of the foregoing application of Elan Energy Services, LLC for Authorization to Transmit Electric Energy to Mexico.

- 1) I am an attorney at law, authorized to practice law in the District of Columbia.
- 2) I am counsel to Elan Energy Services, LLC, a duly incorporated and validly existing limited liability company, which is in good standing under the laws of the State of Texas.
- 3) Elan Energy Services, LLC has corporate power and authority to engage in the export of electricity, as proposed in this Application.
- 4) To the best of my knowledge and belief, Elan Energy Services, LLC will comply with all Federal and State laws regarding the matters contemplated in the Application.



Andrew B. Young  
Mayer Brown LLP  
1999 K Street, NW  
Washington, DC 20006  
Ph: (202) 263-3272  
E-Mail: [ayoung@mayerbrown.com](mailto:ayoung@mayerbrown.com)



## EXHIBIT C

### FACILITIES TO BE USED BY APPLICANT FOR EXPORT OF ELECTRIC ENERGY

<u>Present Owner</u>	<u>Location</u>	<u>Voltage</u>	<u>Presidential Permit No.</u>
AEP Texas Central Company	Laredo, TX	138 kV 230 kV	PP-317
	Brownsville, TX	138 kV 69 kV	PP-94
	Eagle Pass, TX	138 kV	PP-219
Comisión Federal de Electricidad	Falcon Dam, TX	138 kV	N/A
	Redford, TX	7.2 kV	PP-51
	Presidio, TX	13.8 kV	PP-03
El Paso Electric Company	Ascarate, TX	115 kV	PP-48
Sharyland Utilities, L.P.	McAllen, TX	138 kV	PP-285

## EXHIBIT D

### IRREVOCABLE POWER OF ATTORNEY

KNOW ALL MEN BY THESE PRESENT, that the undersigned Elan Energy Services, LLC, a Texas limited liability company ("Elan Energy"), does hereby irrevocably constitute and appoint:

Mr. Eduardo Rovira  
Executive Vice President  
Elan Energy Services LLC  
823 Anchorage Place, Suite 7  
Chulavista, CA 91914  
Tel: (619) 346-1651  
E-mail: erovira@atencion.com

with full power of substitution, Elan Energy's true and lawful attorney-in-fact to execute, endorse and deliver in the name, place and stead of Elan Energy, all instruments necessary to obtain an authorization to transmit electric energy from the United States to Mexico (the "Authorization") from the United States Department of Energy (the "DOE"), including, without limitation, the execution, acknowledgement and delivery of the corresponding application for the Authorization before the DOE and such other instruments, documents and information of whatever kind and nature, and to do all acts and things as may be necessary or appropriate to obtain and comply with such Authorization. Elan Energy hereby ratifies and approves all reasonable acts of Mr. Rovira as attorney-in-fact and confirms all that Mr. Rovira, or his designee or substitute, shall lawfully and reasonably do or cause to be done by virtue of this power. This power, being coupled with an interest, is irrevocable for all purposes with respect to the foregoing matters.

WITNESS my hand this 4<sup>th</sup> day of June, 2015.

ELAN ENERGY SERVICES, LLC

By:   
Name: Isaac Romano  
Title: Manager

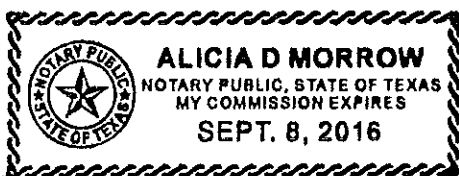
State of Texas )

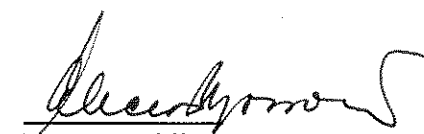
) ss:

County of Harris)

The foregoing instrument was acknowledged before me, a Notary Public in and for said County, this 4th day of June, 2015 by Isaac Romano, Manager of Elan Energy Services, LLC, a Texas limited liability company, on behalf of such company.

IN TESTIMONY WHEREOF, I have hereunto set my hand and official seal this 4th day of June, 2015.



  
Notary Public

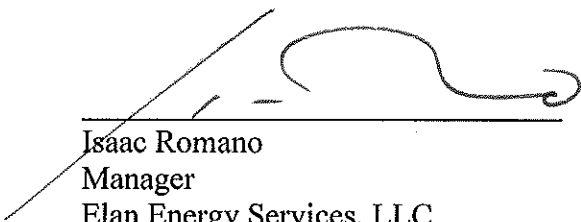
My Commission Expires: Sept. 8, 2016

[Notarial Seal]

ATTACHMENT A

VERIFICATION

The undersigned, being duly sworn, deposes and says that: he is the Manager of Elan Energy Services, LLC, and has the authority to verify the foregoing application on behalf of Elan Energy Services, LLC; he has read said application; and to the best of his knowledge, information, and belief, all of the statements contained therein with respect to Elan Energy Services, LLC are true and correct.

  
Isaac Romano  
Manager  
Elan Energy Services, LLC

State of Texas )

County of Harris )

SUBSCRIBED AND SWORN to before me on this 4th day of June, 2015 by Isaac Romano, proved to me on the basis of satisfactory evidence to be the person who appeared before me.

  
Notary Public

My commission expires: 9/8/16

