

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

Consolidated Edison Energy, Inc.

)  
)  
)

Docket No. EA-416000

**APPLICATION OF CONSOLIDATED EDISON ENERGY, INC.  
FOR AUTHORITY TO TRANSMIT ELECTRIC ENERGY TO CANADA**

Pursuant to Section 202(e) of the Federal Power Act ("FPA")<sup>1</sup> and the regulations promulgated under 10 C.F.R. §§ 205.300, *et seq.*, Consolidated Edison Energy, Inc. ("CEE" or "Applicant") hereby submits this application to the Department of Energy, Office of Electricity Delivery and Energy Reliability ("Department") for, and respectfully requests, blanket authorization to transmit and export electricity from the United States to Canada ("Application") for a period of five (5) years. CEE further respectfully requests that this Application be made effective by February 1, 2016.

**I. DESCRIPTION OF APPLICANT**

The exact legal name of the Applicant is Consolidated Edison Energy, Inc. Applicant is a New York corporation with its principal place of business in Valhalla, New York. Applicant is a wholly-owned, direct subsidiary of Consolidated Edison, Inc. ("Con Edison"), a New York holding company. CEE is not seeking authorization to export power on behalf of, or in conjunction with, any partners, partnerships or other affiliates.

CEE is an energy trading company that markets specialized energy supply services to wholesale customers. CEE is a power marketer that received market-based rate authority from the Federal Energy Regulatory Commission ("FERC")<sup>2</sup> and that does not own or control electric

<sup>1</sup> 16 U.S.C. § 824a(e) (2015).

<sup>2</sup> *Consol. Edison Energy, Inc.*, 83 FERC ¶ 61,236 (1998).

generation or transmission facilities. CEE provides services to manage the dispatch and supply of power, fuel requirements and risk management activities for power plants located primarily in the northeastern United States that are owned by unrelated third parties. In addition, CEE provides wholesale hedging and risk management services to two of its affiliates, Consolidated Edison Solutions, Inc. ("CES") and Consolidated Edison Development, Inc. ("CED"), both of which are wholly-owned subsidiaries of Con Edison.

CES provides wholesale and retail electric and related services (e.g., as a retail electric service provider) directly, and indirectly through its subsidiaries, in utility service territories in numerous states throughout the United States. CES holds market-based rate authorization from FERC<sup>3</sup> and also provides energy-efficiency services to government and commercial customers.

CED develops, owns and operates energy infrastructure throughout the United States, including solar electric generating facilities, solar panel storage facilities, wind power projects and a gas storage facility.

CEE has one subsidiary, Competitive Shared Services, Inc., which provides accounting and other business services to CEE, CES and CED.

CEE is affiliated with Consolidated Edison Company of New York, Inc. ("CECONY") and Orange and Rockland Utilities, Inc. ("O&R"), both of which are wholly-owned regulated utility subsidiaries of Con Edison. CECONY's principal business segments are its regulated electric, gas and steam businesses. CECONY's electric service territory covers most of, and its distribution facilities are located throughout, New York City and Westchester County, New York. CECONY's transmission facilities are located in New York City and throughout several counties in New York State and are operated by the New York Independent System Operator,

---

<sup>3</sup> *Consol. Edison Co. of N.Y., Inc.*, 78 FERC ¶ 61,298 (1997); *Consol. Edison Co. of N.Y., Inc.*, 82 FERC ¶ 61,063 (1998).

Inc. ("NYISO"). CECONY also holds market-based rate authority from FERC.<sup>4</sup> In addition, CECONY provides natural gas to its customers in its service territory and owns gas transportation, distribution and storage facilities throughout New York. CECONY owns a steam-electric generation facility and several steam-only generating facilities and distributes the steam to customers in New York.

O&R provides regulated electric and gas service through its transmission and distribution facilities to its customers in New York in a service area covering all of Rockland County, most of Orange County and part of Sullivan County. O&R's transmission facilities are operated by NYISO.<sup>5</sup> O&R also holds market-based rate authority from FERC.<sup>6</sup> Neither CECONY nor O&R own or control transmission facilities that cross the United States-Canada border.<sup>7</sup>

## II. COMMUNICATIONS

Communications and correspondence concerning this filing should be addressed to:

Thomas DiCapua  
Director of Business Development  
James J. Dixon  
Vice President; Legal & Compliance  
Consolidated Edison Energy, Inc.  
100 Summit Lake Drive, Suite 410  
Valhalla, NY 10595

Peter P. Thieman  
Stuart A. Caplan  
Dentons US LLP  
1301 K Street, NW  
Suite 600, East Tower  
Washington, DC 20005  
Tel. (202) 408-6464

<sup>4</sup> *Consol. Edison Co. of N.Y., Inc.*, Letter Order, Docket Nos. ER99-2251-001, *et al.* (June 9, 2000); *Cent. Hudson Gas & Elec. Corp.*, 86 FERC ¶ 61,062 (1999); *see also supra* n.3.

<sup>5</sup> O&R also has two subsidiaries - Rockland Electric Company ("RECO") and Pike County Light & Power Company ("Pike"). RECO provides regulated service to electric customers in New Jersey in the northern parts of Bergen and Passaic Counties and small areas in northern Sussex County, and Pike provides electric distribution and gas service to customers in Pike County, Pennsylvania. Portions of RECO's transmission system are located in and operated by PJM Interconnection, L.L.C. In October 2015, O&R publically announced its intent to sell Pike to Corning Natural Gas and that transaction is currently pending.

<sup>6</sup> *See supra* n.4; *see also Orange and Rockland Utilities, Inc.*, 78 FERC ¶ 61,344 (1997).

<sup>7</sup> CEE also is affiliated with Consolidated Edison Transmission, LLC ("CET") which is a wholly-owned subsidiary of Con Edison developing, along with the New York transmission owners, one or more electric transmission facilities in New York.

Tel. (914) 421-2321  
Fax. (914) 613-1576  
E-mail: [DiCapuaT@conedenergy.com](mailto:DiCapuaT@conedenergy.com)  
[dixonj@conedenergy.com](mailto:dixonj@conedenergy.com)

Fax. (202) 408-6399  
E-mail: [peter.thieman@dentons.com](mailto:peter.thieman@dentons.com)  
[stuart.caplan@dentons.com](mailto:stuart.caplan@dentons.com)

### **III. JURISDICTION**

Under Section 202(e) of the FPA and the Department's regulations, 10 C.F.R. §§ 205.300, *et seq.*, the Department has jurisdiction over the action proposed in this Application. No other known federal, state or local government has jurisdiction over the actions to be taken under the authority described in this Application.

### **IV. DESCRIPTION OF TRANSMISSION FACILITIES**

CEE requests authority to export electric energy to Canada over any international transmission facility authorized by Presidential Permit that is appropriate for open access by third parties in accordance with export limits assessed and authorized by the Department. In particular, CEE intends and requests to export electric energy over the existing international transmission facilities between Canada and the United States, as identified in Exhibit C. Exhibit C provides the owner name, location, voltage description, and Presidential Permit number of these existing international transmission facilities.

### **V. TECHNICAL DISCUSSION OF PROPOSAL**

Section 202(e) of the FPA and the Department's regulations promulgated thereunder provide that exports of electric energy should be authorized unless the proposed export would impair the sufficiency of electric power supply within the United States or would impede or tend to impede the coordinated use (from an operational reliability and security perspective) of the United States electric transmission system.<sup>8</sup>

---

<sup>8</sup> See 16 U.S.C. § 824a(e); 10 C.F.R. §§ 205.300, *et seq.* (2015); *see, e.g., BP Energy Co.*, Order No. EA-314, at 2 (Feb. 22, 2007), *renewed*, Order No. EA-314-A, at 2 (May 3, 2012).

CEE is a power marketer that does not own or control electric generation facilities or transmission facilities. CEE does not have a power supply system on which its exports of power could have reliability, fuel use or system stability impact, nor does it have an obligation to serve native load within a franchised service area. CEE will purchase the power it plans to export voluntarily from electric utilities, wholesale generators, power marketers and other parties, and thus such power will be surplus to the needs of the selling parties. CEE's export of power will not impair or tend to impede the sufficiency of electric power supplies in the United States or the regional coordination of electric utility planning or operation.

CEE will make all necessary commercial arrangements and will obtain any and all other regulatory approvals required in order to carry out any power exports. This will include: (i) scheduling each transaction with the appropriate balancing authority area in compliance with all reliability criteria, standards and guidelines of the North American Reliability Corporation ("NERC") and applicable Regional Entities in effect at the time of the export, and (ii) obtaining all necessary transmission access over the existing transmission facilities listed in Exhibit C. CEE agrees to comply with the export limits contained in the relevant export authorization and Presidential Permit associated with the transmission facilities over which CEE exports electric power to Canada.

In prior Department orders granting export authorization to electric power marketers, the Department 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

limits of cross-border facilities.<sup>9</sup> These same considerations demonstrate that the exports proposed by CEE 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 LAWS AND CONDITIONS**

CEE will conduct its operations (i) in compliance with any authorization conditions imposed by the Department consistent with its prior orders authorizing power marketers blanket authority to export power and (ii) in accordance with the provisions of the FPA and applicable rules, regulations and orders adopted or issued thereunder. CEE also will conduct its operations in conformity with the applicable reliability criteria, standards and guidelines of NERC, reliability coordinators and balancing authority area operators, including any applicable regional transmission organizations or independent system operators. In particular, if required by the Department, CEE's exports of power will not exceed the export limits for the transmission facilities used by CEE, or otherwise cause a violation of the terms and conditions established in the export authorization. CEE will provide the Department with evidence that it has secured sufficient transmission services for the delivery of power and with all periodic reports regarding exports of power, as may be applicable or required.

CEE respectfully submits that the Application qualifies for a categorical exclusion under the National Environmental Policy Act of 1969 such that neither an Environmental Agreement nor an Environmental Impact Statement is required because the exports of power proposed by CEE will occur over existing transmission lines.<sup>10</sup>

---

<sup>9</sup> See e.g. *Morgan Stanley Capital Power Grp. Inc.* Order No. EA-185-A-CN (Aug. 14, 2000); *Saracen Energy Partners, LP*, Order No. EA-340 (June 18, 2008).

<sup>10</sup> See 10 C.F.R. § 1021.410; 10 C.F.R. pt. 1021, App. B to Subpart D, § B4.2; see, e.g., *Morgan Stanley Capital Grp. Inc.*, Order No. EA-185-D, at 8 (July 8, 2015).

## **VII. VERIFICATION, REQUIRED COPIES AND FEE**

The verification executed by CEE'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, an original and two (2) 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 at the following address:

Ms. Kimberly D. Bose  
Secretary  
Federal Energy Regulatory Commission  
888 First Street, N.W.  
Washington, DC 20426

A check in the amount of \$500.00 made payable to the Treasurer of the United States is enclosed as payment of the fee specified in 10 C.F.R. § 205.309.

## **VIII. REQUIRED EXHIBITS**

In accordance with the requirements of the Department's regulations (10 C.F.R. § 205.303), the following applicable exhibits are attached to this Application:

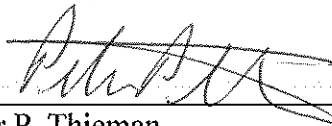
Exhibit A	Transmission Agreements	Not Applicable
Exhibit B	Opinion of Counsel	Attached
Exhibit C	Transmission Facilities	List of international transmission facilities submitted in lieu of a map
Exhibit D	Designation of Agent	Not Applicable
Exhibit E	Statement of Corporate Relationship or Contract	Not Applicable
Exhibit F	Operating Procedures	Not Applicable

To the extent necessary, CEE requests a waiver of the requirement to provide the exhibits that are not applicable to this Application, as noted above.

## IX. CONCLUSION

WHEREFORE, Consolidated Edison Energy, Inc. respectfully requests that the Department 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 February 1, 2016.

Respectfully Submitted,




Peter P. Thieman  
Stuart A. Caplan  
Dentons US LLP  
1301 K Street, NW  
Suite 600, East Tower  
Washington, D.C. 20005  
Telephone: (202) 408-6464  
Facsimile: (202) 408-6399  
Email: [peter.thieman@dentons.com](mailto:peter.thieman@dentons.com)  
[stuart.caplan@dentons.com](mailto:stuart.caplan@dentons.com)

**Counsel for Consolidated Edison Energy, Inc.**

November 30, 2015



STATE OF NEW YORK )  
 )  
COUNTY OF WESTCHESTER )

  
James J. Dixon  
Vice President, Legal and Compliance Services  
Consolidated Edison Energy, Inc.

Paul Farrell Mozzelli  
Name of Notary Public (printed name)

My commission expires: May 21, 2018

PAUL FARRELL MAPELLI  
Notary Public, State of New York  
No. 02MA4967056  
Qualified in Rockland County  
Commission Expires May 21, 2018

## **EXHIBIT A — TRANSMISSION AGREEMENTS**

*Not Applicable*

*Consolidated Edison Energy, Inc. has not entered into any transmission agreements as of the date of this Application.*

**EXHIBIT B - OPINION OF COUNSEL**



James J. Dixon  
Vice President, Legal & Compliance Services  
(914) 286-7085  
DixonJ@conedenergy.com

United States Department of Energy  
Office of Electricity Delivery and Energy Reliability  
Washington, DC

Re: Application of Consolidated Edison Energy, Inc., for Authority to Transmit Electric Energy to  
Canada (Docket No. EA-\_\_\_\_)

Ladies and Gentlemen:

I am employed as the Vice President; Legal and Compliance Services, of Consolidated Edison Energy, Inc., ("CEE"), and have represented CEE in connection with the Application of Consolidated Edison Energy, Inc., for Authority to Transmit Electric Energy to Canada (the "Application"). I am an attorney-at-law, authorized to practice law in the State of New York and District of Columbia.

I have examined such corporate records, certificates and other documents, and such questions of law, as I have considered necessary or appropriate for the purposes of this opinion. Upon the basis of such examination and as of the date hereof, it is my opinion that:

1. CEE is duly incorporated, validly existing, and in good standing under the laws of the State of New York.
2. CEE has the corporate power and authority to engage in the exportation of electric energy as described in the Application.
3. Based upon my knowledge of the facts and the law, including as a result of my consultation with outside counsel, following the issuance of the authorization sought in the Application, CEE shall have complied with all Federal and state laws applicable to the export of electric energy as requested in the Application.

The foregoing opinion is limited to the Federal laws of the United States and the laws of the State of New York as of the date hereof, and I am expressing no opinion as to the effect of the laws of any other jurisdiction.

In rendering this opinion, I have relied as to certain matters on information obtained from public officials, officers of CEE and other sources believed by me to be responsible, and I have assumed that the signatures on all documents examined by me are genuine, assumptions which I have not independently verified.

I am furnishing this opinion solely for your benefit in connection with the Application. This opinion may not be relied upon by you for any other purpose or relied upon by or furnished to any other person without my express written consent.

Very truly yours,



James J. Dixon

Vice President, Legal and Compliance Services  
Consolidated Edison Energy, Inc.

Dated: November 25, 2015

## EXHIBIT C

### International Transmission Facilities Located At the U.S. — Canada Border Authorized for Third-Party Use

<u>Present Owner</u>	<u>Location</u>	<u>Voltage</u>	<u>Presidential Permit No.</u>
Bangor Hydro-Electric Company	Baileyville, ME	345-kV	PP-89
Basin Electric Power Cooperative	Tioga, ND	230-kV	PP-64
Bonneville Power Administrative	Blaine, WA	2-500-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 Company	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	2-115-kV	PP-24
Maine Electric Power Company	Houlton, ME	345-kV	PP-43
Maine Public Service Company	Limestone, ME	69-kV	PP-12
	Fort Fairfield, ME	69-kV	PP-12
	Madawaska, ME	138-kV	PP-29
	Aroostook, ME	2-69-kV	PP-29
Minnesota Power, Inc.	International Falls, MN	115-kV	PP-78
Minnkota Power Cooperative	Roseau County, MN	230-kV	PP-61
Montana Alberta Tie Ltd.	Cut Bank, MT	230-kV	PP-305*
New York Power Authority	Massena, NY	765-kV	PP-56
	Massena, NY	2-230-kV	PP-25
	Niagara Falls, NY	2-345-kV	PP-74
	Devils Hole, NY	230-kV	PP-30
Niagara Mohawk Power Corp.	Devils Hole, NY	230-kV	PP-190
Northern States Power Company	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 DC	PP-299*
Vermont Electric Power Co.	Derby Line, VT	120-kV	PP-66
Vermont Electric Transmission Co.	Norton, VT	±450-kV DC	PP-76
	Imperial Valley, CA	230-kV	PP-79

\* These transmission facilities have been authorized but are not yet constructed or placed into operation.

**EXHIBIT D - DESIGNATION OF AGENT AND POWER OF ATTORNEY**

*Not Applicable*

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

*Not Applicable*



## **EXHIBIT F - OPERATING PROCEDURES**

*Not Applicable*