

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

Rassini Energy Project, LLC

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Docket EA-426

**APPLICATION OF RASSINI ENERGY PROJECT, LLC
FOR AUTHORIZATION TO
TRANSMIT ELECTRIC ENERGY TO MEXICO**

This Application to Transmit Electric Energy to Mexico is filed by Rassini Energy Project, LLC (Applicant) pursuant to Section 202(e) of the Federal Power Act, 16 U.S.C. § 824a(e), and Part 205, Subpart W of the regulations of the Department of Energy (DOE) regulations, 10 C.F.R. §§ 205.300 through 205.309 (2014). Applicant respectfully requests that this application be granted for the reasons set forth below.

I. DESCRIPTION OF APPLICANT

The exact legal name of the Applicant is Rassini Energy Project, LLC (REP). REP is a limited liability company organized and existing under the laws of the State of Delaware with its principal place of business located at 14500 Beck Road, Plymouth, Michigan 48070. REP is a subsidiary of Rassini International Investments, L.L.C., a Delaware limited liability company (Rassini). Rassini International, Inc., a Michigan corporation, holds a 0.01% non-voting interest in REP.

REP was formed by Rassini for the exclusive purpose of purchasing electric power and natural gas at wholesale within the United States for export to Mexico. Neither REP nor any of its affiliates owns, controls, or operates any electric generation, electric distribution or transmission facilities, or natural gas distribution or transmission facilities, construction/engineering firms that could engage in the construction of generation for

transmission facilities, or generation sites in the United States. Moreover, neither REP nor any of its affiliates has a franchise or service territory for the sale, distribution or transmission of electricity or natural gas in the United States.

II. INFORMATION PROVIDED PURSUANT TO 10 C.F.R. § 205.302

- (a) The exact legal name of the Applicant: Rassini Energy Project, LLC.
- (b) The exact legal name of all partners: Applicant does not have any partners to this application.
- (c) Contact information of the person(s) to whom correspondence regarding the application shall be addressed:

Juan Pablo Rosas P.
c/o Rassini Energy Project, LLC
Pedregal 24
- Piso 7
Col. Molino del Rey C.P.
11040, Ciudad de México,
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Phone: +52 (55) 5229 5885
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William D. DeGrandis
Paul Hastings LLP
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Washington, DC 20005
Tel: (202) 551-1720
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Counsel for Rassini Energy Project, LLC.

- (d) The state or territory under the laws of which the applicant is organized or incorporated, or authorized to operate: As noted, Applicant is organized under the laws of the State of Delaware. Applicant is authorized to operate in the State of Texas. Applicant is not herein requesting authority to export power from any state other than Texas, although it may seek to do so in the future, in which case Applicant would register to do business in such other state(s) and seek the appropriate authorizations from DOE and the Federal Energy Regulatory Commission (FERC), as applicable.

- (e) The name and address of any known Federal, State, or local government agency

which may have jurisdiction over the action to be taken in this application and a brief description of that authority: DOE is the sole agency with jurisdiction over the proposed export of energy to Mexico, under Section 202(e) of the Federal Power Act. 16 U.S.C. § 824a. No other known Federal, State, or local government has jurisdiction over the export transactions proposed herein. Applicant will make all other necessary arrangements to export power to Mexico, including (i) scheduling each transaction with the appropriate balancing area in compliance with all reliability criteria, standards, and guidelines of the North American Electric Reliability Council (NERC), and (ii) obtaining all necessary transmission access over the existing facilities listed in Exhibit C.

(f) A 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: Exhibit C lists the transmission facilities and related Presidential permit numbers through which Applicant seeks authority to deliver electric energy to Mexico pursuant to this application. Applicant will comply with the terms and conditions contained in the Presidential Permits and export authorizations applicable to these cross-border facilities, as well as any export limitations that DOE has deemed or may deem appropriate for those facilities.

(g) A technical description of the proposed electricity export's reliability, fuel use and system stability impact on the applicant's present and prospective electric power supply system. Applicant must explain why the proposed electricity export will not impair the sufficiency of electric supply on its system and why the export will not impede or tend to impede the regional coordination of electric utility planning or operation: Under Section 202(e) of the FPA, the DOE must authorize requests for export authorization unless the DOE finds that the proposed export would impair either 1) the sufficiency of electric supply, or 2) the coordination of the electric

grid.¹ As demonstrated below, Applicant's proposed export transactions would not negatively impact electric supply, nor would they impair the coordination of the electric grid under the DOE's standards.

Regarding the first criterion, in determining whether exports would impair the sufficiency of electric supply, the DOE considers whether regional electricity needs are currently met, and whether the export would implicate any supply-related reliability concerns.² Applicant has not exported electric power previously to Mexico, nor has it previously applied for such authority. An affiliate of the Applicant has, however, acquired power from an entity—TexMex Energy LLC (TexMex)—who did acquire such authority to transmit energy to Mexico. The electric power that Applicant plans to export, on either a firm or interruptible basis, will be surplus energy purchased in wholesale markets within Texas. Specifically, Applicant will register as a power marketer with the Public Utility Commission of Texas in order to purchase power at wholesale within the Electric Reliability Council of Texas, Inc. (ERCOT) for export into Mexico.³

Moreover, Applicant does not own, operate, or control any electric power generation, transmission or distribution facilities in the United States, nor is it affiliated with any owner of power generation, transmission, or distribution facilities in the United States. As such, Applicant's export transactions will not adversely impact native load customers or other market participants.

¹ 16 U.S.C. § 824a(e).

² See e.g. *Brookfield Energy Marketing, LP*, No. EA-368-A (June 3, 2015).

³ The Federal Energy Regulatory Commission has determined that an entity need not register as a power marketer under the Federal Power Act if the entity's power marketing activities are conducted solely within ERCOT. See *Destec Power Services, Inc.*, 72 FERC ¶ 61,277 at p. 62,204 (1995).

In addition, the requested exports satisfy the DOE's second criterion in that the requested exports will not negatively impact the coordination of the grid. In assessing the impacts on grid coordination, the DOE considers "the operational reliability and security of the domestic electric transmission system."⁴ In previous orders, DOE has emphasized a flexible approach for evaluating reliability issues associated with proposed export transactions.⁵ For example, DOE has relied on the technical analyses available for existing international transmission facilities when considering applications from power marketers and other similar entities seeking to use those facilities for exporting electricity to Mexico. Applicant requests that DOE apply this same flexible standard to the instant application.

Any export transactions will be completed through ERCOT, using ERCOT's transmission scheduling procedures and market structure, and will be coordinated with the Comisión Federal de Electricidad (CFE), the national electric utility responsible for generation, transmission, and distribution of electrical power in Mexico. Further, Applicant will schedule its exports in compliance with all applicable NERC criteria. As such, Applicant's export activities will take place within, and be fully consistent with, market and transmission structures that are already in place.

Under Applicant's circumstances, which are substantially identical to those relied upon by the Department when granting Applicant export authority in Order Nos. EA-294 and EA-294-A for Tex-Mex, the exports proposed herein will not impair the sufficiency of power in

⁴ See e.g. *Brookfield Energy Marketing, LP*, No. EA-368-A (June 3, 2015).

⁵ *NorAm Energy Services, Inc.*, No. EA-105-CN (Aug. 16, 1996); *MidCon Power Services Co1p.*, No. EA-114 (Jul. 15, 1996); *USGen Power Services*, No. EA-112 (Jun. 27, 1996); *CNG Power Services Corp.*, No. EA-110 (Jun. 20, 1996); *Destec Power Services, Inc.*, No. EA-113 (May 31, 1996); *North American Energy Conservation, Inc.*, No. EA-103 (May 30, 1996); *NorAm Energy Services, Inc.*, No. EA-105-MX (May 30, 1996); and *Enron Power Marketing, Inc.*, No. EA-102 (Feb. 6, 1996).

the United States, nor will the transactions impede or tend to impede the coordinated use of transmission facilities.

(h) Signature and verification under oath by the officer of the applicant having knowledge of the matters set forth therein: This application has been verified under oath by an officer of Applicant who has knowledge of the matters set forth herein as Attachment A.

III. REQUIRED EXHIBITS PURSUANT TO 10 C.F.R. § 205.303

In compliance with 10 C.F.R. § 205.303, the following Exhibits and Attachments are included with this application:

Exhibit A

Agreements.

Not applicable. The Applicant has no such agreements.

Exhibit B

Legal Opinion of Counsel.

Attached hereto.

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.

A list of the facilities and their owner, voltage, and associated Presidential Permit numbers are included as exhibit C. To the extent necessary, Applicant requests waiver of the requirement to provide a map. To the extent that owners of the listed international transmission facilities have provided maps of their systems as part of

the Presidential Permit application and export authority applications, Applicant requests that such maps be deemed to satisfy the requirement for Applicant to provide such maps.

Exhibit D

Non-U.S. Applicant's Power of Attorney

Attached hereto.

Exhibit E

Statement of any Corporate Relationship or Existing Contract Which in Any Way Relates to the Control or Fixing of Electric Power

Not applicable. Applicant does not have any corporate or contractual relationship with 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.

Exhibit F

Operating Procedures Regarding Available Capacity and Energy

Not applicable. As stated above, Applicant does not own or operate any generation or transmission facilities in the United States. To the extent that Applicant will rely on the border facilities to effectuate electricity energy exports, Applicant will rely on the Operating Procedures adopted by those border facilities to inform neighboring utilities of the available capacity and energy that may be in excess of requirements before delivery of such capacity to a foreign purchaser.

IV. CONCLUSION

For the reasons set forth above, Applicant respectfully requests that DOE grant it authorization to export electric energy from the United States to Mexico over the international electric transmission facilities designated in Exhibit C. Applicant respectfully requests that DOE review and grant expeditiously its application on substantially the same terms and conditions as applied to similarly-situated entities.

Respectfully submitted,



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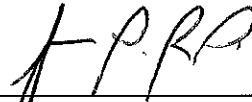
August 26, 2016

Attachment A

Verification

VERIFICATION

Juan Pablo Rosas Pérez being duly sworn, deposes and says that he is an officer of Rassini Energy Project, LLC, a Delaware limited liability company, that in such capacity he has read the foregoing Application of Rassini Energy Project, LLC for Authorization to Transmit Electric Energy to Mexico, and is familiar with its contents, and that the statements contained therein are true and correct to the best of his knowledge, information and belief.



Juan Pablo Rosas Pérez
Secretary
Rassini Energy Project, LLC

Sworn to and subscribed before me, a Notary Public, in and for the State of Michigan this 15th day of August, 2016.

(NOTARIAL SEAL)

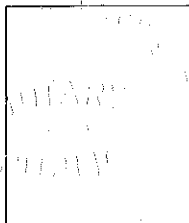
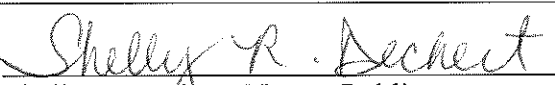
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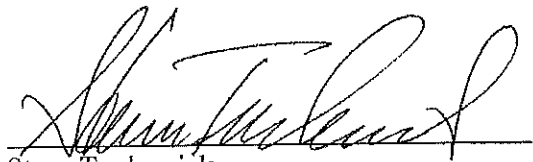
Exhibit B

Legal Opinion of Rassini Energy Project, LLC's Counsel

LEGAL OPINION

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

- (1) I am an attorney at law, authorized to practice law in the State of Texas.
- (2) I am counsel to Rassini Energy Project, LLC, a duly incorporated and validly existing limited liability company, which is in good standing under the laws of the State of Delaware.
- (3) I have examined and am familiar with the corporate powers of the Applicant, pursuant to Applicant's organizational documents.
- (4) To the best of my knowledge and belief, Rassini Energy Project, LLC has full power and authority to buy, sell or act as a marketer/broker in the sale and exportation of electric energy as requested in the application.
- (5) To the best of my knowledge and belief, Rassini Energy Project, LLC has complied with Section 202(c) of the Federal Power Act and all such other pertinent Federal and state laws.


Steve Tredennick
Counsel for Rassini Energy Project, LLC

Dated: 8-25-2016

Exhibit C

Transmission System Information

Rassini Energy Project, LLC requests authorization to export electric energy to Mexico over the following existing international transmission facilities, as identified by Presidential Permit number:

<u>Present Owner</u>	<u>Location</u>	<u>Voltage</u>	<u>Presidential Permit No.</u> ¹
AEP Texas Central Company	Brownsville, TX	138 kV 69 kV	PP-94
	Laredo, TX	138 kV 230 kV	PP-317
	Eagle Pass, TX	138 kV	PP-50 PP-219
Comision Federal de Electricidad	Falcon Dam, TX	138 kV	None
Sharyland Utilities, L.P.	McAllen, TX	138 kV	PP-285

¹ These Presidential Permit numbers refer to the generic Department permit number and are intended to include any subsequent amendments to the permit authorizing the facility.

Exhibit D

Non-U.S. Applicant's Power of Attorney

IRREVOCABLE LIMITED POWER OF ATTORNEY

This IRREVOCABLE LIMITED POWER OF ATTORNEY is made August 15th, 2016, by Rassini Energy Project, LLC (the "Principal"), a limited liability company organized and existing under the laws of the State of Delaware, with its principal place of business located at 14500 Beck Road, Plymouth, Michigan 48170.

1. Appointment. The Principal does hereby appoint Rassini International Investments, L.L.C., 14500 Beck Road, Plymouth Michigan 48070 as the Principal's true and lawful agent and attorney-in-fact ("Attorney-in-Fact") for the limited purpose hereinafter set out.
2. Scope of Authority. The Attorney-in-Fact shall have the limited power and authority to receive service of process for any and all matters relating to Principal's reporting requirements to the Department of Energy pursuant to Principal's Authority to Transmit Electric Energy to Mexico.
3. Irrevocability. This Power of Attorney is irrevocable by the Principal.

IN WITNESS WHEREOF, the Principal has caused this Power of Attorney to be duly executed on the 15th day of August, 2016.

Rassini Energy Project, LLC

By: 

Name: Juan Pablo Rosas Pérez

Title: Secretary

This instrument was acknowledged before me this 15th day of August, 2016.

By: 

Name: Jeffrey L. Lobine, Esq.