United States
Department of Energy

Office of Electricity Delivery and Energy Reliability

Energia Sierra Juarez U.S., LLC

OE Docket No. EA-402

Order Authorizing Electricity Exports to Mexico

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August 29, 2014

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I. BACKGROUND

The Department of Energy (the Department or DOE) regulates electricity exports from the United States to foreign countries in accordance with the Federal Power Act (FPA) § 202(e) (16 U.S.C. § 824a(e)) and regulations thereunder (10 C.F.R. §§ 205.300 *et seq.*). This authority was transferred to DOE under §§ 301(b) and 402(f) of the DOE Organization Act (42 U.S.C. §§ 7151(b), 7172(f)).

An entity that seeks to export electricity must obtain an order from DOE authorizing it to do so. Under FPA § 202(e), DOE "shall issue such order upon application unless, after opportunity for hearing, it finds that the proposed transmission would impair the sufficiency of electric supply within the United States or would impede or tend to impede the coordination in the public interest of facilities subject to the jurisdiction of [DOE]." 16 U.S.C. § 824a(e). DOE has discretion to condition the order as necessary or appropriate; the Department "may by its order grant such application in whole or in part, with such modifications and upon such terms and conditions as the [DOE] may find necessary or appropriate, and may from time to time, after opportunity for hearing and for good cause shown, make such supplemental orders in the premises as it may find necessary or appropriate." *Id.*

A. Application for Export Authorization

Energia Sierra Juarez U.S., LLC (ESJUS or the Applicant) is a power marketer requesting authorization to export electric energy into Mexico for a period commensurate with the term of Presidential Permit PP-334, issued to the Applicant's wholly-owned subsidiary Energia Sierra Juarez U.S. Transmission, LLC (ESJ Transmission) for the construction, operation, maintenance, and connection of a 230 kV radial generator tie-line (ESJ Gen-Tie). In requesting authority to transmit electric energy from the United States to Mexico, the Applicant does not seek authority to export electric energy to Mexico on facilities other than the ESJ Gen-Tie.

The Applicant is a Delaware limited liability company authorized to operate in the State of California. Application of Energia Sierra Juarez U.S., LLC for Authorization to Transmit Electricity to Mexico (June 12, 2014) (Application or App.), at 5. ESJUS and its corporate parent Energia Sierra Juarez, S. de R.L. de C.V. (ESJ Mexico) are wholly-owned subsidiaries of Infraestructura Energética Nova S.A.B. de C.V. (Sempra Mexico), which in turn is a subsidiary controlled by Sempra Energy, a public utility holding company based in San Diego, California. App. at 2. Applicant is a power marketer that will sell power from a nominally-rated 156 MW wind generation

facility (ESJ Facility) under development in northern Mexico by its corporate parent, ESJ Mexico. App. at 1. As a power marketer, the Applicant does not have a franchised electric power service area. App. at 2. The Applicant has received blanket authority from the Federal Energy Regulatory Commission (FERC) to sell energy, capacity and/or ancillary services at market-based rates. App. at 2.

The electric energy that the Applicant proposes to export to Mexico would be surplus energy obtained in wholesale markets within the United States. App at 7. Because the energy will be purchased from others voluntarily, it will be surplus to the needs of the selling entities.

The Applicant's request is limited to the transmission of de minimis station power from the California Independent System Operator (CAISO) Balancing Authority Area (CAISO BAA) to the ESJ Facility. The requested export authority—estimated to not exceed an instantaneous rate of 6 MW—is limited to transmission over the ESJ Gen-Tie. The Applicant states it will complete export transactions using CAISO's procedures and/or market structures, and applicable market rules implemented by the CAISO. App at 7. This includes scheduling each transaction in compliance with the reliability criteria, standards, and guidelines of the North American Electric Reliability Corporation (NERC)[1] and the Western Electric Coordinating Council (WECC).

As discussed below, the Applicant contends that its proposed exports will neither jeopardize the sufficiency of electric supply nor the reliability of the transmission grid. Accordingly, the Applicant asserts that it qualifies for the requested authorization under the criteria set forth in FPA § 202(e).

B. Procedural History

On June 13, 2014, ESJUS filed its Application with DOE requesting authorization to export electric energy, for a period not to extend beyond the date of termination of Presidential Permit PP-334. App. at 4. On June 25, 2014, DOE published notice of the application in the *Federal Register*. 79 Fed. Reg. 36044 (June 25, 2014). Interested parties were required to submit comments, protests, or motions to intervene by July 25, 2014. No comment or other filing was received.

II. DISCUSSION AND ANALYSIS

DOE is statutorily obligated under FPA § 202(e) to grant requests for export authorization unless the Department finds that the proposed export would negatively impact either: (i) the sufficiency of electric supply, or (ii) the coordination of the electric grid. Regarding the first exception criterion, DOE shall approve an electricity export application "unless, after opportunity for hearing, it finds that the proposed transmission

[1]The Applicant is not listed on the NERC Compliance Registry as a Purchasing-Selling Entity (PSE) but indicated in the Application that it will register. App at 8, footnote 6.

would impair the sufficiency of electric supply within the United States ...." 16 U.S.C. § 824a(e). DOE has interpreted this criterion to mean that sufficient generating capacity and electric energy must exist, such that the 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. *E.g., BP Energy Co.*, OE Order No. EA-314, 1-2 (Feb. 22, 2007), *renewed*, OE Order No. EA-314-A, 2 (May 3, 2012).

Under the second exception criterion, DOE shall approve an electricity export application "unless, after opportunity for hearing, it finds that the proposed transmission would ... impede or tend to impede the coordination in the public interest of facilities subject to the jurisdiction of [DOE]." 16 U.S.C. § 824a(e). DOE has interpreted this criterion primarily as an issue of the operational reliability of the domestic electric transmission system. Accordingly, the export must not compromise transmission system security and reliability. *E.g., BP Energy Co.*, OE Order No. EA-314, 2 (Feb. 22, 2007), *renewed*, OE Order No. EA-314-A, 2 (May 3, 2012).

A. ESJUS's Requested Authorization Will Not Impair the Sufficiency of Electric Supply in the U.S.

Sufficiency of supply, the first exception criterion, addresses whether regional electricity needs are met in the current market. DOE has analyzed this issue from both and economic and a reliability perspective. The economic perspective concerns the supply available to wholesale market participants. The reliability perspective focuses on preventing problems that could result from inadequate supplies. Taken together, DOE examines whether existing electric supply is available via market mechanisms, and whether potential reliability issues linked to supply problems are mitigated by reliability enforcement mechanisms.

From an economic perspective, DOE finds that the wholesale power markets are sufficiently robust to make supplies available to exporters and other market participants serving United States regions along the Canadian and Mexican borders. Following enactment of the Energy Policy Act of 1992, Pub. L. No. 102-486, which encouraged FERC to foster competition in the wholesale electric power markets through open access to transmission facilities, markets developed across the United States to provide opportunities for a more efficient availability of supply. Subsequently, the Energy Policy Act of 2005, Pub. L. No. 109-58, reaffirmed the Government's commitment to competition in wholesale power markets as national policy. FERC has continued to encourage the expansion of wholesale power markets through its orders to remove barriers[2] and to ensure these markets are functioning properly.[3] As a result, market

[2] *E.g., Preventing Undue Discrimination and Preference in Transmission Service*, Order No. 890, 72 Fed. Reg. 12,266 (Mar. 15, 2007), FERC Stats. & Regs. ¶ 31,241, *order on reh'g*, Order No. 890-A, FERC Stats. & Regs. ¶ 31,261 (2007), *order on reh'g*, Order No. 890-B, 123 FERC ¶ 61,299 (2008), *order on reh'g*, Order No. 890-C, 126 FERC ¶ 61,228 (2009).

participants have access to traditional bilateral contracts, as well as organized electricity markets run by regional transmission organizations or independent system operators (RTOs/ISOs). FERC oversees these interstate wholesale electricity markets across most of the lower 48 states. Absent an indication in the record that the geographic markets relevant to this export authorization analysis are flawed, such that the proposed exports will jeopardize regional supply, DOE finds that the proposed transmission for export does not impair the sufficiency of electric supply within the United States.

From a reliability perspective,[4] DOE focuses on the prevention of cascading outages and other problems that could result from inadequate resources.[5] Reliability issues are addressed by the authority granted to FERC through the Energy Policy Act of 2005. That Act added § 215 to the Federal Power Act. It also directed FERC to certify an electric reliability organization and develop procedures for establishing, approving, and enforcing mandatory electric reliability standards. 16 U.S.C. § 824o. FERC certified NERC in 2006 to establish and enforce reliability standards for the bulk power system in the United States. The reliability standards address issues such as resource and demand balancing, emergency preparedness and operations, interchange scheduling and coordination, and interconnection reliability operations and coordination.

Through enforcement by FERC, NERC, and eight Regional Entities overseen by NERC,[6] all bulk power system owners, operators, and users are held responsible for complying with reliability standards. The applicant here is one such bulk power system user. Moreover, the reliability standards are structured so that many entities have overlapping responsibility for the electric grid, thereby resulting in several layers of reliability monitoring. Entities such as reliability coordinators and balancing authorities coordinate power generation and transmission among multiple utilities to serve demand within an integrated regional wholesale market. One of the principal functions of these entities is to schedule adequate generating and reserve capacity. This allows them to serve demand at the regional level and to ensure that there are sufficient power supplies to maintain system reliability. Reliability oversight is designed to benefit the overall region; the reliability standards explicitly place the interests of the interconnection before the interests of any particular entity such as an exporter. *See* Reliability Standard IRO-001-1.1 R9. DOE finds that FERC's comprehensive enforcement mechanism ensures that entities have a strong incentive both to maintain system resources and to prevent reliability problems that could result from movement of electric supplies through

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[3] *E.g., Wholesale Competition in Regions with Organized Electric Markets*, Order No. 719, FERC Stats. & Regs. ¶ 31,281 (2008), *as amended*, 126 FERC ¶ 61,261, *order on reh'g*, Order No. 719-A, FERC Stats. & Regs. ¶ 31,292, *reh'g denied*, Order No. 719-B, 129 FERC ¶ 61,252 (2009).

[4] A related reliability analysis follows in the next section of this Order.

[5] This focus should not be confused with resource adequacy planning and capacity requirements that have traditionally been the domain of state regulatory commissions.

[6] The eight entities are the Florida Reliability Coordinating Council, Midwest Reliability Organization, Northeast Power Coordinating Council, Reliability*First* Corporation, SERC Reliability Corporation, Southwest Power Pool Regional Entity, Texas Reliability Entity, and the Western Electricity Coordinating Council.

export. As a result of this reliability oversight, DOE further finds that the sufficiency of supply is not impaired by the Applicant's proposed export authorization.

DOE's sufficiency of supply findings are further supported by the fact that power marketers, such as the Applicant, do not have an obligation to serve a franchised territory. Before the current role of power marketers emerged in the industry, the FPA § 202(e) inquiry into sufficiency of supply had a narrower focus and was designed for an applicant that was a vertically integrated utility[7] with an obligation to serve native load. Under that traditional scenario, the inquiry regarding sufficiency of supply logically sought to confirm that exports would be surplus to the needs of a vertically integrated utility's native load obligations and reserve margins. As explained in DOE's notice of the first application by a power marketer for export authorization, the sufficiency of supply inquiry became unnecessary when applied to power marketers:

> The Applicant also is required to demonstrate that it would have sufficient generating capacity to sustain the proposed export under the terms and conditions of its export agreement, while still complying with any established reserve criteria. Since marketers generally could not be seen as having any "native load" requirements, the latter criterion of maintaining sufficient reserve margins appears inappropriate and unnecessary in this instance.

59 Fed. Reg. 54,900 (Nov. 2, 1994). Power marketers such as the Applicant do not have franchised service areas and, consequently, do not have native load obligations like a traditional local distribution utility that could be impaired by exports.

In sum, market mechanisms and reliability oversight protect the sufficiency of domestic supply from being jeopardized by the Applicant's exports. Therefore, an export by the Applicant would not trigger the first exception criterion of FPA § 202(e).

B. ESJUS's Requested Authorization Will Not Adversely Affect Either the Reliability or the Security of the U.S. Electric Transmission System

Reliability, the second exception criterion under FPA § 202(e), addresses operational reliability and security of the domestic electric transmission system. In evaluating the operational reliability impacts of export proposals, DOE has used a variety of methodologies and information, including established industry guidelines, operating procedures, and technical studies where available and appropriate. When determining these impacts, it is convenient to separate the export transaction into two parts: (i) moving the export from the source to a border system that owns the

[7] A "vertically integrated utility" is a "single regulated utility" that provides "electricity generation, transmission, and distribution for a particular geographic area." *Wis. Pub. Power, Inc. v. FERC*, 493 F.3d 239, 246 (D.C. Cir. 2007).

international transmission connection, and (ii) moving the export through that border system and across the border.

Moving Electricity to a Border System. Moving electricity for export to a border system necessarily involves the use of the bulk power system. As noted in the preceding section, bulk power system reliability concerns are addressed under the FPA by FERC and NERC and involve the enforcement of mandatory reliability standards. These standards ensure that all owners, operators, and users of the bulk power system have an obligation to maintain system security and reliability. The standards are structured so that there are always entities with broader responsibilities than the applicant, such as reliability coordinators and balancing authorities, to keep a constant watch over the domestic transmission system.

To deliver the export from the source to a border system, the applicant must make the necessary commercial arrangements and obtain sufficient transmission capacity to wheel the exported power to the border system. The Applicant would be expected to follow FERC orders regarding open transmission access and to schedule delivery of the export with the appropriate RTO, ISO, and/or balancing authority (formerly the control area operator).

It is the responsibility of the RTO, ISO, and/or balancing authority to schedule the delivery of the export consistent with established and mandatory operational reliability criteria. During each step of the process of obtaining transmission service, the owners and/or operators of the transmission facilities will evaluate the impact on the system and schedule the movement of the export *only* if it would not violate established operating reliability standards. As a failsafe, the reliability coordinator in each region has the authority and responsibility to curtail, cancel, or deny scheduled flows to avoid shortages or to restore necessary energy and capacity reserves. *See* Reliability Standard EOP-002-3.1 R1 ("Each Balancing Authority and Reliability Coordinator shall have the responsibility and clear decision-making authority to take whatever actions are needed to ensure the reliability of its respective area and shall exercise specific authority to alleviate capacity and energy emergencies.").

Specifically, the reliability coordinator has the authority to suspend exports if the electric energy would be needed to support the regional power grid. *See* Reliability Standard IRO-001-1.1 R4 ("The Reliability Coordinator shall have clear decision-making authority to act and to direct actions...to preserve the integrity and reliability of the Bulk Electric System. These actions shall be taken without delay, but no longer than 30 minutes.") & R8 ("Transmission Operators, Balancing Authorities, Generator Operators, Transmission Service Providers, Load-Serving Entities, and Purchasing-Selling Entities shall comply with Reliability Coordinator directives unless such actions would violate safety, equipment, or regulatory or statutory requirements.").

DOE has determined that the above-described existing industry reliability safeguards provide adequate assurance that a particular export moving to a border system will not cause an operational reliability problem. Therefore, the Applicant's

export authorization has been conditioned to meet established industry reliability criteria, and will not cause or exacerbate a transmission operating problem on the U.S. electric power supply system (*see* Order paragraphs B, C, and H).

In this regard, DOE additionally finds that mandatory reliability standards and market restructuring have obviated the use of standard transmission studies to determine the impact of exports on operation reliability. Before the electric power industry was restructured, the only entities able to export were those electric utilities that were contiguous with the U.S. international border that owned international transmission facilities. The exported energy generally originated from within the exporter's system, and standard transmission studies could determine the impact of the export on regional electric systems. In recent years, however, deregulation of wholesale power markets and the introduction of open-access transmission have expanded the scope of entities capable of exporting electric energy. However, this Applicant submits its application to DOE, knowing the source of the exported energy or the electric systems that might be called upon to provide transmission service to the border.

Moving Electricity Through a Border System. The second part of DOE's reliability inquiry examines the reliability impact of the transmission of the export through a border system and across the border. NERC and Regional Entities—including the Northeast Power Coordinating Council (NPCC), the Midwest Reliability Organization (MRO), and the Western Electricity Coordinating Council (WECC)—oversee the United States-Canadian border system and a significant part of the United States-Mexican border system. Those border systems are generally subject to the same reliability standards as domestic systems. *See, e.g.,* https://www.ieso.ca/imoweb/pubs/ircp/NERC_Standards_Development_Milestone_Dates.xlsx. Inasmuch as the same reliability standards used in domestic systems apply as well to border systems, DOE finds that there are ample safeguards to ensure that the export proposed in this application will not create a substantive risk to the operation of the border systems.

The technical reliability studies reviewed in conjunction with the authorization to construct each existing border system, submitted as part of an application for a DOE-issued Presidential permit[8] to construct a new international transmission line, provide additional support for this finding. The technical reliability studies submitted with Presidential permit applications[9] ensure that DOE has thoroughly analyzed the potential impact of the use of these border systems for electricity exports. DOE does not need to perform additional impact assessments here, provided the maximum rate of transmission for all exports through a border system does not exceed the authorized limit of the system. The Applicant has committed to complying with all reliability limits on the ESJ

[8] DOE issues Presidential permits pursuant to Executive Order 10,485, as amended by Executive Order 12,038. *See* 10 C.F.R. §§ 205.320-205.329.

[9] *E.g., AEP Texas Central Co.*, OE Order No. PP-317, 2-3 (Jan. 22, 2007); *Montana Alberta Tie Ltd.*, OE Order No. PP-305, 2-4 (Nov. 17, 2008).

facility. App. at 7-8. The second part of the reliability inquiry is therefore satisfied by DOE regulatory oversight in addition to NERC's reliability enforcement.

III. FINDINGS AND DECISION

A. ESJUS Meets the Statutory Requirements to Export Electric Energy to Mexico

For the reasons explained above, DOE has determined that the Applicant's proposed export of electric energy to Mexico would not impair the sufficiency of electric power supply within the United States and would not impede or tend to impede the coordination in the public interest of facilities within the meaning FPA § 202(e).

B. ESJUS Qualifies for a NEPA Categorical Exclusion for Exports of Electric Energy

The Applicant's proposed export of electric energy qualifies for DOE's categorical exclusion for exports of electric energy under the National Environmental Policy Act (NEPA) of 1969, 42 U.S.C. §§ 4332(2) *et seq.* DOE's regulations set forth this categorical exclusion, codified as "B4.2," as follows:

> Export of electric energy as provided by Section 202(e) of the Federal Power Act over existing transmission lines or using transmission system changes that are themselves categorically excluded.

10 C.F.R. Part 1021, App. B to Subpart D, § B4.2.

DOE has determined that actions in this category do not individually or cumulatively have a significant effect on the human environment and that, therefore, neither an environmental assessment nor an environmental impact statement normally is required. 10 C.F.R. § 1021.410(a). Further, in 2011, DOE formally reviewed its NEPA regulations and categorical exclusions, and determined that it was appropriate to retain the B4.2 categorical exclusion unchanged. *See* National Environmental Policy Act Implementing Procedures, 76 Fed. Reg. 214, 217 (Jan. 3, 2011); National Environmental Policy Act Implementing Procedures, 76 Fed. Reg. 9981, 9982 (Feb. 23, 2011).

To invoke this categorical exclusion, DOE must determine that, in relevant part, "[t]here are no extraordinary circumstances related to the proposal that may affect the significance of the environmental effects of the proposal," and that "[t]he proposal has not been segmented to meet the definition of a categorical exclusion." 10 C.F.R. § 1021.410(b)(2), (3). "Extraordinary circumstances" include "unique situations" such as "scientific controversy about the environmental effects of the proposal." *Id.* at § 1021.410(b)(2). DOE finds that the Applicant's request does not present such a circumstance, nor has it been segmented for purposes of this exclusion. The Applicant seeks to deliver electricity over existing transmission lines, which fits squarely within the B4.2 categorical exclusion. For these reasons, DOE will not require more detailed

NEPA review in connection with this application. *See, e.g.*, 10 C.F.R. §§ 1021.400(a)(1), 410; 40 C.F.R. § 1501.4(a).

C. Comments, Protests, or Motions to Intervene

There were no comments, protests, or motions to intervene received.

D. Conclusion

DOE grants Energia Sierra Juarez U.S., L.L.C 's application for authorization to export electric energy to Mexico over the ESJ Gen-Tie to the ESJ Facility subject to the limitations and conditions described in this Order. As set forth below, this export authorization is for a term commensurate with that of Presidential Permit PP-334 and not to extend beyond the date of termination of Presidential Permit PP-334.[10]

IV. DATA COLLECTION AND REPORTING REQUIREMENTS

The responsibility for the data collection and reporting under orders authorizing electricity exports to a foreign country currently rests with the U.S. Energy Information Administration (EIA) within DOE. EIA suspended data collection effective June 1, 2011, in anticipation of a transition to a new reporting Form EIA-111, "Quarterly Electricity Imports and Exports Report." Effective August 14, 2014, EIA has resumed data collection utilizing the Data xChange Community Portal. The Applicant is instructed to follow EIA instructions in completing this data exchange. Questions regarding the data collection and reporting requirements can be directed to EIA by email at EIA4USA@eia.gov or by phone at 1-855-342-4872.

Additionally, any change to the tariff of an entity with export authorization must be provided to DOE's Office of Electricity Delivery and Energy Reliability. 10 C.F.R. § 205.308(b).

V. COMPLIANCE

Obtaining a valid order from DOE authorizing the export of electricity under FPA § 202(e) is a necessary condition before engaging in the export. Failure to obtain such an order, or continuing to export after the expiration of such an order, may result in a denial of authorization to export in the future and subject the exporter to sanctions and penalties under the FPA. DOE expects transmitting utilities owning border facilities and entities charged with the operational control of those border facilities, such as ISOs, RTOs, or balancing authorities, to verify that companies seeking to schedule an electricity export have the requisite authority from DOE to export such power.

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[10] This conforms to prior DOE precedent. *See Sempra Energy Resources*, FE Order No. EA-235 (Sept. 5, 2002), *amended sub nom. Sempra Generation*, OE Order No. EA-235-A (Nov. 18, 2008).

DOE expects Applicant to abide by the terms and conditions established for its authority to export electric energy to Mexico, as set forth below. DOE intends to monitor the Applicant's compliance with these terms and conditions, including the requirement in paragraph F of this Order that Applicant create and preserve full and complete records and file reports with EIA as discussed above.

A violation of any of those terms and conditions, including the failure to submit timely and accurate reports, may result in the loss of authority to export electricity and subject the Applicant to sanctions and penalties under the FPA.

VI. ORDER

Pursuant to FPA § 202(e) and the Rules and Regulations issued thereunder (10 C.F.R. §§ 205.300-309), it is hereby ordered that Energia Sierra Juarez U.S., LLC is authorized to export electric energy to Mexico under the following terms and conditions:

A. The electric energy exported by ESJUS pursuant to this Order may only be delivered to Mexico over the ESJ Gen-Tie authorized by Presidential Permit PP-334. The maximum amount of electric energy exported for this purpose will not exceed an instantaneous transmission rate of 6 MW.

B. ESJUS shall obtain any and all other Federal and state regulatory approvals required to execute any power exports to Mexico. The scheduling and delivery of electricity exports to Mexico shall comply with all reliability criteria, standards, and guidelines of NERC, reliability coordinators, Regional Entities, RTOs, ISOs, and/or balancing authorities, or their successors, as appropriate, on such terms as expressed therein, and as such criteria, standards, and guidelines may be amended from time to time.

C. Exports made pursuant to this authorization shall be conducted in accordance with the applicable provisions of the FPA and any pertinent rules, regulations, directives, policy statements, and orders adopted or issued thereunder.

D. This authorization may be modified from time to time or terminated by further order of DOE. In no event shall such authorization to export over a particular transmission facility extend beyond the date of termination of the Presidential permit or treaty authorizing such facility.

E. This authorization shall be without prejudice to the authority of any state or state regulatory commission for the exercise of any lawful authority vested in such state or state regulatory commission.

F. ESJUS shall make and preserve full and complete records with respect to the electric energy transactions between the United States and Mexico. Applicant shall collect and submit the data to EIA as required by and in accordance with the

procedures of Form EIA-111, "Quarterly Electricity Imports and Exports Report."

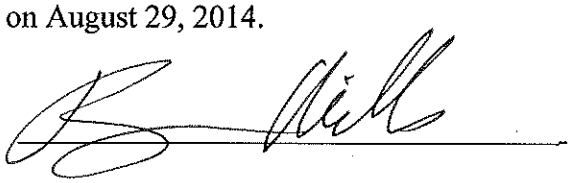
G. In accordance with 10 C.F.R. § 205.305, this export authorization is not transferable or assignable, except in the event of the involuntary transfer of this authority by operation of law. Provided written notice of the involuntary transfer is given to DOE within 30 days, this authorization shall remain in effect temporarily. The authorization shall terminate unless an application for a new export authorization has been received by DOE within 60 days of the involuntary transfer. Upon receipt by DOE of such an application, this existing authorization shall continue in effect pending a decision on the new application. In the event of a proposed voluntary transfer of this authority to export electricity, the transferee and the transferor shall file a joint application for a new export authorization, together with a statement of the reasons for the transfer.

H. Nothing in this Order is intended to prevent the transmission system operator from being able to reduce or suspend the exports authorized herein, as necessary and appropriate, whenever a continuation of those exports would cause or exacerbate a transmission operating problem or would negatively impact the security or reliability of the transmission system.

I. ESJUS has a continuing obligation to give DOE written notification as soon as practicable of any prospective or actual changes of a substantive nature in the circumstances upon which this Order was based, including but not limited to changes in authorized entity contact information or NERC Compliance Registry status.

J. This authorization shall be effective as of August 29, 2014, and remain in effect for a period not to extend beyond the date of termination of Presidential Permit PP-334.

Issued in Washington, D.C., on August 29, 2014.



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