
United States
Department of Energy

Office of Electricity Delivery and Energy Reliability

Avista Corporation
Candela Energy Corporation
Edison Mission Marketing and Trading, Inc.
Idaho Power Company
Kansas City Power & Light
Northern States Power Company
Pacific Northwest Generating Cooperative
PacifiCorp
Portland General Electric Company
Powerex Corporation
Public Service of Colorado
Puget Sound Energy
TransCanada Energy Marketing Ltd.

OE Docket No. EA-98-J



Order Authorizing Electricity Exports to Canada

OE Order No. EA-98-J

April 25, 2007

Western Systems Power Pool Order No. EA-98-J

I. BACKGROUND

Exports of electricity from the United States to a foreign country are regulated by the Department of Energy (DOE) pursuant to sections 301(b) and 402(f) of the Department of Energy Organization Act (42 U.S.C. 7151(b), 7172(f)) and require authorization under section 202(e) of the Federal Power Act (FPA) (16 U.S.C.824a(e))¹.

On September 2, 1994, in Order No. 98-A, DOE authorized 22 members of the Western Systems Power Pool (WSPP) to individually export electric energy to BC Hydro or other future Canadian members of the WSPP under the terms and conditions of WSPP's pooling agreement and service schedules approved by the Federal Energy Regulatory Commission (FERC). In several subsequent proceedings in the EA-98 docket, the list of members authorized to export was modified to add, delete, or reflect corporate name changes. The most recent order in the docket EA-98-I was issued on August 6, 2002, and authorized 26 WSPP member companies individually to transmit electric energy to Canada. That Order expired on September 5, 2006.

On August 1, 2006, WSPP applied to renew the electricity export authority contained in Order No. EA-98-I on behalf of 13 member companies. To avoid a lapse in the export authority that could cause operational problems for certain Canadian members of the WSPP, on August 31, 2006, DOE issued a temporary extension of the export authority contained in Order No. EA-98-I "until the DOE takes a final action in the EA-98-J renewal proceeding."

The energy to be exported will be delivered to Canada over the international electric transmission facilities presently owned by the Bonneville Power Administration and authorized in Presidential Permit Nos. PP-10, PP-36, and PP-46.

Notice of the WSPP application in Docket No. EA-98-J was placed in the *Federal Register* on September 7, 2006, (71 FR 52783) requesting that comments, protests, and petitions to intervene be submitted to DOE by September 22, 2006. None were received.

¹ The authority to administer the International Electricity Program through the regulation of electricity exports and the issuance of Presidential permits has been delegated to the Director of the Office of Electricity Delivery and Energy Reliability in Redesignation Order No. 00-002.10A issued on January 30, 2007.

III. FINDING AND DECISION

The circumstances described in the application submitted in OE Docket No. EA-98-J are virtually identical to those for which export authority has previously been granted. Consequently, DOE finds that the electric reliability determination dated July 29, 1994, in Docket No. EA-98, is satisfactory to fulfill the statutory requirements of the FPA. Specifically, the export of electric energy to Canada by WSPP member companies, as ordered below, 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 of section 202(e) of the FPA.

The circumstances described in the WSPP application in this Docket are virtually identical to those for which export authority had previously been granted in Order No. EA-98. Consequently, DOE believes that it has satisfied its responsibilities under the National Environmental Policy Act of 1969 through the documentation of a categorical exclusion in the Docket No. EA-98 proceeding.

Based on these findings, DOE has granted WSPP's request for authorization to export electric energy to Canada.

IV. COMPLIANCE

DOE expects authorized WSPP member companies to abide by the terms and conditions established for their authority to export electric energy to Canada, as set forth below. DOE intends to closely monitor compliance with these terms and conditions, especially the requirement in paragraph H of this Order that the authorized exporters create and preserve full and complete records and file quarterly reports with DOE. A violation of any of those terms and conditions, including the failure to submit timely and accurate quarterly reports, may result in the loss of authority to export electricity and subject one or more authorized exporters to sanctions and penalties under the FPA.

DOE notes that paragraph K of this Order allows WSPP to file an application for renewal of this authorization up to six months prior to its expiration. This Order also puts WSPP on notice that DOE requires at least sixty days to adequately process any renewal application. Accordingly, DOE expects WSPP to implement appropriate internal procedures to monitor the status of this authorization so as to ensure timely application to DOE for renewal of this authorization. Failure to provide DOE with sufficient time to process a renewal application may result in a gap in this authority to export electricity and, therefore, may effect an authorized exporter's ability to satisfy its contractual obligations.

As noted above, obtaining a valid Order from DOE authorizing the export of electricity under section 202(e) of the FPA 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.

V. ORDER

Based on the above and pursuant to section 202(e) of the FPA and the Rules and Regulations issued thereunder (Title 10, Code of Federal Regulations, sections 205.300-309), it is hereby ordered that the following members of WSPP ("the Applicants") are authorized to export electricity to BC Hydro, or other and future Canadian members of the WSPP, under the terms and conditions of WSPP's pooling agreement and service schedules approved by FERC, and the following terms and conditions:

Avista Corporation
Candela Energy Corporation
Edison Mission Marketing and Trading, Inc.
Idaho Power Company
Kansas City Power & Light
Northern States Power Company
Pacific Northwest Generating Cooperative
PacifiCorp
Portland General Electric Company
Powerex Corporation
Public Service of Colorado
Puget Sound Energy
TransCanada Energy Marketing Ltd.

(A) The electric energy exported by the Applicants pursuant to this Order may be delivered to Canada only over the following existing international transmission facilities for which assessments of the transmission limits for operation in the export mode have been made:

<u>Present Owner</u>	<u>Location</u>	<u>Voltage</u>	<u>Presidential Permit No.</u> ²
Bonneville Power Administration	Blaine, WA	2-500-kV	PP-10
	Nelway, WA	230-kV	PP-36
	Nelway, WA	230-kV	PP-46

² These Presidential permit numbers refer to the generic DOE permit number and are intended to include any subsequent amendments to the permit authorizing the facility.

(B) Exports by the Applicants pursuant to this Order shall not cause total exports on the two 500-kV lines authorized by Presidential Permit PP-10, the 230-kV line authorized by Presidential Permit PP-36, and the 230 kV line authorized by Presidential Permit PP-46 (issued to BPA) to exceed the following limits:

Condition	PP-36 & PP-46 Limit	PP-10 Limit	Total Export Limit
All lines in service	400 MW	1500 MW	1900 MW
1-500 kV line out	400 MW	300 MW	700 MW
2-500 kV lines out	400 MW	0 MW	400 MW
1-230 kV line out	400 MW	1500 MW	1900 MW
2-230 kV line out	0 MW	1500 MW	1500 MW

(C) Any request for changes to the export limits in paragraph (B) above will be made by DOE only after submission of appropriate information demonstrating a change in the transmission transfer capability between the electric systems between BPA and BC Hydro, or BPA and West Kootenay Power. Notice of these changes will be provided to the Applicants.

(D) The scheduling and delivery of electricity exports to Canada shall comply with all reliability criteria, standards, and guides of the North American Electric Reliability Council, Regional Councils, Regional Transmission Organizations, Independent System Operators, and/or control area operator(s), as appropriate, on such terms as expressed therein, and as such criteria, standards, and guides may be amended from time to time.

(E) Exports made pursuant to this authorization shall be conducted in accordance with the provisions of the Federal Power Act and any pertinent rules, regulations, directives, policy statements, and orders adopted or issued thereunder, including the comparable open access provisions of FERC Order No. 888, as amended.

(F) The authorization herein granted may be modified from time to time or terminated by further order of the DOE. In no event shall such authorization to export over a particular transmission facility identified in paragraph (A) extend beyond the date of termination of the Presidential permit authorizing such facility.

(G) 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.

(H) The Applicants shall create and preserve full and complete records with respect to the electric energy exported to Canada. Each Applicant shall furnish quarterly reports to the DOE, within 30 days following each calendar quarter, detailing for each month of the previous quarter: (1) the gross amount of electricity delivered, in kilowatt hours; (2) the consideration received for such energy; and (3) the maximum hourly rate of

transmission, in kilowatts. Quarterly reports must be filed regardless of current activity and whether or not deliveries of electric energy have been made. If no transactions have been made, a one-sentence report indicating "no activity" for the previous quarter is sufficient. Each report shall indicate the DOE order number under which it is being filed and the expiration date of such order.

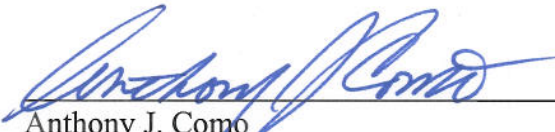
Reports shall be submitted to the U.S. Department of Energy, Office of Electricity Delivery and Energy Reliability, OE-20, Forrestal Building, 1000 Independence Avenue, SW, Washington, D.C. 20585-0305. Properly identified quarterly reports will also be accepted via facsimile at (202) 586-8008 to meet time requirements, but original copies should still be filed at the above address.

(I) In accordance with 10 C.F.R. §205.305, this 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 DOE within 30 days, this authorization shall continue in effect temporarily. This continuance also is contingent on the filing of an application for permanent authorization within 60 days of the involuntary transfer; the authorization shall then remain effective until a decision is made 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 jointly an application for a new export authorization, together with a statement of reasons for the transfer.

(J) Exports authorized herein shall be reduced or suspended, as appropriate, whenever a continuation of those exports would cause or exacerbate a transmission operating problem.

(K) This authorization shall be effective for a period of five (5) years from the date of issuance of this Order. Application for renewal of this authorization may be filed within six months prior to its expiration. Failure to provide DOE with at least sixty (60) days to process a renewal application and provide adequate opportunity for public comment may result in a gap in the Applicants' authority to export electricity.

Issued in Washington, D.C., on April 25, 2007.



Anthony J. Como
Director, Permitting and Siting
Office of Electricity Delivery and
Energy Reliability