

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

**Trafigura Trading LLC**

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**Docket No. EA-\_\_\_\_\_**

**APPLICATION OF  
TRAFIGURA TRADING LLC  
FOR AUTHORIZATION TO  
EXPORT ELECTRICITY FROM THE UNITED STATES TO MEXICO**

Pursuant to Section 202(e) of the Federal Power Act (“FPA”) (16 U.S.C. § 824a(e)) and the regulations promulgated under 10 C.F.R. §§ 205.300, *et seq.* (2020), Trafigura Trading LLC (“Applicant”) hereby submits this Application for Authorization to Transmit Electricity from the United States to Mexico (“Application”) for a period of five years (or such longer period as may be permitted by the Department). In support of this Application, Applicant respectfully states as follows:

**I. DESCRIPTION OF APPLICANT**

The exact legal name of the Applicant is Trafigura Trading LLC. Applicant is a Delaware limited liability company with its principal place of business in Houston, Texas. Applicant is a direct wholly-owned subsidiary of Trafigura US Inc. (“TUSI”), a Delaware corporation, which itself is a wholly-owned indirect subsidiary of the Singapore-registered company Trafigura Group Pte. Ltd. (“TGPL”) which is the main holding company for the Trafigura group. Trafigura Beheer B.V. (“TBBV”), a company registered in the Netherlands, holds 100% of the shares of TGPL. The ultimate controlling party of TBBV is the Farringford Foundation. Applicant operates as a commodity trading company, engaged in the physical distribution and trading of crude oil and petroleum products, and other energy and non-energy commodities. Applicant intends to market and sell wholesale power, capacity, ancillary services and related services in various markets in

the United States, including Independent System Operators (“ISOs”) and Regional Transmission Organizations (“RTOs”). Applicant is not seeking authorization to export power on behalf of, or in conjunction with, any partners or partnerships.

Applicant has been granted authority to sell energy and capacity at wholesale at market-based rates and is subject to the Federal Energy Regulatory Commission’s (“FERC”) jurisdiction.<sup>1</sup> Except as described herein, none of Applicant or its affiliates owns or controls any electric generation or transmission facilities, physical natural gas transportation or storage facilities or other essential inputs to electric power production.<sup>2</sup> None of Applicant or its affiliates is a franchised utility or affiliated with any franchised utilities in North America.

## II. COMMUNICATIONS

Communications regarding this Application should be addressed to the following:

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<sup>1</sup> See *Trafigura Trading LLC*, Docket No. ER20-2063-000 (August 13, 2020) (Letter Order accepting Trafigura Trading LLC’s application for market-based rate authority with an accompanying tariff under ER20-2063.)

<sup>2</sup> Applicant’s affiliate, Wolverine Fuels, LLC (“Wolverine Fuels”), produces clean-burning coal that is sold to both domestic and global markets. Applicant acts as the exclusive marketing agent for Wolverine Fuels, LLC. Applicant is also affiliated with the Impala Burnside Terminal located in Louisiana. The Impala Burnside Terminal exports multiple products through its terminal facility, including coal and petcoke for various customers.

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### **III. JURISDICTION**

Pursuant to FPA Section 202(e), 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 sought in this Application, except to the extent that Applicant must comply with applicable FERC requirements in making sales at wholesale. FERC's address is:

Federal Energy Regulatory Commission  
888 First Street, N.E.  
Washington, DC 20426

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

Applicant hereby applies for authorization to transmit electric power to Mexico as a power marketer over any authorized international transmission facility that is appropriate for open access transmission by third parties in accordance with the export limits authorized by the Department. Applicant plans to export electric power over authorized transmission interconnections between Mexico and the United States. Such sales would be made in foreign commerce at the U.S. -

Mexico border. Transmission to the point of delivery will be arranged by Applicant over any of the existing international electric transmission facilities set out in Attachment 1, and over any international transmission facilities that may be approved by the Department in the future.

## V. TECHNICAL DISCUSSION

As noted above, except as described herein, Applicant does not directly or indirectly own, operate or control any electric generation facilities, electric transmission facilities, distribution facilities, or inputs to electric power production, including intrastate natural gas transportation, intrastate natural gas storage or distribution facilities, physical coal supply sources, or ownership of or control over who may access transportation of coal supplies, nor is Applicant affiliated with any utility that has a franchised service territory in the United States.

Applicant will purchase the electric power to be exported in the markets in which it participates, on a firm or interruptible basis, which may include purchases from electric utilities, federal power marketing agencies, qualifying cogeneration, small power production facilities and exempt wholesale generators (as those terms are defined in the FPA), independent system operators, regional transmission organizations, and other public utilities. Any power purchased by Applicant for export would be surplus to the needs of those entities selling power to Applicant.<sup>3</sup> Accordingly, as required by FPA Section 202(e), the proposed exports 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 operations.<sup>4</sup> Additionally, as a power marketer that does not own or operate a transmission system, Applicant does not have the ability to cause a

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<sup>3</sup> See *NRG Power Marketing LLC*, Order No. EA-220-D (February 1, 2021) at p. 6.

<sup>4</sup> *Id.* at p. 7

violation of the terms and conditions in the existing authorizations associated with the international transmission facilities identified in Attachment 1. Specifically, Applicant does not have the ability to cause total exports on Presidential Permit facilities to exceed the authorized instantaneous transmission rate.<sup>5</sup>

Applicant 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 would include: (1) scheduling each transaction with the appropriate balancing authority area in compliance with all reliability criteria, standards, and guidelines of the North American Electric Reliability Corporation and the relevant Regional Entities (collectively, “NERC”) in effect at the time of export; and (2) obtaining all necessary transmission access over approved export facilities. Applicant agrees to abide by the export limits contained in the relevant export authorization of any transmission facilities over which Applicant exports electric power to Mexico. The controls that are inherent in any transaction that complies with all NERC requirements and the export limits imposed by the Department on the international transmission facilities are sufficient to ensure that exports by Applicant would not impede or tend to impede the coordinated use of transmission facilities within the meaning of FPA Section 202(e).

In previous orders granting export authorizations 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 and previously authorized export limits of cross-border facilities.<sup>6</sup> These

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<sup>5</sup> *Id.* at p. 6.

<sup>6</sup> *See, e.g., Powerex Corp.*, Order No. EA-171-E (September 10, 2020); *Roctop Investments Inc.*, Order No. EA-414-A (September 29, 2020); *Manitoba Hydro*, Order No. EA-281-C (November 10, 2020); *Vitol Inc.*, Order No. EA-370-B (November 10, 2020); *CWP Energy, Inc.*, Order No. EA-410-B (December 9, 2020); *MAG Energy Solutions, Inc.*, Order No. EA-306-C (January 12, 2021); *Mercuria Energy America, LLC*, Order No. EA-487 (January 21,

same considerations demonstrate that Applicant's proposed exports will not impair or tend to impede the sufficiency of electric supplies in the United States or the regional coordination of electric utility planning or operations.

## VI. CONSISTENCY WITH LAWS

Authorization of the exports proposed by Applicant is consistent with the North American Free Trade Agreement and United States energy policy and will foster development of a more efficient and competitive North American energy market. Applicant will conduct all operations pursuant to this authorization in accordance with the provisions of the FPA and pertinent rules, regulations and orders adopted or issued thereunder, and in conformity with the applicable reliability criteria, standards and guidelines of NERC, reliability coordinators, and balancing authority area operator(s), including any applicable regional transmission organizations or independent system operators.

Because the proposed exports will occur over existing transmission facilities, Applicant 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.

Finally, Applicant will comply with such terms and conditions as may be established by the Department in respect of Applicant's authority to export electric energy to Mexico, including making periodic reports to the Department regarding exports, as may be applicable or required.

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2021); *Direct Energy Marketing Inc.*, Order No. EA-280-C (February 1, 2021); *NRG Power Marketing LLC*, Order No. EA-220-D (February 1, 2021).

## **VII. EXHIBITS AND ATTACHMENTS**

Applicant includes the following Exhibits and Attachments with this Application:

Exhibit A	(Not Applicable) – Agreements
Exhibit B	Legal Opinion of Applicant’s Counsel
Exhibit C	(Not Applicable) – Map
Exhibit D	(Not Applicable) – Designated Agent
Exhibit E	(Not Applicable) – Corporate Relationship or Existing Contract
Exhibit F	(Not Applicable) – Operating Procedures
Exhibit G	Verification

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

Finally, the existing international electric transmission facilities authorized for third-party use (including Applicant’s use pursuant to the authorization sought herein) are set out in Attachment 1 hereto.

## **VIII. CONCLUSION**

For the foregoing reasons, Applicant respectfully requests that the Department of Energy grant this Application as requested herein.

Respectfully submitted,

/s/

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*Counsel for*  
*Trafigura Trading LLC*

Date: August 18, 2021

**Exhibit A**  
**Agreements**  
**(Not Applicable)**

**Exhibit B**  
**Legal Opinion**



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TOKYO  
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FOUNDED 1866

August 18, 2021

United States Department of Energy  
Office of Electricity, Mail Code: OE-20  
1000 Independence Avenue SW  
Washington, DC 20585

Re: Trafigura Trading LLC – Application for Authorization to Export Electricity from the United States to Mexico

Dear Sir or Madam:

This opinion is submitted to the Department of Energy (the “Department”) pursuant to 10 C.F.R. 205.303(b), in connection with the application of Trafigura Trading LLC (the “Company”) for authorization to export electricity from the United States to Mexico (the “Application”). We are counsel to the Company, a limited liability company organized under the laws of the State of Delaware.

We have examined the Certificate of Formation and Limited Liability Company Agreement of the Company, the Application and such other written statements of representatives of the Company as we have considered necessary as a basis for this letter. We have assumed the authenticity of all documents submitted to us as originals, the genuineness of all signatures, the legal capacity of all persons and the conformity with the original documents of any copies thereof submitted to us for examination. As to facts relevant to the opinions expressed herein, we have relied without independent investigation or verification upon, and assumed the accuracy and completeness of, any written statements and representations of public officials and representatives of the Company.

Based upon the foregoing, we are of the opinion that:

(1) the proposed export of electricity described in the Application is within the limited liability company powers of the Company;

(2) the Application complies with Section 202(e) of the Federal Power Act and, assuming the approval of the Application by the Department, all other laws of any federal regulatory body, federal administrative agency or other federal governmental authority of the United States of America which in our experience are pertinent to the making of the Application and the cross-border export of electric power to Mexico; and

August 5, 2021

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(3) the Company has directed its officers to, and nothing has come to our attention that would lead us to conclude that the Company will not, comply with the laws of the states of Arizona, California, New Mexico and Texas (being the states that are pertinent to the Application) pertinent to the cross-border export of electric power to Mexico. We are not, however, licensed in all of those jurisdictions and such confirmation is subject to the qualifications herein.

As used herein, the statement “nothing has come to our attention” means that the lawyers currently practicing law with Sidley Austin LLP who have had an active involvement in the preparation of the Application and this opinion have no current conscious awareness of any facts or information contrary to the applicable statement. With respect to such matters, such persons, with your express permission and consent, have not undertaken any legal research or investigation or inquiry of other lawyers practicing law with this firm, or any review of files maintained by this firm, or any inquiry of officers or employees of the Company or of any other person. The reference to “conscious awareness” in this paragraph has the meaning given that phrase in the Third-Party Legal Opinion Report, Including the Legal Opinion Accord, of the Section of Business Law, American Bar Association, 47 Bus. Law. 167, 192 (1991).

Our opinions are premised upon there not being any facts or circumstances relevant to the opinions set forth herein not disclosed in the statements of public officials and certificates of appropriate representatives of the Company upon which we have relied, as noted above. The opinions expressed herein are expressed as of the date hereof, and we assume no obligation to advise you of changes in law, fact or other circumstances (or the effect thereof on the opinions expressed herein) that may come to our attention after such time.

Respectfully submitted,

A handwritten signature in blue ink that reads "Sidley Austin LLP". The signature is written in a cursive, flowing style.

**Exhibit C**

**Map**

**(Not Applicable)**

**Exhibit D**

**Designated Agent**

**(Not Applicable)**

**Exhibit E**

**Corporate Relationship or Existing Contract**

**(Not Applicable)**

**Exhibit F**  
**Operating Conditions**  
**(Not Applicable)**

**Exhibit G**  
**Verification**

## VERIFICATION

I, Corey Prolongo, on behalf of Trafigura Trading LLC, hereby declare under penalty of perjury under the laws of the United States of America that I am duly authorized to verify the foregoing Application on behalf of Trafigura Trading LLC, and that to the best of my knowledge, information and belief, all of the statements contained in said Application are true and correct.

Executed on this 11th day of August, 2021.



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Trafigura Trading LLC

**Attachment 1**

**List of Existing International Electric Transmission Facilities**

<b>Present Owner</b>	<b>Location</b>	<b>Voltage</b>	<b>Presidential Permit No.<sup>7</sup></b>
AEP Texas Inc.	Laredo, TX	138 kV 230 kV	PP-423
	Brownville, TX	138 kV 69 kV	PP-425
	Eagle Pass, TX	138 kV	PP-424
Baja California Power, Inc.	Imperial Valley, CA	230 kV	PP-234
Comisión Federal de Electricidad	Falcon Dam, TX	138 kV	NA
	Redford, TX	7.2 kV	PP-51
	Presidio, TX	13.8 kV	PP-03
El Paso Electric Company	Ascarate, TX	115 kV	PP-48
	Diablo, NM	115 kV	PP-92
Generadora del Desierto - WAPA	San Luis, AZ	230 kV	PP-304
Nogales Transmission	Nogales, AZ	230 kV	PP-420
San Diego Gas & Electric	Miguel, CA	230 kV	PP-68
	Imperial Valley, CA	230 kV	PP-79
Sharyland Utilities, L.P.	McAllen, TX	138 kV	PP-285

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<sup>7</sup> 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.