

February 21, 2024

VIA E-MAIL

Maria Robinson
Director, Grid Deployment Office
U.S. Department of Energy
1000 Independence Avenue, S.W.
Washington, DC 20585
electricity.exports@hq.doe.gov

**Re: Application of Citigroup Commodities Canada ULC for Renewal of
 Authorization to Transmit Electricity to Canada
 Docket No. EA-467**

Dear Director Robinson:

Enclosed for filing is the Application of Citigroup Commodities Canada ULC (“CCCU”) for Renewal of Authorization to Transmit Electricity to Canada (“Renewal Application”). In accordance with 10 C.F.R. § 205.309, CCCU has paid the filing fee of \$500.00 electronically via pay.gov, with a copy of the payment confirmation included herein. A copy of the Application has been served upon the Secretary of the Federal Energy Regulatory Commission.

Sincerely,

/s/ Margaret H. Claybour
Margaret H. Claybour

COUNSEL FOR
CITIGROUP COMMODITIES CANADA ULC

Enclosures

cc: Federal Energy Regulatory Commission

**UNITED STATES OF AMERICA
BEFORE THE
DEPARTMENT OF ENERGY
GRID DEPLOYMENT OFFICE**

Citigroup Commodities Canada ULC

)

Docket No. EA-467

**APPLICATION OF CITIGROUP COMMODITIES CANADA ULC
FOR RENEWAL OF AUTHORIZATION TO
EXPORT ELECTRIC ENERGY TO CANADA AND
REQUEST FOR EXPEDITED ACTION**

Pursuant to section 202(e) of the Federal Power Act (“FPA”)¹ and 10 C.F.R. §§ 205.300, *et seq.* (2023), Citigroup Commodities Canada ULC (“CCCU” or “Applicant”) hereby submits this application for blanket authorization to transmit and export electricity from the United States to Canada (“Renewal Application”) for a term of five years. CCCU is currently authorized to export electricity to Canada, which is set to expire on May 10, 2024.² In order to avoid a lapse in authority, CCCU respectfully requests that expedited authorization for an additional five (5) years be granted no later than May 1, 2024.

I. DESCRIPTION OF APPLICANT

The legal name of Applicant is Citigroup Commodities Canada ULC. CCCU is an Alberta, Canada corporation with its principal place of business in Calgary, Alberta, Canada. CCCU is registered to do business in Canada in the province of Alberta. CCCU intends to engage in electricity, natural gas, crude oil, and other commodity markets in Canada, and has obtained authorization from the Federal Energy Regulatory Commission (“FERC”) to make wholesale sales of energy, capacity, and ancillary services in the United States at market-based

¹ 16 U.S.C. § 824a(e).

² See *Citigroup Commodities Canada ULC*, Order No. EA-467 (May 10, 2019) (order authorizing electricity exports to Canada).

rates, effective May 1, 2019.³

CCCU is an indirect wholly-owned subsidiary of Citigroup Inc. (“Citigroup”). Citigroup is a global financial services company that provides a broad range of financial products and services. Through Citigroup, CCCU is affiliated with one power marketer authorized by FERC to sell energy, capacity, and ancillary services at market-based rates: Citigroup Energy Inc. (“CEI”).⁴ Neither CCCU nor any of its affiliates owns or operates any electric facilities. In addition, neither CCCU nor any of its affiliates owns or controls interests in transmission or distribution facilities in the United States or Canada. Finally, CCCU is not affiliated with any franchised public utility in the United States.

CCCU is not seeking authorization to export electricity on behalf of, or in conjunction with, any partners, partnerships, or other affiliates.

On May 10, 2019, DOE authorized CCCU to transmit electric energy from the United States to Canada.⁵ This authorization remains in effect for five years and expires on May 10, 2024.

II. COMMUNICATIONS

All communications regarding this Application should be directed at the following individuals:

³ *Citigroup Commodities Canada ULC*, Docket No. ER19-1108-000, unpublished letter order (issued Apr. 8, 2019).

⁴ *Citigroup Energy Inc.*, Docket No. ER04-208-000, unpublished letter order (issued Jan. 7, 2004) (granting CEI market-based rate authorization).

⁵ *See supra* n.2.

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III. JURISDICTION

Under Section 202(e) of the FPA and the U.S. Department of Energy's ("DOE") regulations,⁶ DOE has jurisdiction over the action proposed in this Application. CCCU does not know of any other federal, state, or local government that has jurisdiction over the action to be taken in this Application.

IV. DESCRIPTION OF TRANSMISSION FACILITIES

CCCU requests expedited renewal of its authorization to export electricity from the United States to Canada as a power marketer over existing cross-border facilities, as well as any additional future facilities that are appropriate for third-party use in accordance with the export limits authorized by the DOE. Exhibit C to this Application provides a description of the existing transmission facilities and their Presidential Permit numbers. Applicant will comply with the terms and conditions contained in the export authorizations issued for those cross-border facilities as well as other export limitations that the DOE may deem appropriate for those facilities.

V. TECHNICAL DISCUSSION

Under Section 202(e) of the FPA, the DOE is statutorily obligated to issue an order authorizing the export of electric energy unless it finds that the proposed transmission (i) would impair the sufficiency of electric supply within the United States or (ii) would impede or tend to

⁶ 16 U.S.C. § 824a(e).

impede the coordination in the public interest of facilities subject to the jurisdiction of the DOE.⁷ The DOE has interpreted the first 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.”⁸ The DOE has interpreted the second criterion as an issue of the “operational reliability and security of the domestic electric transmission system.”⁹ The DOE should authorize CCCU’s proposed export of electricity, because it satisfies the DOE’s criteria.

Applicant’s proposed exports will not impair the sufficiency of electric supply within the United States and will not impede the coordination of jurisdictional facilities or the operational reliability/security of the domestic transmission. As described above, CCCU is a power marketer that does not own or control electric generation or transmission facilities in the United States. CCCU thus does not have any electric power supply system of its own on which the proposed exports could have a reliability, fuel use, or stability impact.

CCCU also does not have an obligation to serve native load within a franchised service area, and its exports will thus not impair its ability to meet current or prospective electric supply obligations. The DOE has recognized that, because power marketers have no native load obligations or franchised service territories (unlike a traditional vertically-integrated utility), the requirement to serve load obligations while maintaining appropriate reserve levels is not

⁷ 16 U.S.C. § 824a(e).

⁸ *Powerex Corp.*, Order No. EA-171-D, at 2 (Nov. 3, 2015).

⁹ *Id.* at 5.

applicable when applied to power marketers.¹⁰

Additionally, the electricity that CCCU proposes to export to Canada will be purchased from third parties—such as wholesale generators, electric utilities, and federal power marketing agencies—pursuant to voluntary agreements. Such electricity would be, by definition, surplus to the needs of the selling entities.¹¹ Accordingly, CCCU’s export of this electricity will not impair the sufficiency of electric supply within the United States or the regional coordination of electric utility planning or operations.¹²

Before scheduling the delivery of power, CCCU will make all necessary commercial arrangements, will obtain sufficient transmission capacity to wheel the exported energy to the border system, and will obtain any and all other regulatory approvals required in order to carry out electricity exports. This will include scheduling each transaction with the appropriate balancing authority area, regional transmission operator and/or independent system operator in compliance with all reliability criteria, standards, and guidelines of the North American

¹⁰ *Id.* at 4-5 (concluding that “the sufficiency of supply inquiry became unnecessary when applied to power marketers”). The DOE has also recognized that, with no native load obligations, power marketers are “free to sell [their] power portfolio on the open market domestically or as an export.” *Saracen Energy Partners, LP*, Order No. EA-340 at 2 (June 18, 2008).

¹¹ *See Saracen Energy Partners, LP*, Order No. EA-340 at 2 (“The power purchased by a power marketer is, by definition, surplus to the needs of the selling entities. With no native load obligations, the power marketer is free to sell its power portfolio on the open market domestically or as an export. Because a marketer has no native load obligations and because power purchased by a marketer would be surplus to the needs of the entities selling the power to the marketer, an export occurring under such circumstances would meet the first statutory criterion of section 202(e) of the FPA of not impairing the sufficiency of supply within the United States.”).

¹² The DOE has also recognized that the United States’ “wholesale energy markets are sufficiently robust to make supplies available to exporters and other market participants serving United States regions along the Canadian and Mexican borders.” *Powerex Corp.*, Order No. EA-171-D at 3. Thus, “[a]bsent an indication in the record that the geographic markets relevant to this export authorization analysis are flawed and result in uneconomic exports that jeopardize regional supply,” the DOE has found that “the proposed transmission for export does not impair the sufficiency of electric supply within the United States.” *Id.* No such indication exists here.

Reliability Corporation (“NERC”) and applicable Regional Entities¹³ in effect at the time of the export. It will also include obtaining all necessary transmission access over the existing international transmission facilities described in Exhibit C. CCCU also commits to comply with the export limits contained in the export authorization and Presidential Permit associated with the facilities over which CCCU exports electric energy to Canada.¹⁴ The controls that are inherent in any transaction that complies with transmission tariffs, NERC requirements, and DOE export limits on international transmission facilities are sufficient to ensure that CCCU’s exports would not impede the coordination of transmission facilities.

Indeed, the DOE has found that bulk power system reliability concerns are sufficiently addressed under the FPA by FERC and NERC (and the Regional Entities overseen by NERC) through their oversight and enforcement of mandatory reliability standards.¹⁵ The DOE has also concluded that the existing industry procedures for obtaining transmission capacity on the domestic transmission system provide adequate assurances that a particular export will not cause an operational reliability problem.¹⁶ Moreover, the DOE has found that it need not perform additional reliability impact assessments regarding border facilities as long as the maximum rate of transmission for all exports through a border system does not exceed the DOE’s authorized limit of the system.¹⁷ Accordingly, CCCU’s compliance with these reliability standards, export

¹³ The Regional Entities overseen by NERC that cross or about the Canadian border are the Midwest Reliability Organization, the Northeast Power Coordinating Council, ReliabilityFirst Corporation, and the Western Electricity Coordinating Council.

¹⁴ Moreover, because CCCU does not own or operate a transmission system, it lacks the ability to cause total exports on Presidential Permit facilities to exceed the authorized instantaneous transmission rate.

¹⁵ See, e.g., *Powerex Corp.*, Order No. EA-171-D at 4-5.

¹⁶ *Id.* at 6.

¹⁷ *Id.* at 7 (“As DOE has previously reviewed technical reliability studies submitted with Presidential permit applications, 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

limits, and other regulatory requirements and procedures will ensure that its exports will not impair the sufficiency of electric supply within the United States and will not impede the coordination of jurisdictional facilities or electric utility planning or operations.

In prior DOE orders granting export authorization to electric power marketers, DOE has 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.¹⁸ These same considerations also demonstrate that the exports proposed by CCCU 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. PROPOSED PROCEDURES

CCCU will conduct its operations (i) in compliance with any authorization conditions imposed by the DOE, consistent with its prior orders granting power marketers blanket authority to export power; (ii) in accordance with the provisions of the FPA, and applicable rule, regulations, and orders adopted or issued thereunder; and (iii) in conformity with the reliability criteria, standards, and guidelines of NERC, reliability coordinators, and balancing authority areas operators, including any applicable regional transmission organizations or independent system operators. CCCU's exports also will not exceed the export limits for the transmission facilities used by CCCU and will not otherwise cause a violation of the terms and conditions established in the export authorization.

limit of the system In its Application, Powerex committed to complying with all reliability limits on border facilities. The second part of the reliability inquiry is therefore satisfied by DOE regulatory oversight in addition to NERC's reliability enforcement.”).

¹⁸ See, e.g., *Saracen Energy Partners, LP*, Order No. EA-340 (June 18, 2008); *Morgan Stanley Capital Power Group, Inc.*, Order No. EA-185-A (Aug. 14, 2000).

CCCU submits that the DOE is not required to conduct an Environmental Assessment (“EA”) or Environmental Impact Statement (“EIS”) in connection with this Application, because CCCU’s proposal involves the export of power over existing transmission systems and thus qualifies for a categorical exclusion under the DOE’s regulations implementing the National Environmental Policy Act of 1969.¹⁹ The DOE should find that this Application is categorically excluded because the proposal fits within a class of actions that DOE has determined do not individually or cumulatively have a significant effect on the human environment, there are no extraordinary circumstances related to the proposal, and the proposal has not been segmented to meet the definition of a categorical exclusion.²⁰

Lastly, authorization of the exports proposed in this Application is consistent with the North American Free Trade Agreement of 1993 and United States energy policy and will foster development of a more efficient and competitive North American energy market.

VII. REQUEST FOR WAIVER

CCCU respectfully requests waiver of the requirement to file this application six months in advance²¹ to allow issuance of an order granting CCCU’s authorization to export electric energy to Canada no later than May 1, 2024.²² CCCU also requests any additional waivers

¹⁹ 10 C.F.R. § 1021.410 (“The actions listed in appendices A and B to this subpart D are classes of actions that DOE has determined do not individually or cumulatively have a significant effect on the human environment (categorical exclusions).”); 10 C.F.R. § Pt. 1021, Subpt. D, App. B, § B4.2 (identifying categorical exclusion for “[e]xport of electric energy as provided by Section 202(e) of the Federal Power Act over existing transmission systems or using transmission system changes that are themselves categorically excluded.”); *see also, e.g., Roctop Investments Inc.*, Order No. EA-414, at 7-8 (Sept 29, 2015) (finding that “Application qualifies for DOE’s categorical exclusion for exports of electric energy under the National Environmental Policy Act”).

²⁰ *See* 10 C.F.R. § 1021.410(b).

²¹ *See* 10 C.F.R. § 205.301.

²² DOE previously has granted authorization to export electric energy from the United States on an expedited basis where the applicant was a power marketer that planned to purchase surplus energy from third parties. *See, e.g., Citigroup Commodities Canada ULC*, Order No. EA-467, *Tenaska Energia de*

deemed necessary for DOE to issue the order requested herein.

VIII. VERIFICATION, REQUIRED COPIES, AND FEE

In accordance with 10 C.F.R. § 205.302(h), a verification executed by CCCU's authorized representative is included with this Application. In accordance with the DOE's directions, CCCU is providing an electronic copy of this Application to the DOE and the Secretary of the Federal Energy Regulatory Commission in accordance with 10 C.F.R. § 205.309.

An electronic payment in the amount of \$500.00 has been made for the fee required by 10 C.F.R. § 205.309.

IX. REQUIRED EXHIBITS

In accordance with 10 C.F.R. § 205.303, the following exhibits are attached to this Application:

Exhibit A	Transmission Agreements (Not Applicable)
Exhibit B	Legal Opinion
Exhibit C	Transmission Facilities CCCU will use existing and future DOE-approved transmission facilities available for transmission by third parties over the United States-Canada border.
Exhibit D	Non-U.S. Applicant's Power of Attorney
Exhibit E	Statement of Any Corporate Relationship or Existing Contract Which in Any Way Relates to the Control or Fixing of Electric Power Rates (Not Applicable)
Exhibit F	Operating Procedures (Not Applicable)

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

Mexico, S. de R.L. de C.V., Order No. EA-417 (June 15, 2016); *Global Pure Energy, LLC*, Order No. EA-390 (March 4, 2014).

X. CONCLUSION

WHEREFORE, CCCU respectfully requests that the DOE grant this request for expedited action and Application for blanket authorization to transmit and export power from the United States to Canada, for a period of five (5) years, with such authorization effective as of May 1, 2024, on substantially the same terms and conditions as applied to similarly-situated electric power marketers.

Respectfully submitted,

/s/ Margaret H. Claybour
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Tel: (202) 998-2773
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COUNSEL FOR
CITIGROUP COMMODITIES CANADA ULC

Dated: February 21, 2024

EXHIBIT A – Transmission Agreements

Not Applicable

Citigroup Commodities Canada ULC has not entered into any transmission agreements as of the date of this Application. See Section V of the Application.

EXHIBIT B – Opinion of Counsel

LEGAL OPINION

The following opinion is given in support of the Application of Citigroup Commodities Canada ULC for Authorization to Transmit Electricity to Canada and Request for Expedited Action, dated February 21, 2024.

- 1) I am a lawyer, authorized to practice law in Ontario.
- 2) I am Secretary to Citigroup Commodities Canada ULC.
- 3) Citigroup Commodities Canada ULC is duly incorporated, validly existing under the laws of the Province of Alberta and I believe will take those actions required of it to do business as authorized in the States in which it will operate; and
- 4) Citigroup Commodities Canada ULC has full corporate power and authority to buy, sell, or act as a marketer in the sale and exportation of electric energy as requested in the Application.
- 5) To the best of my knowledge and belief, Citigroup Commodities Canada ULC has complied with or is in the process of complying with all U.S. Federal and State laws regarding the matters contemplated in the Application



Brian Baum
Secretary
Citigroup Commodities Canada ULC
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Toronto, ON, Canada
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EXHIBIT C

**International Transmission Facilities Located at the U.S.-Canadian Border
Authorized for Third-Party Use**

**TRANSMISSION LINES AT THE U.S. BORDER WITH CANADA
APPROPRIATE FOR OPEN ACCESS TRANSMISSION BY THIRD PARTIES**

Owner	Location	Voltage	Presidential Permit No.¹
Bangor Hydro-Electric Company	Baileyville, ME	345 kV	PP-89
Basin Electric Power Cooperative	Tioga, ND	230 kV	PP-64
Bonneville Power Administration	Blaine, WA Blaine, WA Nelway, WA Nelway, WA	500 kV 230 kV 230 kV 230 kV	PP-10 PP-10 PP-36 PP-46
Champlain Hudson Power Express, Inc.	Champlain, NY	320 kV DC	PP-362
CHPE LLC	Champlain, NY Champlain, NY Champlain, NY	1,000 MW HVDC 1,250 MW HVDC 1,250 MW HVDC	PP-481 PP-418-1 PP-481-2
Eastern Maine Transmission Company	Calais, ME	69 kV	PP-32
Edison Sault	Sault St. Marie, MI	230 kV	PP-228
International Transmission Company	Detroit, MI Marysville, MI St. Claire, MI St. Claire, MI	230 kV 230 kV 230 kV 345 kV	PP-230 PP-230 PP-230 PP-230
ITC Lake Erie Connector	Erie County, PA Erie Bluff Park, PA	320 kV 320 kV DC	PP-412 ² PP-412
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

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

² These transmission facilities have been authorized but not yet constructed or placed in operation.

Owner	Location	Voltage	Presidential Permit No.
Maine Public Service Company	Limestone, ME Fort Fairfield, ME Madawaska, ME Aroostook, ME	69 kV 69 kV 2-69 kV 138 kV	PP-12 PP-12 PP-29 PP-29
Minnesota Power, Inc.	International Falls, MN Roseau County, MN	115 kV 500 kV	PP-78 PP-398 ³
Minnkota Power Cooperative	Roseau County, MN	230 kV	PP-61
Montana Alberta Tie Ltd.	Cut Bank, MT	230 kV	PP-399
NECEC Transmission LLC	Beattie Township, ME	±320 kV	PP-438
New York Power Authority	Massena, NY Massena, NY Niagara Falls, NY Devils Hole, NY	765 kV 2-230 kV 2-345 kV 230 kV	PP-56 PP-25 PP-74 PP-30
Niagara Mohawk Power Corp.	Devils Hole, NY	230 kV	PP-190
Northern Pass Transmission	Pittsburgh, NH	±320 kV DC	PP-371
Northern States Power Company	Red River, ND Roseau County, MN Rugby, ND	230 kV 500 kV 230 kV	PP-45 PP-63 PP-231
Sea Breeze Olympic Converter LP	Port Angeles, WA	±450 kV DC	PP-299 ⁴
TDI – New England	Alburgh, VT	320 kV DC	PP-400
Vermont Electric Power Co.	Derby Line, VT	120 kV	PP-66
Vermont Electric Transmission Co.	Norton, VT	±450 kV DC	PP-76

³ These transmission facilities have been authorized but not yet constructed or placed in operation.

⁴ These transmission facilities have been authorized but not yet constructed or placed in operation.

EXHIBIT D – Power of Attorney

IRREVOCABLE LIMITED POWER OF ATTORNEY

This irrevocable limited power of attorney is made on February, by Citigroup Commodities Canada ULC (the "Principal"), a Canadian corporation organized and existing under the Business Corporations Act (Alberta) with its principal place of business located at located at 855-2 Street SW, Suite 3500, Calgary, Alberta, Canada, T2P 418.

Appointment. The Principal hereby appoints John Young whose principal place of business is located at 2700 Post Oak Boulevard, Suite 400, Houston, Texas, 77056-5734 as the Principal's true and lawful agent ("Agent") for the limited purpose described herein.

Scope of Authority. The Agent shall have the limited power and authority to serve as the Agent for the Principal regarding any and all matters relating to the Principal's application before the U.S. Department of Energy to export electricity to Canada, filed pursuant to 10 C.F.R. § 205.300, *et seq.*

Irrevocability. This power of attorney is irrevocable by the Principal, subject only to the Principal's right to re-designate, or substitute the Agent upon 30 days prior written notice to the U.S. Department of Energy and the Agent.

IN.WITNESS WHEREOF, the Principal has caused this power of attorney to be duly executed on this February 21, 2024.



Brian Baum
Secretary
Citigroup Commodities Canada ULC

Signed and sworn to before me this 21st day of February 2024.



Bonnie Tse

Notary Public, Ontario, Canada

Bonnie Lai-Zanne Tse

A Notary Public in and for the
Province of Ontario
Minister of Solicitor

No expiry. LSO # 52704r

EXHIBIT E -- Statement of Corporate Relationship or Contact

Not Applicable

Applicant has no existing corporate relationship or contract that relates to the control or fixing of rates for the purchase, sale or transmission of electric energy.

EXHIBIT F – Operating Procedures

Not Applicable

Applicant is a power marketer. Applicant is not an owner or operator of transmission or generation facilities in the United States.

VERIFICATION

I, Brian Baum, Secretary of Citigroup Commodities Canada ULC, am authorized to execute this verification and have knowledge of the matters set forth in this Application of Citigroup Commodities Canada ULC, and hereby verify that the contents of this Application are true and correct to the best of my knowledge, information, and belief.



Brian Baum
Secretary
Citigroup Commodities Canada ULC

Signed and sworn to before me this 21st day of February 2024..



Bonnie Tse

Notary Public, Ontario, Canada

Bonnie Lai-Zanne Tse

A Notary Public in and for the
Province of Ontario
Barrister & Solicitor

No expiry. LSO# 52074r