



WE ARE TRANSFORMING
THE ENERGY LANDSCAPE

Abe Gonzalez
Deputy General Counsel
P.O. Box 982
El Paso, Texas 79960

May 1, 2024

U.S. Department of Energy
Electricity.exports@hq.doe.gov

RE: Informational Notice of Assignment of Interchange Agreement Between El Paso Electric Company and Comision Federal de Electricidad (“CFE”) and Request for Amendment to Certain DOE Authorizations

To Whom It May Concern:

The U.S. Department of Energy (“DOE”) has issued to El Paso Electric Company (“EPE”) various authorizations that allow EPE to transmit power to and from Mexico. Recent legal and regulatory changes in Mexico, however, have prompted EPE to submit this request to DOE for approval to modify those authorizations to reflect those changes.

I.

DOE has issued to EPE two Presidential Permits and an Authorization to Export Electric Energy to Mexico. With respect to the Presidential Permits, DOE issued Presidential Permit PP-48 on December 13, 1990, and Presidential Permit PP-92 on April 16, 1992. With respect to the Export Authorization, that authorization was originally granted by the Federal Power Commission on June 26, 1942 (Docket No. IT-5762), and later authorized by the DOE in EA-48. For ease of reference, the Presidential Permits and the Export Authorizations are collectively referred to as the “DOE Authorizations.”

Pursuant to the DOE Authorizations, EPE and CFE entered into an Interchange Agreement (the “Enabling Contract”) to govern the exchange of power between the two countries. The Enabling Contract provides for reciprocal energy transactions between EPE and CFE in various situations via: (1) the 115 kV Diablo-Anapra transmission line, which extends from EPE’s Ascarate Substation in El Paso, Texas to the U.S.-Mexican border; and (2) the 115 kV Ascarate-Riverena transmission line, which extends from EPE’s Diablo Substation in Sunland Park, New Mexico to the U.S.-Mexican border.

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II.

As mentioned, however, legal and regulatory energy reforms in Mexico have resulted in CFE no longer being responsible for energy transactions with EPE pursuant to the Enabling Contract. Rather, the Centro Nacional de Control de Energia (“CENACE”) now operates the wholesale electricity market, has operational control of the national electric system, and establishes energy imports and exports for reliability and emergency situations. Under Mexico’s current legal and regulatory scheme, CFE no longer has the legal capacity to establish energy imports or exports for reliability, emergency, or other situations.

For CENACE to exercise its responsibility in connection with the Enabling Contract, it is essential that CFE assign the Enabling Contract to CENACE. EPE is agreeable to this assignment and the assignment occurred effective April 16, 2024. As a result, EPE’s interaction with Mexico pursuant to the Enabling Contract is now with CENACE rather than CFE.

III.

Accordingly, EPE respectfully requests the following from DOE: (1) that DOE amend the DOE Authorizations to reflect that CENACE will be a counterparty rather than CFE; and (2) confirmation that Presidential Permits PP-48 and PP-92 and Electricity Export Authorization EA-48 will remain applicable to the Enabling Contract now that it has been assigned to CENACE.

Arizona Public Service Company made a substantially similar request (and for the same reasons) to DOE, which DOE recently granted. *See* U.S. DOE, Grid Deployment Office, GDO Docket No. PP-108-1 (Oct. 6, 2023).

If EPE must take certain actions to facilitate continued applicability of the DOE Authorizations after assignment of the Enabling Contract to CENACE, EPE respectfully requests specific guidance from DOE regarding such actions.

EPE appreciates your attention to this matter. If you have any questions or need further information from EPE, please feel to reach out to me via phone, (915) 543-5743, or email at abe.gonzalez@epelectric.com.

Sincerely,



Abe Gonzalez

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