

BRACEWELL

November 22, 2024

VIA ELECTRONIC MAIL

Grid Deployment Office
U.S. Department of Energy
1000 Independence Avenue, SW
Washington, DC 20585

Re: Application of Calpine Energy Solutions, LLC for Reauthorization to Transmit Electric Energy to Mexico, GDO Docket No. EA-284-____

To the Grid Deployment Office:

Enclosed for filing on behalf of Calpine Energy Solutions, LLC (“Calpine Solutions”) is the Application of Calpine Solutions for Reauthorization to Transmit Electric Energy to Mexico and related exhibits (“Application”). Calpine Solutions has authorized an electric payment in the amount of \$500.00 as the filing fee for this Application, as required by 10 C.F.R. § 205.309, with the associated payment confirmation attached hereto. A copy of the Application is being served contemporaneously upon the Federal Energy Regulatory Commission as required of wholesale power marketers by 10 C.F.R. § 205.309.

If you have any questions regarding the Application, or if you require additional information, please contact the undersigned at (202) 828-5839.

Respectfully submitted,

/s/ Catherine P. McCarthy

Catherine McCarthy
Caroline Sinegar

Counsel for Calpine Energy Solutions, LLC

Enclosures

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

In the matter of:

Calpine Energy Solutions, LLC)

GDO Docket No. EA-284-__

**APPLICATION OF CALPINE ENERGY SOLUTIONS, LLC
FOR REAUTHORIZATION TO TRANSMIT ELECTRIC ENERGY
TO MEXICO**

Calpine Energy Solutions, LLC (“Calpine Solutions” or “Applicant”), pursuant to Section 202(e) of the Federal Power Act (“FPA”), 16 U.S.C. § 824a(e), and Part 205, Subpart W of the U.S. Department of Energy’s (“DOE”) regulations, 10 C.F.R. § 205.300, *et seq.*, hereby files its renewal application for authority, for a term of five years, to transmit electric energy from the United States of America to Baja California, Mexico (“Renewal Application”). DOE previously renewed Calpine Solutions’ authorization to export electric energy from the U.S. to Mexico as a power marketer on February 20, 2020 in Order No. EA-284-F.¹ Calpine Solutions’ authorization to transmit electricity to Mexico expires on February 20, 2025. Calpine Solutions respectfully requests that authorization be granted for an additional term of five years beginning on or before February 20, 2025 in order to avoid any lapse in authority to transmit electricity to Mexico.

In support of this Renewal Application, the Applicant represents as follows:

I. DESCRIPTION OF THE APPLICANT

The exact legal name of the Applicant is Calpine Energy Solutions, LLC. Calpine Solutions is a California limited liability company with its principal place of business at 401 West A Street, Suite 500, San Diego, California, and is an indirect, wholly owned subsidiary of Calpine Corporation. Wholesale sales by Calpine Solutions are made pursuant to authority

¹ *Calpine Energy Solutions, LLC*, Order No. EA-284-F (Feb. 20, 2020) (Order Authorizing Electricity Exports to Mexico).

granted by the Federal Energy Regulatory Commission (“FERC”) to sell wholesale power at market-based rates under a wholesale power sales tariff currently on file with FERC.²

On September 4, 2003, DOE issued Order No. EA-284 authorizing Sempra Energy Solutions (“SES”) to transmit electric energy from the U.S. to Mexico as a power marketer for a five-year term.³ On March 12, 2007, and January 10, 2010, DOE issued Order Nos. EA-284-A and EA-284-B, which renewed that authority for additional three-year and five-year terms, respectively.⁴ On December 7, 2011, DOE issued Order No. EA-284-C, which recognized a corporate name change from SES to Noble Americas Energy Solutions LLC (“Noble Americas”) and authorized Noble Americas to export under its new name.⁵ On January 27, 2015, DOE subsequently issued Order No. EA-284-D, which renewed the authorization of Noble Americas to transmit electric energy from the U.S. to Mexico for a five-year term.⁶

On January 11, 2017, DOE issued Order No. EA-284-E, recognizing that Noble Americas changed its name to Calpine Energy Solutions, LLC and granting Calpine Solutions authorization to export under its new name.⁷ On February 20, 2020, DOE issued Order No. EA-284-F reauthorizing Calpine Solutions to transmit electric energy from the United States to

² Enova Energy, Inc., Letter Order issued in Docket No. ER00-3444 (Dec. 8, 2000) (granting market-based rate authority). Calpine Solutions’ currently effective market-based rate tariff was accepted by FERC in a Letter Order issued in Docket No. ER17-969-000. Calpine Energy Solutions, LLC, Docket No. ER19-2087-000 (Feb. 15, 2017) (approving revisions to market-based rate tariff).

³ *Sempra Energy Solutions*, Order No. EA-284 (Sept. 4, 2003) (Order Authorizing Electricity Exports to Mexico).

⁴ *Sempra Energy Solutions*, Order No. EA-284-A (Mar. 12, 2007) (Order Authorizing Electricity Exports to Mexico); *Sempra Energy Solutions*, Order No. EA-284-B (Jan. 10, 2010) (Order Authorizing Electricity Exports to Mexico).

⁵ *Noble Americas Energy Solutions LLC*, Order No. EA-284-C (Dec. 7, 2011) (Amendment to Order Authorizing Electricity Exports to Mexico).

⁶ *Noble Americas Energy Solutions LLC*, Order No. EA-284-D (Jan. 27, 2015) (Order Authorizing Electricity Exports to Mexico).

⁷ *Calpine Energy Solutions, LLC*, Order No. EA-284-E (Jan. 11, 2017) (Amendment to Order Authorizing Electricity Exports to Mexico).

Mexico as a power marketer.⁸ This order remains in effect for a period of five years from February 20, 2020 with the authorization expiring February 20, 2025.

II. COMMUNICATIONS

All correspondence and communications regarding this application should be addressed to the following persons:

Rachael N. Marsh
Vice President, Government
Affairs, and Managing Counsel
Calpine Corporation
875 15th Street NW, Suite 700
Washington, DC 20005
(202) 744-6320
rachael.marsh@calpine.com

Calpine Energy Solutions, LLC
401 West A Street, Suite 500
San Diego, CA 92101
Attn: Greg Bass, Regulatory Director
(619) 684-8199
Greg.bass@Calpine.com

III. JURISDICTION

The authority requested of DOE by Calpine Solutions is a necessary condition for exporting under section 202(e) of the FPA which provides that the United States Department of Energy, Grid Deployment Office is the sole agency with jurisdiction over the proposed export of electric energy to Mexico. DOE's Office of Electricity formerly held the authority to regulate the export of electric energy to a foreign country pursuant to section 202(e) and 202(f) of the FPA.⁹ This authority is now delegated to DOE's Grid Deployment Office.¹⁰ No other known federal, state or local government has jurisdiction over the actions to be taken under the authority sought in this Renewal Application.

⁸ *Calpine Energy Solutions, LLC*, Order No. EA-284-F (Feb. 20, 2020) (Order Authorizing Electricity Exports to Mexico).

⁹ See Redelegation Order No. S4-DEL-OE1-2021-2 (rescinded).

¹⁰ See Delegation Order No. S1-DEL-S3-2023; Redelegation Order No. S3-DEL-GD1-2023.

IV. RENEWAL AUTHORIZATION, TECHNICAL DISCUSSION AND CONSISTENCY WITH LAWS

(a) Description of Transmission Facilities

Calpine Solutions seeks renewal of its authority to transmit electric power to Mexico. Calpine Solutions desires to renew its authority to export electric energy acquired from U.S. generating sources to Mexico utilizing one or more of the existing international electric transmission facilities authorized for third-party use. The Presidential Permits under which the relevant border facilities were constructed and maintained, and details related thereto, are set forth in Exhibit C, which lists the owners, the locations and the voltage of those facilities.

Specifically, Calpine Solutions seeks to continue to use transmission lines owned by San Diego Gas and Electric Company (“SDG&E”). SDG&E owns 230-kV lines, which interconnect with the electrical system of Commission Federal de Electricidad (“CFE”), the Mexican electric utility. These facilities, including the 230-kV lines, are currently owned and physically operated by SDG&E although SDG&E has transferred operational control over these facilities to the California Independent System Operator (“CAISO”). Please see Exhibit C from the original application FE Docket No. EA-284, which contains maps diagramming the above-described transmission facilities.

(b) Technical Discussion

Pursuant to Section 202(e) of the FPA, before DOE grants authorization to export electricity, it first evaluates the impact of the export on the reliability of the U.S. electric system. DOE approves an application to export electricity unless it finds that “the proposed transmission would impair the sufficiency of electric supply within the United States,” or that “the proposed transmission . . . would impede or tend to impede coordination in the public interest of facilities

subject to the jurisdiction of the Commission.”¹¹ In applying these two criteria to requests for export authorizations submitted by electric power marketers like Calpine Solutions, DOE has declined to follow a rigid application of the information filing requirements set forth in DOE’s regulations; and, instead has used a flexible approach to account for the unique nature of power marketers.¹²

Calpine Solutions is engaged in the marketing of electric power to serve the electric requirements of end-use customers in the United States and seeks authority to continue to transmit electricity into Baja California, Mexico, to serve the power needs of commercial and industrial end-use customers located in this geographic area. The electric power that Calpine Solutions will export, on either a firm or interruptible basis, will be surplus to the system of the generator thereof. Calpine Solutions does not own or control any electrical generation, transmission facilities, or distribution facilities, nor does Calpine Solutions have a franchised service area.

Specifically, with respect to the first criterion used to analyze applications to export electricity, Calpine Solutions is a power marketer that will purchase the power to be exported from electric utilities, independent power producers, power marketers, qualifying small power production facilities, cogeneration facilities and federal power marketing agencies, as those terms are defined in Sections 3(22), (17), (18) and (19) of the FPA, respectively. As a power marketer, Calpine Solutions neither owns, operates nor controls an electric generation, electric power supply transmission and/or distribution system. Moreover, Calpine Solutions is not affiliated with an entity that holds a franchise or service territory in the U.S. As a result, its

¹¹ 16 U.S.C. § 824a(e).

¹² See, e.g., *Morgan Stanley Cap. Grp. Inc.*, No. EA-185-A-CN (Aug. 14, 2000); *NorAm Energy Servs., Inc.*, No. EA-1 05-CN (Aug. 16, 1996); *MidCon Power Servs. Corp.*, No. EA-114 (July 15, 1996); *USGen Power Servs.*, No.

exports cannot have any adverse impact on the reliability, stability, or sufficiency of supply on a franchised electric supply system or the electric power supply within the U.S. As DOE has recognized, the “power purchased by a power marketer is, by definition, surplus to the needs of the selling entities” and “[w]ith no native load obligations, the power marketer is free to sell its power portfolio on the open market domestically or as an export.”¹³ Thus, an export of electricity “occurring under such circumstances” would not impair the sufficiency of electric supply within the U.S.¹⁴

DOE has interpreted the second criterion used to analyze applications to export electricity “primarily as an issue of the operational reliability of the domestic electric transmission system.”¹⁵ As noted above, Calpine Solutions does not own, operate or control any electric power supply system in the United States. Additionally, in making the necessary commercial arrangements and obtaining transmission capacity from unaffiliated third parties necessary to export electricity under the authorization requested herein, Calpine Solutions will comply with existing industry procedures for obtaining transmission capacity, including reserving transmission service in accordance with FERC’s Open Access Same-Time Information System (“OASIS”) and scheduling delivery of the export with the appropriate Regional Transmission Organization(s) (“RTOs”) or Independent System Operator(s) (“ISOs”), including CAISO, and/or Balancing Authority areas.¹⁶

EA-112 (June 27, 1996); *CNG Power Servs. Corp.*, No. EA-110 (June 20, 1996); *Destec Power Servs., Inc.*, No. EA-113 (May 31, 1996).

¹³ See, e.g., *TransAlta Energy Mktg. (U.S.) Inc.*, Order No. EA-216-C at 2 (May 17, 2011) (Order Authorizing Electricity Exports to Canada).

¹⁴ *Id.*

¹⁵ *Calpine Energy Solutions, LLC*, Order No. EA-284-F at 3-4 (Feb. 20, 2020) (Order Authorizing Electricity Exports to Mexico).

¹⁶ As referenced above, Calpine Solutions uses and plans to continue to use on transmission capacity on transmission facilities owned by SDG&E over which operational control has been transferred to the CAISO.

As noted above, Calpine Solutions is a power marketer and does not own or operate a transmission system. Accordingly, Calpine Solutions does not have the ability to cause the violation of the terms and conditions contained in the existing authorizations associated with the international transmission facilities identified in Exhibit C. Specifically, Calpine Solutions does not have the ability to cause total exports on Presidential Permit facilities to exceed the authorized instantaneous transmission rate and agrees to abide by any export limits contained in an order approving this Renewal Application associated with the international transmission lines over which it proposes to continue to export, including export limitations associated with SDG&E's facilities. Calpine Solutions will comply any other export limitations that DOE may deem appropriate, consistent with DOE's orders authorizing exports of electric energy by power marketers.¹⁷

(c) Consistency with Laws

Authorization of the exports proposed by this Renewal Application are consistent with the United States-Mexico-Canada Agreement and United States energy policy, which will foster a more efficient and competitive North American energy market.

Calpine Solutions will make all necessary commercial arrangements and will obtain any and all other regulatory approvals required to effectuate any power exports. Calpine Solutions submits this Renewal Application with the understanding that its use of SDG&E's transmission lines may be subject to curtailment if its use would adversely impact the reliability and stability of the power system that is owned and operated by SDG&E, but over which operational control has been transferred to the CAISO. Calpine Solutions recognizes and understands that SDG&E's power system is a part of and, therefore, subject to the governing rules of the Western Electricity Coordinating Council ("WECC"), and subject to the CAISO Tariff, the Transmission

¹⁷ See, e.g., *Sempra Energy Trading Corp.*, No. EA-176-A (May 3, 2000).

Control Agreement with the CAISO, SDG&E's Transmission Owner Tariff, and related CAISO Protocols. Accordingly, any agreement Calpine Solutions enters is subject to interruption if such export adversely impacts the reliability of SDG&E's system, the CAISO's operational control of the CAISO Controlled Grid,¹⁸ or any member of the WECC.

Additionally, Calpine Solutions agrees to comply with all reliability criteria, standards, and guidelines applicable to Calpine Solutions (as a power marketer) of the North American Electric Reliability Corporation ("NERC") (or any successor organization), the North American Energy Standards Board (or any successor organization) and regional reliability councils and as applied by U.S. transmission providers, on such terms as expressed therein, and as such criteria, standards, and guides may be amended from time to time.

Calpine Solutions believes that DOE is not required to conduct an environmental assessment or an environmental impact statement in connection with this Renewal Application. DOE's approval of this Renewal Application is eligible for categorical exclusion under Appendix B to Subpart D, paragraph B4.2 of the revised DOE regulations implementing the National Environmental Policy Act of 1969.¹⁹

V. VERIFICATION

The signed Verification of Neil Bresnan, Senior Vice President of Calpine Solutions, is attached hereto as Exhibit G.

VI. PROCEDURAL ISSUES

Calpine Solutions requests reauthorization for export authority through specified border facilities with sales expected to be executed covering the summer of 2025. If required by DOE, Calpine Solutions agrees to abide by general conditions consistent with those set forth in Calpine

¹⁸ As defined by the ISO Tariff.

Solution's existing DOE electricity export authorization, as applicable, and agrees to abide by the general conditions set forth in the DOE's previous orders authorizing power marketers to export power.²⁰ Calpine Solutions respectfully submits that it satisfies the requirements of Section 202(e) of the FPA and Part 205, Subpart W of DOE's regulations applicable to applications for authorization to transmit electric energy from the United States to Mexico. Calpine Solutions respectfully requests any waivers deemed necessary for DOE to issue the order requested herein.

VII. EXHIBITS

In accordance with 10 C.F.R. § 205.303, the following exhibits are attached hereto and made a part hereof:

- | | |
|-----------|---|
| Exhibit A | Website links to SDG&E's Transmission Owner Tariff and the CAISO Tariff, both of which are on file at the Federal Energy Regulatory Commission. |
| Exhibit B | Opinion of Counsel |
| Exhibit C | Transmission System Information (submitted in lieu of maps) |
| Exhibit D | Not applicable. |
| Exhibit E | Calpine Energy Solutions, LLC is a wholly-owned subsidiary of Calpine Corporation. |
| Exhibit F | Not applicable. |
| Exhibit G | Verification |

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

¹⁹ See, e.g., *Calpine Energy Solutions, LLC*, Order No. EA-284-F at 9-10 (Feb. 20, 2020) (Order Authorizing Electricity Exports to Mexico).

²⁰ See *id.* at 11-15.

Pursuant to the requirement of 10 C.F.R. § 205.309, a copy of this Renewal Application is being provided to:

Federal Energy Regulatory Commission
Office of the Secretary
888 First Street, N.E.
Washington, DC 20426

VIII. CONCLUSION

Wherefore, in consideration of the foregoing, Calpine Solutions respectfully requests approval of this Renewal Application for renewal of its blanket authorization to export electric energy from the United States to Mexico and issue an order renewing Calpine Solutions' authorization to transmit electric energy to Mexico for a period of five years, effective upon issuance of its order.

Respectfully submitted,

CALPINE ENERGY SOLUTIONS, LLC

/s/ Greg Bass
Greg Bass, Regulatory Director
401 West A Street, Suite 500
San Diego, CA 92101
(619) 684-8199
Greg.bass@Calpine.com

Dated: November 22, 2024

EXHIBIT A

AGREEMENTS

A current copy of SDG&E's Transmission Owner Tariff, which is on file at the Federal Energy Regulatory Commission, may be found at the following webpage:

<https://etariff.ferc.gov/TariffBrowser.aspx?tid=648>.

A current copy of the CAISO Tariff, which is on file at the Federal Energy Regulatory Commission, may be found at the following webpage:

<https://etariff.ferc.gov/TariffBrowser.aspx?tid=848>.

EXHIBIT B
OPINION OF LEGAL COUNSEL

(ATTACHED)



Calpine Corporation

717 Texas Avenue, Suite 1000
Houston, Texas 77002
(713) 830-2000

November 21, 2024

United States Department of Energy
Grid Deployment Office
1000 Independence Avenue, SW
Washington, DC 20585

Ladies and Gentlemen:

This opinion is rendered in connection with the Application of Calpine Energy Solutions, LLC (“Calpine Solutions”) For Reauthorization To Transmit Electric Energy To Mexico (“Application”), pursuant to Section 202(e) of the Federal Power Act, 16 U.S.C. 824a(e), and 10 C.F.R. § 205.300, *et seq.*

Based on my understanding of the Application and my examination of such documents, records and matters of law as I have considered relevant in the premises, it is my opinion that:

1. Calpine Solutions is duly incorporated, validly existing and in good standing under the laws of the State of California;
2. Calpine Solutions has been authorized by the Federal Energy Regulatory Commission to make sales of electric power at wholesale in interstate commerce, at market-based rates;
3. Calpine Solutions is authorized by the respective state commissions to sell electric power to retail end-use customers in the following states: California, Connecticut, Delaware, District of Columbia, Illinois, Maine, Maryland, Massachusetts, Michigan, New Hampshire, New Jersey, New York, Ohio, Oregon, Pennsylvania, Rhode Island, Virginia, and Texas.
4. Calpine Solutions is in compliance with all applicable Federal and state laws;
5. The proposed export of electricity is within the corporate power of Calpine Solutions.

I express no opinion as to the laws of any other jurisdiction or as to any matters of municipal law or the laws, rules or regulations of any local agency in any state. This opinion is issued as of the date hereof and is necessarily limited to the laws in effect at this time. I am not

assuming any obligation to review or update this opinion should the law or existing facts or circumstances change. This opinion is provided by me as counsel for Calpine Solutions solely to you for your exclusive use and is not to be made available to or relied upon by any other person or entity without my prior written consent.

Very truly yours,

Signed by:

Kaiser Malik

0478F5E1039D42E...

Signed by:

[Signature]

993C3D9E57A24DB...

Kaiser Malik

Vice President and Assistant General Counsel,

Calpine Corporation

EXHIBIT C

TRANSMISSION SYSTEM INFORMATION

Exhibit C – International Electric Transmission Facilities at the U.S.-Mexico Border Authorized for Third-Party Use for Calpine Solutions Exports to Mexico

Present Owner No.	Location	Voltage	Presidential Permit
AEP Texas Inc.	Laredo, TX	138 kV 230 KV	PP-423 PP-423
	Brownsville, TX	138 kV 69 kV	PP-425 PP-425
	Eagle Pass, TX	138 kV	PP-424
Baja California Power, Inc.	Imperial Valley, CA	230 kV	PP-234-1 PP-234-2
Comision Federal de Electricidad	Falcon Dam, TX	138 kV	N/A ²¹
	Redford, TX	7.2 kV	PP-51
	Presidio, TX	13.8 kV	PP-03
Energia Sierra Juarez U.S. Transmission, LLC	Jacumba, CA	2-230 kV	PP-334 PP-334-1
El Paso Electric Company	Diablo, NM	115 kV	PP-92
	Ascarate, TX	115 kV	PP-48
Generadora del Desierto – WAPA	San Luis, AZ	2-230 kV	PP-304*
Nogales Transmission L.L.C.	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, Inc.	McAllen, TX	138 kV	PP-285

*These transmission facilities have been authorized but not yet constructed or placed into operation.

²¹ The international transmission facilities consisting of a 138 kV line at Falcon Dam in Falcon Heights, Texas, were authorized by the treaty between the United States and Mexico titled, “Utilization of Waters of Colorado and Tijuana Rivers and of the Rio Grande,” signed February 3, 1944, and offer open transmission access.

EXHIBIT D
DESIGNATED AGENT
(NOT APPLICABLE)

EXHIBIT E

CORPORATE RELATIONSHIP OR EXISTING CONTRACT

Calpine Energy Solutions, LLC is a wholly-owned subsidiary of Calpine Corporation.

EXHIBIT F
OPERATING CONDITIONS
(NOT APPLICABLE)

EXHIBIT G
VERIFICATION

VERIFICATION

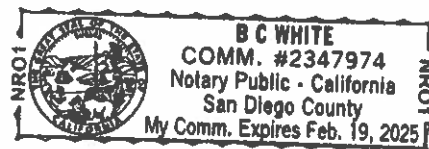
STATE OF CALIFORNIA)
) ss:
COUNTY OF SAN DIEGO)

Neil Bresnan, being duly sworn, states that he is Senior Vice President of Calpine Energy Solutions, LLC; that he is authorized to execute this Verification; that he has read the above and foregoing document and is familiar with the contents thereof; and that all allegations of fact therein contained are true and correct to the best of his knowledge and belief.

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

By: Neil Bresnan

Subscribed and sworn to (or affirmed) before me on this 31ST day of OCTOBER (month) 2024 (year), by NEIL BRESNAN, proved to me on the basis of satisfactory evidence to be the person(s) who appeared before me.



BC White

(Signature of Notary)

(Seal of Notary)