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November 18, 2024

Grid Deployment Office  
U.S. Department of Energy  
[Electricity.Exports@hq.doe.gov](mailto:Electricity.Exports@hq.doe.gov)

GDO Docket No. EA-479-A  
Macquarie Energy LLC Application to Export Electric Energy

### **Motion to Intervene and Protest of Public Citizen, Inc.**

On August 30, 2024, Macquarie Energy LLC filed an application for renewal of its authority to export electricity to Canada, where it states at page 1 that it “does not own or control any electric power generation or transmission facilities and does not have a franchised electric power service area.”<sup>1</sup>

This is categorically false. Affiliates of Macquarie Energy LLC hold controlling interests in two utilities with franchised electric service areas which include transmission facilities: Puget Sound Energy in Washington State with 1.2 million captive customers, and Cleco Power and its nearly 300,000 captive customers. In addition to controlling two franchised electric utilities, Macquarie owns at least eight waste-to-energy electric power stations in ISO-NE and PJM, and has a pending application with the Federal Energy Regulatory Commission for permission to acquire a fleet of power generation assets in Arizona, Arkansas, California, Colorado, Connecticut, Idaho, Illinois, Indiana, Louisiana, Oregon, New Mexico, Michigan, Minnesota, Mississippi, Missouri, New Mexico, Ohio, Oklahoma, Utah and Virginia.<sup>2</sup>

Macquarie Energy LLC is a defendant accused of energy market manipulation. The State of Kansas sued Macquarie Energy LLC for \$50 million, alleging the company price gouged consumers during Winter Storm Uri, when 276 Americans died because they lost access to energy while certain companies engaged in widespread price-gouging. The case is active before U.S. District Court Judge Angel D. Mitchell in Topeka, Kansas.<sup>3</sup> In addition, FERC’s Office of Enforcement has a non-public market manipulation investigation involving companies’ actions during Winter Storm Uri. The U.S. Department of Energy should confirm whether Macquarie is a target of that ongoing enforcement investigation. Regardless, DOE should not approve Macquarie’s request to export electricity until allegations of its price gouging and market manipulation have been resolved.

Attached as Exhibit A is a 2021 *Wall Street Journal* article noting that Macquarie earned \$215 million in windfall profits during Winter Storm Uri. It is likely that

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<sup>1</sup> [www.govinfo.gov/content/pkg/FR-2024-10-18/pdf/2024-24117.pdf](http://www.govinfo.gov/content/pkg/FR-2024-10-18/pdf/2024-24117.pdf)

<sup>2</sup> [https://elibrary.ferc.gov/eLibrary/filelist?accession\\_number=20241004-5222](https://elibrary.ferc.gov/eLibrary/filelist?accession_number=20241004-5222)

<sup>3</sup> Case # 5:23-cv-04116-DDC-ADM, <https://ecf.ksd.uscourts.gov/>

Macquarie's control of Multifuels Midstream Group and its network of 150 miles of natural gas pipelines connecting wellhead gas production with key gas-powered generation in ERCOT<sup>4</sup> helped inform Macquarie's price-gouging trading operation in Texas.<sup>5</sup>

## **Motion to Intervene**

Public Citizen moves to intervene in this proceeding. Established in 1971, Public Citizen is a national, not-for-profit, non-partisan organization that represents the public interest generally and, even more closely relevant to this proceeding, the interests of household consumers. We are active before the Federal Energy Regulatory Commission on a wide array of energy market matters, including supporting just and reasonable rates, and promoting utilities to be accountable to the public interest. Energy Program Director Tyson Slocum also serves on the Energy and Environmental Markets Advisory Committee and the Market Risk Advisory Committee of the U.S. Commodity Futures Trading Commission. Public Citizen is also active in more than a dozen U.S. Department of Energy proceedings involving applications to export LNG. Public Citizen's financial details are located at our web site.<sup>6</sup>

Respectfully submitted,

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<sup>4</sup> <https://x.com/TysonSlocum/status/1364949313344974854>

<sup>5</sup> Unlike FERC's code of conduct rules prohibiting communication between pipeline and trading affiliates (18 CFR § 358), Texas has no such code of conduct rules.

<sup>6</sup> [www.citizen.org/about/annual-report/](http://www.citizen.org/about/annual-report/)

# EXHIBIT A



# Texas Blackout Boosts Australian Bank by Up to \$215 Million

Macquarie earned a windfall when the deep freeze in Texas sent energy markets into a tailspin

## FINANCE

By *Joe Wallace* [+ Follow](#) and

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Updated February 22, 2021 05:52 p.m. EST

The deep freeze that [plunged millions of Texans into darkness](#) is rippling through energy markets in unexpected ways, producing a financial windfall for an Australian bank and severe pain for other companies caught up in the disruption.

The extreme weather froze wind turbines and oil-and-gas wells, closed oil refiners and prompted power stations to trip offline, sending a jolt through energy markets. Wholesale power prices rocketed, as did spot prices for natural gas in Texas, Oklahoma, Kansas and Arkansas.

[The turbulence led to a bonanza for commodity traders at Australia's Macquarie Group Ltd., whose ability to funnel gas and electricity around the country enabled them to capitalize on soaring demand and prices in states such as Texas.](#)

[The bank bumped up its guidance Monday for earnings in the year through March to reflect the windfall. It said that net profit after tax would be 5% to 10% higher than in the 2020 fiscal year. That equates to an increase of up to 273.1](#)



The extreme weather froze wind turbines and oil-and-gas wells and closed oil refiners.

[million Australian dollars, equivalent to around \\$215 million.](#) In its previous guidance, issued Feb. 9, Macquarie said it expected profits to be slightly down on 2020.

“Extreme winter weather conditions in North America have significantly increased short-term client demand for Macquarie’s capabilities in maintaining critical physical supply across the commodity complex, and particularly in relation to gas and power,” the bank said.

Macquarie’s windfall shows how big profits can be made wagering on relative scarcity of natural gas in a country [awash in the fuel.](#)

The U.S. shale-drilling boom

unleashed so much gas over the past decade that prices have been depressed to the point that producers with gushers [have gone bankrupt.](#) Yet gas buyers, such as power plants and manufacturers, are routinely left paying surging prices when demand peaks during winter storms.

Behind such instances of energy feast and famine is a gas infrastructure system that has failed to keep up with all the drilling. Pipelines laid decades before the shale boom are often in the wrong places, or too small to meet today’s demand. Having space reserved on certain pipelines can become incredibly lucrative when uncharacteristic weather causes



**Natural-gas futures prices this year**

\$3.3 per million British thermal units



Source: FactSet

swells in demand.

Scarcity in Texas and the Great Plains was amplified last week when temperatures dropped low enough to freeze shut many of the region's gas wells and other energy infrastructure. Capacity on pipelines into the region became precious. Traders and energy firms that had paid in advance for the right to use these supply routes were suddenly in position to rake in huge profits as utilities vied for fuel deliveries.

Macquarie describes itself as the second-largest marketer of physical gas in North America behind BP PLC, with a team in Houston and access to 80% of pipelines spanning the U.S., according to a person familiar with the matter. The business, which Macquarie has built out for over a decade, received a boost from the acquisition of Cargill Inc.'s North America power and gas division in 2017.

The Australian bank rents access to natural-gas pipelines and electricity networks across the U.S.,

enabling it to profit when prices in some regions are significantly higher than in others and when consumers are in urgent need of fuel or power. That was the case last week, when frozen energy infrastructure and the closure of oil-and-gas wells set off a race for natural gas among Texas power plants and other consumers.

Macquarie sent large volumes of gas from the north of the U.S. to the south, where the cold weather sent prices soaring last week, the person familiar with the matter said. It supplied electricity in Texas as well as gas to generate electrical power.

At one point, natural gas changed hands for more than \$900 per million British thermal units at the ONEOK Gas Transportation hub in Oklahoma, according to commodities data provider S&P Global Platts. By Friday, prices at the hub had fallen back to about \$14 per million British thermal units. That was still comparatively high: Benchmark futures for U.S. natural gas, which are tied to delivery at Henry Hub in Louisiana, have generally cost between \$2.50 and \$3.50 per million British thermal units in recent months.

Shares of Macquarie rose 3.4% in Sydney on Monday after the company raised its profit outlook. They are now down 2.8% over the past 12 months.

Millions were left without power and heat in Texas last week as the lowest temperatures in decades [wreaked havoc on the state's utilities](#). Frozen water lines burst and left big residents in cities without safe drinking water. Stores

closed because they had no power, which made food and water even more scarce.

Roughly 70 deaths, mostly in Texas, have been attributed to the cold weather, according to the Associated Press. Some are believed to have frozen to death in their homes.

Macquarie last year provided an undisclosed amount of investment capital to upstart Houston-based utility Griddy Energy LLC, whose business model is to pass variable wholesale electricity prices through to customers. Griddy customers complained of paying lofty sums when power prices shot up to thousands of dollars per megawatt hour last week, according to local Texas media reports.

One customer told the Dallas Morning News that his electric bill for five days stood at \$5,000, the amount he would normally pay for several years of power. Another told the Dallas-Fort Worth NBC affiliate that he had been charged more than \$16,000 for February.

A Griddy spokeswoman said an order by the state utility agency to the operator of the electricity grid to make market prices reflect the scarcity of power pushed up prices for its customers. On Feb. 12, the company started emailing and texting customers to say they might be better off switching providers for a short time to avoid exposure to wholesale prices, she said.

Corporate casualties from the freeze are also starting to emerge. Just Energy Group Inc., a Canada-based energy supplier, on Monday said it faced a financial hit of about



com

**Natural Gas Prices at Louisiana's Henry Hub**

■ Futures ■ Spot

\$24 per million British thermal units



Source: FactSet

\$250 million, in part from buying electricity at sky-high prices in Texas during the cold blast. The company, which said the blow could stop it from continuing as a going concern, saw its shares slump 31%.

In another instance, shares of Atmos Energy Corp. **ATO -0.12% ▼** fell 4.4% Monday after the Dallas-based gas supplier said it would have to pay between \$2.5 billion and \$3.5 billion for gas it bought at elevated prices in Texas, Colorado and Kansas. Atmos may issue stock or raise debt to help to pay for the purchases, it said Friday.

German energy company RWE AG said its 2021 earnings would be hit by outages at the company's wind turbines, as well as from [high prices for electricity](#).

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