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Admitted in: DC, MO

March 31, 2025

Via Electronic Filing (electricity.exports@hq.doe.gov)

Nick Elliot
Department of Energy
Director, Grid Deployment Office
1000 Independence Avenue, S.W.
Washington, DC 20585

**Re: Application of Danske Commodities US LLC for Authority to Transmit
Electric Energy to Canada**

Dear Director Elliot:

Pursuant to 10 C.F.R. § 205.300, *et seq.* of the regulations of the Department of Energy, enclosed for filing on behalf of Danske Commodities US LLC (“Danske Commodities”) is an original copy of an Application for Authority to Transmit Electric Energy to Canada. Additionally, please find enclosed proof of payment for the cost of the application in the amount of \$500 paid on March 31, 2025 via Pay.gov.

Should you have any questions or concerns regarding this matter, please do not hesitate to contact the undersigned

Respectfully submitted,



Randall S. Rich
Nicholas Salalayko
Pierce Atwood LLP
1875 K St., NW Suite 700
Washington, D.C. 20006
Telephone: (202) 530-6424
rich@pierceatwood.com
Counsel for Danske Commodities US LLC

cc: Petra Páll,
Market Access Specialist
Danske Commodities US LLC

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

Danske Commodities US LLC

)
)
)

Docket No. _____

**APPLICATION OF DANSKE COMMODITIES US LLC
FOR AUTHORITY TO TRANSMIT ELECTRIC ENERGY TO CANADA**

Pursuant to Section 202(e) of the Federal Power Act (“FPA”), 16 U.S.C. § 824a(e) and the U.S. Department of Energy’s (“DOE”) regulations, 10 C.F.R. § 205.300, *et seq.*, Danske Commodities US, LLC (“Danske Commodities” or “Applicant”) hereby submits this application for a blanket authorization to export electricity from the United States to Canada (“Application”). Danske Commodities respectfully requests authorization to transmit electric energy from the United States to Canada for a period of ten (10) years.

I. COMMUNICATIONS

Communications and correspondence concerning this filing should be addressed to:

Petra Páll
Danske Commodities US LLC
Vaerkmestergade 3, 8000
Aarhus, Denmark
Tel. +45 2777 6252
ppl@danskecommodities.com

Nicholas H. Salalayko
Pierce Atwood LLP
254 Commercial Street
Portland, ME 04101
Tel. (207)-791-1230
nsalalayko@pierceatwood.com

II. DESCRIPTION OF APPLICANT

Applicant's exact legal name is "Danske Commodities US LLC."¹ Applicant is a Delaware limited liability company with a registered address of 251 Little Falls Drive, Wilmington, Delaware 19808, and its principal place of business at 600 Washington Boulevard, Suite 800, Stamford, CT 06901.²

Danske Commodities is a power marketer authorized by the Federal Energy Regulatory Commission ("Commission") to engage in the purchase and sale of physical and/or virtual energy in the Day-ahead and Real-time Markets of the various Independent System Operators and Regional Transmission Organizations. In 2022, the Commission authorized Danske Commodities to engage in wholesale sales of electric energy, capacity and ancillary services at market-based rates.³ A copy of the Commission's order is attached as Exhibit G.

Applicant is owned 100% by Equinor US Holdings Inc. ("EUSHI"), a Delaware corporation. EUSHI is 100% owned by Equinor Energy AS, a Norwegian limited liability company that is primarily in the business of crude petroleum and natural gas. Equinor Energy AS is 100% owned by Equinor ASA, which is a Norwegian public limited company and the ultimate parent. Equinor ASA is primarily engaged in oil and gas exploration and production activities. The government of Norway holds 67.0% of the shares in Equinor ASA and is the largest shareholder of Equinor ASA. No other shareholder owns 10% or more of the shares in Equinor ASA. Danske

¹ See 10 C.F.R. § 205.302(a).

² See 10 C.F.R. § 205.302(d).

³ See *Danske Commodities US LLC*, Docket No. ER23-303-000 (unpublished letter order issued Dec. 16, 2022).

Commodities does not have any partners, and is not seeking authorization to export power on behalf of, or in conjunction with, any partners or partnership.⁴

III. JURISDICTION

Danske Commodities believes that the DOE is the only governmental agency that has jurisdiction over this application.⁵

IV. DESCRIPTION OF TRANSMISSION FACILITIES

Danske Commodities intends to export electricity over any existing international transmission facilities between Canada and the United States, as identified in Exhibit C. Danske Commodities requests authority to export electricity to Canada over any international transmission facility authorized by Presidential Permit that is appropriate for open access by third parties in accordance with the assessment made by DOE of the transmission limits for operation in the export mode.

V. TECHNICAL DISCUSSION OF PROPOSAL

Section 202(e) of the Federal Power Act (“FPA”) and DOE’s regulations provide that exports should be allowed unless the proposed export would impair the sufficiency of electric power supply within the United States or would tend to impede the coordinated use of the United States power supply network.⁶ Danske Commodities seeks blanket authority to transmit electric power to Canada as a power marketer. Danske Commodities has no electric power supply system on which the proposed exports could have a reliability, fuel use system, or stability impact. Danske Commodities also has no obligation to serve native load usually associated with a franchised

⁴ See 10 C.F.R. § 205.302(b).

⁵ See 10 C.F.R. § 205.302(e).

⁶ 16 U.S.C. § 824a(e).

service area, and, thus, the exports proposed by the Applicant will not impair its ability to meet current and prospective power supply obligations.

Danske Commodities will purchase power to be exported from a variety of sources, including but not limited to, power marketers, independent power producers, or U.S. electric utilities and federal power marketing entities as those terms are defined in Sections 3(22) and 3(19) of the FPA. By definition, such power is surplus to the system of the generator and, therefore, the electric power that Danske Commodities will export on either a firm or interruptible basis will not impair the sufficiency of the electric power supply within the U.S.⁷

Danske Commodities will make all necessary commercial arrangements and will obtain any and all other regulatory approvals required in order to schedule and deliver power exports. All of the electricity exported by Danske Commodities will be transmitted pursuant to arrangements with utilities that own and operate existing transmission facilities and will be consistent with the export limitations and other terms and conditions contained in the existing Presidential Permits and electricity export authorizations associated with these transmission facilities. Danske Commodities will schedule its transactions with the appropriate balancing authority areas in compliance with the reliability criteria standards and guidelines established by the North American Reliability Corporation (“NERC”) and its member Regional Entities in effect at the time of the export.

In previous 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 limit of

⁷ See *Enron Power Marketing, Inc.*, Order EA-102 (1996).

cross-border facilities.⁸ These same considerations applied to the instant situation demonstrate that the exports proposed by Danske Commodities 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. Given that Applicant only intends to export power over existing transmission lines, this Application qualifies for a categorical exclusion under the DOE's regulations implementing the National Environmental Policy Act of 1969.⁹

VI. COMPLIANCE WITH CONDITIONS AND PROCEDURES

Danske Commodities proposes to abide by the general conditions consistent with DOE's previous grants of authorizations to power marketers as set forth in its previous orders, as described herein. From time to time, Danske Commodities will enter into agreements with third parties which involve the export of electric power from the United States into Canada. Exports made by Danske Commodities will not exceed the export limits for the facilities, or otherwise cause a violation of the terms and conditions set forth in the export authorizations for each. When scheduling the delivery of power, Danske Commodities will comply with the applicable NERC reliability standards. For each calendar year, Danske Commodities will provide DOE with reports indicating the gross amount of electricity delivered to Canada, consideration received during each month, and the maximum hourly rate of transmission, as well as any additional annual reports.

⁸ See e.g. *NorAm Energy Services, Inc.*, Order No. EA-105-CN (Aug. 16, 1996); *MidCon Power Services Corp.*, Order No. EA-114 (July 15, 1996); *USGen Power Services*, No. EA-112 (June 27, 1996); *CNG Power Services Corp.*, Order No. EA-110 (June 20, 1996); *North American Energy Conservation, Inc.*, Order No. EA-103 (May 30, 1996); *Saracen Energy Partners, LP*, Order No. EA-340 (June 17, 2008).

⁹ See 10 C.F.R. Part 1021, Subpart D, Appendix B, § B4.2 (2021) (providing a categorical exclusion for the "[e]xport of electric energy as provided by Section 202(e) of the [FPA] over existing transmission systems or using transmission system changes that are themselves categorically excluded").

VII. VERIFICATION, REQUIRED COPIES, AND FEE

Verification executed by Danske Commodities' authorized representative in accordance with 10 C.F.R. § 205.302(h) is enclosed with the Application. Pursuant to direction provided by Department personnel, this Application is being submitted to the Department in electronic form. In accordance with the requirements of 10 C.F.R. § 205.309, a copy of this application will also be provided to the Secretary of the Federal Energy Regulatory Commission.

Payment in the amount of \$500.00, the fee specified in 10 C.F.R. § 205.309, has been submitted through Pay.gov on March 31, 2025.

VIII. REQUIRED EXHIBITS

The following information is provided pursuant to the required exhibits as set forth in DOE regulations 10 C.F.R. § 205.303:

| | | |
|-----------|-------------------------------------|--|
| Exhibit A | Transmission Agreements | Not Applicable |
| Exhibit B | Opinion of Counsel | Attached |
| Exhibit C | Transmission Facilities | List of international transmission facilities submitted in lieu of a map |
| Exhibit D | Designation of Agent | No Applicable |
| Exhibit E | Statement of Corporate Relationship | Not Applicable |
| Exhibit F | Operating Procedures | Not Applicable |
| Exhibit G | FERC Market Based Rate Authority | FERC order granting Market-Based Rate Authorization, Docket No. ER23-303-000, issued December 16, 2022 |

IX. CONCLUSION

WHEREFORE, Danske Commodities respectfully requests that DOE expeditiously consider this Application for blanket authorization to export power from the United States to Canada, for a term of ten (10) years, granting the requested approvals on substantially similar terms as are generally applicable to other power marketers.

Respectfully submitted,



Randall S. Rich
Pierce Atwood LLP
1875 K Street NW
Washington, DC, 20006
(202) 530-6424
rrich@pierceatwood.com

Nicholas H. Salalayko
Pierce Atwood LLP
254 Commercial St.
Portland, ME 04102
(207) 791-1230
nsalalayko@pierceatwood.com

Counsel for Danske Commodities US LLC

March 31, 2025

VERIFICATION

I, Thor Ulrik Kalstrup, being authorized to execute this verification and having knowledge of the matters set forth in this Application of Danske Commodities US LLC hereby verify under penalty of perjury of the laws of the United States of America that the contents thereof are true and correct to the best of my knowledge and belief.

Danske Commodities US LLC
Its: Director, Head of US Power Trading

Thor Kalstrup

Executed on the 18th day of March, 2025.

Luisa Fonseca

Name of Notary Public (*printed name*)

Notary Public, Luisa Fonseca

My commission expires: 9/30/2029

LUISA FONSECA
NOTARY PUBLIC
State of Connecticut
My Commission Expires
September 30, 2029



Nicholas Salalayko

From: notification@pay.gov
Sent: Monday, March 31, 2025 4:22 PM
To: Nicholas Salalayko
Subject: https://url.us.m.mimecastprotect.com/s/P4p2CM8EENtkLpQvFwfGU8O_xZ?domain=pay.gov Payment Confirmation: DOE General Collections Form

This message originated outside your organization



An official email of the United States government



Your payment has been submitted to [Pay.gov](https://pay.gov) and the details are below. If you have any questions regarding this payment, please contact Carol Fuster at (301) 903-0534 or carol.fuster@hq.doe.gov.

Application Name: DOE General Collections Form

[Pay.gov](https://pay.gov) Tracking ID: 27MT2FRC

Agency Tracking ID: 77004659811

Transaction Type: Sale

Transaction Date: 03/31/2025 04:21:36 PM EDT

Account Holder Name: Joyce Tabenken

Transaction Amount: \$500.00

Card Type: MasterCard

Card Number: *****8515

Payment Type : Other

Bill Number:

PO Number :

WFO Number:

Other : Fee For Application of Danske Commodities US LLC for Authority to Transmit Electric Energy to Canada

Comments:

THIS IS AN AUTOMATED MESSAGE. PLEASE DO NOT REPLY.



[Pay.gov](https://pay.gov) is a program of the U.S. Department of the Treasury, Bureau of the Fiscal Service

EXHIBIT A – TRANSMISSION AGREEMENTS

Danske Commodities US LLC has not entered into any transmission agreements at this time.

EXHIBIT B – OPINION OF COUNSEL

Legal Opinion

I, Jesper Pape Larsen, VP, Head of Legal & Compliance at Danske Commodities, hereby provide this legal opinion regarding the proposed export of electricity by Danske Commodities US LLC ("**Danske Commodities**"). It is my professional opinion that the proposed export is within the corporate powers of Danske Commodities and that the company has complied, or will comply, with all pertinent Federal and State laws.

Corporate Authority

As per the Limited Liability Company Agreement of Danske Commodities US LLC (hereinafter referred to as the "Company Agreement"), attached hereto, Section 3 explicitly states:

"The purposes for which the Company is formed are to engage in any lawful act or activity for which a limited liability company may be formed under the Act, as such acts or activities may be determined by the Sole Member."

This broad scope of purpose authorizes Danske Commodities to engage in the trading and export of electricity, as it constitutes a lawful activity under the relevant statutes.

Compliance with Federal and State Laws

Danske Commodities is committed to adhering to all applicable Federal and State regulations governing the export of electricity. The company will ensure compliance with these requirements, including obtaining the necessary export authorizations from the Department of Energy (DOE) and adhering to the National Environmental Policy Act (NEPA) guidelines.

Financial Capability

Enclosed herewith are the latest Financial Statements for the year 2023 for Danske Commodities US LLC (hereinafter referred to as the "**Financial Statements 2023**"). As stated on page 8 of the Financial Statements 2023:

"The company's primary activity is trading in energy commodities."

Conclusion

Based on the foregoing, it is my legal opinion that the proposed export of electricity by Danske Commodities US LLC is within the corporate powers of the company and that it has complied, or will comply, with all pertinent Federal and State laws.

Should you have any further questions or require additional information, please do not hesitate to contact me at legal@danskecommodities.com, attn: Head of Legal.

Sincerely,

DocuSigned by:



ACD44A51B12B4FF...
Jesper Pape Larsen

VP, Head of Legal & Compliance
Danske Commodities

LIMITED LIABILITY COMPANY AGREEMENT

OF

DANSKE COMMODITIES US LLC

This Limited Liability Company Agreement (this "Agreement") of Danske Commodities US LLC (the "Company"), effective as of February 22, 2019, is entered into by Equinor US Holdings Inc., a Delaware corporation (the "Sole Member").

1. Formation. The Company has been formed as a Delaware limited liability company under and pursuant to the Delaware Limited Liability Company Act (the "Act") on February 22, 2019.
2. Term. The Company shall have a perpetual existence.
3. Purpose. The purposes for which the Company is formed are to engage in any lawful act or activity for which limited liability companies may be formed under the Act, as such acts or activities may be determined by the Sole Member.
4. Management.

a. The management of the Company is fully reserved to the board of managers (the "Board of Managers"). The members of the Board of Managers shall each constitute a 'manager', as such term is defined in Section 18-101 of the Act (each, a "Manager"). The powers of the Company shall be exercised by or under the authority of, and the business and affairs of the Company shall be managed under the direction of, the Board of Managers, who shall make all decisions and take all actions for the Company. The Sole Member shall be entitled to remove and appoint Managers to the Board of Managers in its sole discretion. At any time that there is only one Manager on the Board of Managers, (i) any and all actions provided for herein to be taken or approved by the Board of Managers shall be taken or approved by the sole Manager and (ii) the taking of any lawful action by the sole Manager on behalf of the Company, including the execution and/or delivery of any instrument, certificate, filing or document by the Manager on behalf of the Company, or the adoption by the Manager of authorizing resolutions with respect to any matter, shall constitute and evidence the due authorization of such action or matter on behalf of the Company.

b. The Board of Managers may designate one or more other persons to be officers of the Company to assist in carrying out the Board of Managers' decisions and the day-to-day activities of the Company. Officers are not "managers" as that term is used in the Act. Any officers who are so designated shall have such titles and authority and perform such duties as the Board of Managers may delegate to them. The salaries or other compensation, if any, of the officers of the Company shall be fixed by the Board of Managers. Any officer may be removed as such, either with or without cause, by the Board of Managers and any vacancy occurring in any office of the Company may be filled by the Board of Managers. Designation of

an officer shall not of itself create contract rights.

5. Powers. The Company shall have the authority to do all things necessary or convenient to accomplish its purposes.

6. Principal Place of Business. The principal place of business of the Company will be located at, and the Company's business will be conducted from, such place or places within or outside the State of Delaware as the Sole Member may from time to time designate.

7. Registered Office. The address of the registered office of the Company in the State of Delaware is CSC, 251 Little Falls Drive, Wilmington, DE 19808.

8. Registered Agent. The name and address of the registered agent of the Company for service of process on the Company in the State of Delaware is CSC, 251 Little Falls Drive, Wilmington, DE 19808.

9. Member. The name, mailing address and percentage interest ("Membership Interest") of the Sole Member is set forth on Schedule A attached hereto.

10. Limited Liability. Except as otherwise provided by the Act, the debts, obligations and liabilities of the Company, whether arising in contract, tort or otherwise, shall be solely the debts, obligations and liabilities of the Company, and the Sole Member shall not be obligated personally for any such debt, obligation or liability of the Company solely by reason of being a member of the Company.

11. Capital Contributions. The Sole Member is not required to make any capital contributions to the Company. However, the Sole Member may make capital contributions to the Company from time to time in its sole discretion.

12. Tax Classification. The Sole Member shall determine any tax election to be made by the Company.

13. Distributions. Distributions shall be made to the Sole Member at the times and in the aggregate amounts determined by the Sole Member. Notwithstanding any provision to the contrary contained in this Agreement, the Company shall not make a distribution to the Sole Member on account of its interest in the Company if such distribution would violate Section 18-607 of the Act or other applicable law.

14. Member Managed. In accordance with the Act, management of the Company shall be vested in the Sole Member. The Sole Member shall have the power to do any and all acts necessary, convenient or incidental to or for the furtherance of the purposes described herein, including all powers, statutory or otherwise, possessed by members of a limited liability company under the laws of the State of Delaware. The Sole Member has the authority to bind the Company.

15. Officers. The Sole Member may, from time to time as it deems advisable, appoint officers of the Company (the "Authorized Officers") and assign in writing titles (including, without limitation, President, Vice President, Secretary, and Treasurer) to any such person. Unless the Sole Member decides otherwise, if the title is one commonly used for officers of a business corporation formed under the Delaware General Corporation Law, the assignment of such title shall constitute the delegation to such person of the authorities and duties that are normally associated

with that office. An Authorized Officer may be removed with or without cause at any time by the Sole Member. Each Authorized Officer shall serve until the earlier of his death, resignation or removal. Subject to the limitations and restrictions contained in this Agreement and applicable law, an Authorized Officer shall have the authority to act or bind the Company with respect to all matters authorized as provided in this Agreement.

16. Other Business. Notwithstanding any duty otherwise existing at law or in equity, the Sole Member may engage in or possess an interest in other business ventures (unconnected with the Company) of every kind and description, independently or with others, and the Company shall not have any rights in or to such independent ventures or the income or profits therefrom by virtue of this Agreement.

17. Exculpation and Indemnification. Neither the Sole Member nor any Authorized Officer shall be liable to the Company, or any other person or entity who is bound by this Agreement, for any loss, damage or claim incurred by reason of any act or omission performed or omitted by the Sole Member or Authorized Officer in good faith on behalf of the Company and in a manner reasonably believed to be within the scope of the authority conferred on the Sole Member or Authorized Officer by this Agreement, except that the Sole Member or Authorized Officer shall be liable for any such loss, damage or claim incurred by reason of the Sole Member's or Authorized Officer's willful misconduct or gross negligence. To the fullest extent permitted by applicable law, the Sole Member or Authorized Officer shall be entitled to indemnification from the Company for any loss, damage or claim incurred by the Sole Member or Authorized Officer by reason of any act or omission performed or omitted by the Sole Member or Authorized Officer in good faith on behalf of the Company and in a manner reasonably believed to be within the scope of the authority conferred on the Sole Member or Officer by this Agreement, except that neither the Sole Member nor any Authorized Officer shall be entitled to be indemnified in respect of any loss, damage or claim incurred by the Sole Member or Authorized Officer by reason of willful misconduct or gross negligence with respect to such acts or omissions; provided, however, that any indemnity under this Section 17 shall be provided out of and to the extent of Company assets only, and the Sole Member shall not have personal liability on account thereof.

18. Assignments. The Sole Member may assign in whole or in part its limited liability company interest hereunder. If the Sole Member transfers any of its interest in the Company pursuant to this Section, the transferee shall be admitted to the Company upon its execution of an instrument signifying its agreement to be bound by the terms and conditions of this Agreement. If the Sole Member transfers all of its interest in the Company pursuant to this Section, the transferee shall be admitted to the Company upon its execution of an instrument signifying its agreement to be bound by the terms and conditions of this Agreement and such admission shall be deemed effective immediately prior to the transfer, and, immediately following such admission, the Sole Member shall cease to be a member of the Company.

19. Resignation. The Sole Member may resign from the Company. Immediately upon resignation, the resigning Sole Member shall cease to be a member of the Company.

20. Admission of Additional Members. One (1) or more additional persons may be admitted to the Company as a member only with the written consent of the Sole Member.

21. Dissolution.

a. The Company shall dissolve, and its affairs shall be wound up upon the first to occur of the following: (i) the written consent of the Sole Member, (ii) the occurrence of

any event which terminates the continued membership of the Sole Member in the Company unless the business of the Company is continued in a manner permitted by the Act, or (iii) the entry of a decree of judicial dissolution under Section 18-802 of the Act.

b. The bankruptcy (within the meaning of 18-101(1) and 18-304 of the Act) of the Sole Member will not cause the Sole Member to cease to be the Sole Member of the Company and upon the occurrence of such an event, the business of the Company shall continue without dissolution.

c. In the event of dissolution, the Company shall conduct only such activities as are necessary to wind up its affairs (including the sale of the assets of the Company in an orderly manner), and the assets of the Company shall be applied in the manner, and in the order of priority, set forth in Section 18-804 of the Act.

22. Separability of Provisions. Each provision of this Agreement shall be considered separable and if for any reason any provision or provisions herein are determined to be invalid, unenforceable or illegal under any existing or future law, such invalidity, unenforceability or illegality shall not impair the operation of or affect those portions of this Agreement which are valid, enforceable and legal.

23. Counterparts. This Agreement may be executed in any number of counterparts, each of which shall be deemed an original of this Agreement. An executed counterpart of a signature page to this Agreement delivered by facsimile or .pdf format via electronic mail shall be binding in the same manner as a manually executed counterpart delivered in person.

24. Entire Agreement. This Agreement constitutes the entire agreement of the Sole Member with respect to the subject matter hereof.

25. Governing Law. This Agreement shall be governed by, and construed under, the laws of the State of Delaware (without regard to conflict of laws principles), all rights and remedies being governed by said laws.

26. Amendments. This Agreement may not be modified, altered, supplemented or amended except pursuant to a written agreement, executed and delivered by the Sole Member.

IN WITNESS WHEREOF, the undersigned, intending to be legally bound hereby, has duly executed this Agreement effective as of February 22, 2019.

EQUINOR US HOLDINGS INC.



Name: Charles T. O'Brien II

Title: Managing Counsel & Secretary

Schedule A

| <u>Member Name</u> | <u>Mailing Address</u> | <u>Percentage Interest</u> |
|--------------------------|--|----------------------------|
| Equinor US Holdings Inc. | 120 Long Ridge Road Suite 3E01 Stamford, CT 06902 Attention: Legal Department | 100% |

Delaware

The First State

Page 1

*I, JEFFREY W. BULLOCK, SECRETARY OF STATE OF THE STATE OF
DELAWARE, DO HEREBY CERTIFY THE ATTACHED IS A TRUE AND CORRECT
COPY OF THE CERTIFICATE OF FORMATION OF "DANSKE COMMODITIES US
LLC", FILED IN THIS OFFICE ON THE TWENTY-SECOND DAY OF
FEBRUARY, A.D. 2019, AT 1:44 O`CLOCK P.M.*


Jeffrey W. Bullock, Secretary of State

7283346 8100
SR# 20191282002

You may verify this certificate online at corp.delaware.gov/authver.shtml

Authentication: 202308602
Date: 02-22-19

CERTIFICATE OF FORMATION
OF

DANSKE COMMODITIES US LLC

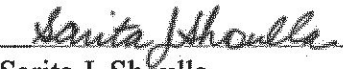
State of Delaware
Secretary of State
Division of Corporations
Delivered 01:44 PM 02/22/2019
FILED 01:44 PM 02/22/2019
SR 20191282002 - File Number 7283346

This Certificate of Formation of Danske Commodities US LLC (the "Company") is being executed by the undersigned for the purpose of forming a limited liability company pursuant to the Delaware Limited Liability Company Act.

FIRST: The name of the Company is: Danske Commodities US LLC.

SECOND: The registered office of the Company is to be located at 251 Little Falls Drive, Wilmington, DE 19808, County of New Castle. The name of its registered agent at such address is The Corporation Service Company.

IN WITNESS WHEREOF, the undersigned, being the individual forming the Company, has executed, signed, and acknowledged this Certificate of Formation this 22nd day of February, 2019.


Sarita J. Shoulla
Authorized Person

Financial Statements 2023

Danske Commodities US LLC



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Company information

Company

Danske Commodities US LLC
c/o Equinor
120 Long Ridge Road
Suite 3E01
Stamford, CT 06902

Main activity

Trading in energy commodities.

Executive Board

Helle Østergaard Kristiansen, President

Board of Directors

Helle Østergaard Kristiansen, Director
Jesper Tronborg, Director
Thor Kalstrup, Director

Parent company

Equinor US Holdings Inc.

Statement of comprehensive income

1 JANUARY – 31 DECEMBER

Income statement

| USD | 2023 | 2022 |
|---|------------------|-------------------|
| Trading income | 9,585,828 | 29,373,743 |
| Gross Profit | 9,585,828 | 29,373,743 |
| Other external expenses | -7,409,692 | -4,648,571 |
| Depreciation and impairment losses of property, plant and equipment | 0 | -6,548 |
| Operating profit/loss (EBIT) | 2,176,136 | 24,718,625 |
| Financial income | 1,508,666 | 459,270 |
| Financial expenses | -3,376,624 | -5,554,325 |
| Profit before tax (EBT) | 308,178 | 19,623,570 |
| Tax of profit/loss for the year | -84,843 | -5,743,543 |
| Profit/loss for the year | 223,335 | 13,880,027 |

Statement of other comprehensive income

| USD | 2023 | 2022 |
|---|----------------|-------------------|
| Profit for the year | 223,335 | 13,880,027 |
| Other comprehensive income | | |
| <i>Items that may subsequently be reclassified to the income statement:</i> | | |
| Other movements | 0 | 0 |
| Other comprehensive income (net of tax) | 0 | 0 |
| Total comprehensive income (net of tax) | 223,335 | 13,880,027 |

Balance sheet

At 31 DECEMBER

| | | |
|--|-------------------|--------------------|
| Assets | | |
| USD | 2023 | 2022 |
| Other fixtures and fittings, tools and equipment | 14,596 | 0 |
| Property, plant and equipment | 14,596 | 0 |
| Deferred tax | 0 | 57,950 |
| Other non-current assets | 0 | 57,950 |
| Non-current assets | 14,596 | 57,950 |
| Trade receivables | 886,847 | 4,381,021 |
| Receivables from group enterprises | 11,283,679 | 0 |
| Prepayments | 6,398,816 | 3,990,480 |
| Derivatives held for trading | 23,257,675 | 167,735,734 |
| Deposits related to trading | 5,295,703 | 17,096,303 |
| Cash and cash equivalents | 30,718,256 | 35,285,761 |
| Current assets | 77,840,976 | 228,489,298 |
| Assets | 77,855,572 | 228,547,248 |
| Liabilities and Equity | | |
| USD | 2023 | 2022 |
| Share capital | 20,000,000 | 20,000,000 |
| Retained earnings | 25,821,686 | 25,598,351 |
| Equity | 45,821,686 | 45,598,351 |
| Deferred tax liabilities | 26,893 | 0 |
| Non-current liabilities | 26,893 | 0 |
| Trade payables | 1,226,559 | 255,957 |
| Prepayments | 0 | 1,900,131 |
| Payables to group enterprises | 12,069,503 | 163,729,368 |
| Corporation tax payable | 0 | 6,238,538 |
| Other payables | 1,260,551 | 2,355,941 |
| Derivatives held for trading | 17,450,380 | 8,468,962 |
| Current liabilities | 32,006,993 | 182,948,897 |
| Liabilities | 32,033,886 | 182,948,897 |
| Liabilities and equity | 77,855,572 | 228,547,248 |

Statement of changes in equity

2023

| USD | Share capital | Retained earnings | Total |
|--|-------------------|-------------------|-------------------|
| Equity at 1 January | 20,000,000 | 25,598,351 | 45,598,351 |
| Net profit for the year | 0 | 223,335 | 223,335 |
| Other comprehensive income for the year | 0 | 0 | 0 |
| Total comprehensive income for the year | 0 | 223,335 | 223,335 |
| Equity at 31 December | 20,000,000 | 25,821,686 | 45,821,686 |

2022

| USD | Share capital | Retained earnings | Total |
|--|-------------------|-------------------|-------------------|
| Equity at 1 January | 5,000,000 | 11,718,324 | 16,718,324 |
| Net profit for the year | 0 | 13,880,027 | 13,880,027 |
| Other comprehensive income for the year | 0 | 0 | 0 |
| Capital increase | 15,000,000 | 0 | 15,000,000 |
| Total comprehensive income for the year | 0 | 13,880,027 | 13,880,027 |
| Equity at 31 December | 20,000,000 | 25,598,351 | 45,598,351 |

Statement of cash flows

| USD | 2023 | 2022 |
|--|-------------------|-------------------|
| <u>Cashflow from operating activities:</u> | | |
| Profit/loss for the year | 223,335 | 13,880,027 |
| Non-cash adjustments: | | |
| Depreciation and impairment of property, plant and equipment | 0 | 6,548 |
| Tax of profit/loss for the year | 84,843 | 5,743,543 |
| Finance income | -1,508,666 | -459,270 |
| Finance expense | 3,376,624 | 5,554,325 |
| Working capital adjustments: | | |
| Change in receivables | 146,080,817 | -105,985,826 |
| Change in payables | -150,941,903 | 84,466,467 |
| Interest received | 1,508,666 | 459,270 |
| Interest paid | -3,376,624 | -5,554,325 |
| Cash flow from operating activities | -4,552,909 | -1,889,241 |
| <u>Cash flows from investing activities:</u> | | |
| Purchase of property, plant and equipment | -14,596 | 0 |
| Net cash from investing activities | -14,596 | 0 |
| <u>Cash flows from financing activities:</u> | | |
| Capital increase | 0 | 15,000,000 |
| Net cash from financing activities | 0 | 15,000,000 |
| Change in cash and cash equivalents | -4,567,505 | 13,110,759 |
| Cash and cash equivalents are specified as follows: | | |
| Cash at bank and in hand without restrictions | 19,206,265 | 28,507,270 |
| Restricted cash* | 11,511,992 | 6,778,491 |
| Cash and cash equivalents at end of year | 30,718,256 | 35,285,761 |

* Restricted cash is relating to initial margin coverage held at clearing banks.

Basis of reporting

BASIS OF PREPARATION

Danske Commodities US LLC ('the Company') is founded in the State of Delaware where it is incorporated as a limited liability company pursuant to the Delaware Limited Liability Company Act. The company is domiciled in Stamford, Connecticut and is a wholly owned subsidiary of Equinor US Holdings Inc.

The company's' primary activity is trading in energy commodities.

The special-purpose financial statements consist of income statement, statement of comprehensive income, balance sheet, statement of cash flow and statement of changes in equity for the year ended 31 December 2023. The Company has prepared the special-purpose financial statements based on recognition and measurement principles of IFRS standards effective at 31 December 2023 with exception of disclosure requirements. The fiscal year for the Company is 1 January – 31 December.

The special-purpose financial statements have been prepared on a going concern basis and under the historical cost convention, except for derivatives, which are measured at fair value.

The financial statements are presented in US Dollars, which is also the Company's functional currency.

The Company has implemented changes in standards and interpretation relevant that are mandatory for 2023. None of these have had a material impact on the financial statements for 2023.

Specific users of the Special-purpose Financial Statements

The Financial Statements serves as a Special-purpose Financial Statements and have been prepared with the sole purpose to comply with requirements presented from United States Independent System Operators and Regional Transmission Organizations. These are ("the users"): PJM, MISO, ERCOT, SPP, CAISO, NYISO, and ISO-NE.

TRANSLATION OF FOREIGN CURRENCIES

Transactions in foreign currencies are translated at the exchange rates prevailing at the dates of transaction. Gains and losses arising due to differences between the transaction date rates and the rates at the dates of payment are recognised in financial income or financial expenses in the income statement. Receivables, payables and other monetary items in foreign currencies that have not been settled at the balance sheet date are translated at the exchange rates at the balance sheet date. Any differences between the exchange rates at the balance sheet date and the transaction date rates are recognised in financial income and expenses in the income statement.

FAIR VALUE MEASUREMENT

The Company measures financial instruments such as derivatives, at fair value at each balance sheet date. Fair value is the price that would be received for selling an asset or paid for transferring a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest. A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs. All assets and liabilities for which fair value is measured in the special-purpose financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

Level 1 — Quoted and unadjusted market prices in active markets for identical assets or liabilities

Level 2 – Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable

Level 3 – Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

For assets and liabilities that are recognised in the special-purpose financial statements at fair value on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by reassessing categorisation at the end of each period in which the reassessment is based on the lowest level input that is significant to the fair value measurement as a whole. The Company's risk management function determines the policies and procedures for recurring fair value measurement for unquoted financial assets and liabilities.

TRADING INCOME

Trading income comprise net gains and losses arising from trading within energy commodity derivatives. The energy commodity derivatives make up the Company's trading portfolio which includes futures, options, swaps that are financially settled. Net changes in the fair value of energy commodity derivatives held for trading presented as financial assets or financial liabilities, respectively, are included in 'trading income'.

OTHER EXTERNAL EXPENSES

Other external expenses comprise administration costs, facility costs as well as consultancy costs.

FINANCIAL INCOME AND EXPENSES

Financial income and expenses comprise interest income and interest expenses, respectively.

TAX AND DEFERRED TAX

Tax for the year consists of current tax for the year and deferred tax for the year. The tax attributable to the profit for the year is recognised in the income statement, whereas the tax attributable to equity transactions is recognised directly in equity. Any changes in deferred tax due to changes to tax rates are recognised in the income statement.

CURRENT TAX RECEIVABLES AND LIABILITIES

Current tax receivables and liabilities are recognised in the balance sheet at the amount calculated on the basis of the expected taxable income for the year adjusted for tax on taxable incomes for prior years and tax paid on account. Tax receivables and liabilities are offset if there is a legally enforceable right of set-off and an intention to settle on a net basis or simultaneously.

DEFERRED TAX ASSETS AND LIABILITIES

Deferred tax is recognised in respect of all temporary differences between the carrying amount and the tax base of assets and liabilities. Deferred tax assets, including the tax base of tax loss carry-forwards, are measured at the value at which the asset is expected to be realised, either by elimination in tax on future earnings or by set-off against deferred tax liabilities. Deferred tax assets and liabilities are offset within the same legal tax entity and jurisdiction. Deferred tax is measured according to the tax rules and at the tax rates applicable in the respective states at the balance sheet date when the deferred tax is expected to crystallise as current tax.

PROPERTY, PLANT AND EQUIPMENT

Individual components of property, plant and equipment that have different useful lives are accounted for as separate items, which are depreciated separately. Property, plant and equipment is measured at cost less accumulated depreciation and less any accumulated impairment losses. Cost comprises the cost of acquisition and expenses directly related to the acquisition up until the time when the asset is ready for use.

Depreciation based on cost reduced by any residual value is calculated on a straight-line basis over the expected useful lives of the assets, which are:

- Other fixtures and fittings, tools and equipment: 3 years

In the case of changes in the depreciation period or the residual value, the effect on the depreciation charges is recognised prospectively as a change in accounting estimates if the amount is material. Carrying amounts of property, plant and equipment are reviewed on an annual basis to determine whether there is any indication of impairment other than that expressed by depreciation. If so, an impairment test is carried out to determine whether the recoverable amount is lower than the carrying amount, and the asset is written down to its lower recoverable amount.

The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use. Where a recoverable amount cannot be determined for the individual asset, assets are assessed in the smallest group of assets for which a reliable recoverable amount can be determined based on an overall assessment.

TRADE RECEIVABLES

Trade receivables are amounts due from the trading activity. Trade receivables are measured at amortised cost less allowance for lifetime expected credit losses. They are generally due for settlement within 30 days and are therefore all classified as current. Other receivables are measured at amortised cost.

The Company applies the principles in IFRS 9 simplified approach to measuring expected credit losses, which uses a lifetime expected loss allowance for all trade receivables. Therefore, the Company does not track changes in credit risk, but instead recognises a loss allowance based on lifetime expected credit losses at each reporting date. The Company has established a provision matrix that is based on its historical credit loss experience, taking forward-looking factors into account.

In the lifetime expected credit losses calculated, the Company considers a financial asset as being in default when payments are 60 days overdue, accelerating the lifetime expected credit loss factor. The expected loss rates are updated at each reporting date.

In addition to the lifetime expected credit loss allowance on trade receivables, the Company may also recognise an impairment on a specific debtor if there is any internal or external information indicating that a loss will incur. Where receivables have been written off, the Company continues to engage in enforcement activity to attempt to recover the receivable due. Recoveries made are recognised in profit or loss. Impairment losses on trade receivables are presented as net impairment losses within operating profit. Subsequent recoveries of amounts previously written off are credited against the same line item.

PREPAYMENTS

Prepayments are measured at amortised cost.

DERIVATIVES HELD FOR TRADING

When derivatives do not meet the hedge accounting criteria, they are primarily classified as 'held for trading' for accounting purpose and initially recognised, and subsequently measured at fair value through profit and loss and recognised in the balance sheet as 'derivative financial instruments'. Derivative financial instruments that are held for trading are classified as current assets and liabilities regardless of their maturity date. The Company does not apply any type of hedge accounting in the financial statements. Derivative financial instruments are categorised by means of shared risk and underlying commodity.

TRADE AND OTHER PAYABLES

Trade payables and other payables are measured at amortised cost and are unsecured.

DEPOSITS RELATED TO TRADING

Deposits relating to trading activities are the amounts of cash required to maintain or open a trading position with certain counterparties. Deposits related to trading consists of margin calls and cash deposits.

Margin calls are a collateral payment to/from OTC counterparties to cover changes in the value of underlying assets used in futures/forward contracts. Cash deposits are used as collateral in order for the Company to open a new position for certain counterparties.

Deposits related to trading are measured at amortised cost.

OFFSETTING FINANCIAL ASSETS AND LIABILITIES

The Company assesses financial assets and liabilities on an individual basis and uses that assessment as the unit of account. Financial assets and liabilities are offset and the net amount is reported in the balance sheet where the Company currently has a legally enforceable right to offset the recognised amounts, and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously.

CASH FLOW

Cash flow statement

The statements of cash flows are compiled using the indirect method, showing cash flows from operating, investing, and financing activities as well as cash and cash equivalents at the beginning and end of the year for the Company.

Cash flows from operating activities

Cash flows from operating activities are calculated as the net profit/loss for the year adjusted for changes in working capital and non-cash operating items such as depreciation and impairment losses, and provisions.

Working capital comprises current assets less short-term debt excluding items included in cash and cash equivalents.

Cash flows from investing activities

Cash flows from investing activities comprise cash flows from acquisitions property, plant and equipment.

Cash flows from financing activities

Cash flows from financing activities comprise cash flows from payments to and from shareholders.

Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and in hand.

Demand deposits held in clearing bank accounts are included as restricted cash if the deposits provided as part of the Company's operating activities and therefore is deemed as held for the purpose of meeting short-term cash commitments, and the deposits can be released from the account without undue expenses.

EXHIBIT C
INTERNATIONAL TRANSMISSION FACILITIES
At the U.S.-Canada Border
Authorized for Use by Third Party Transmitters*

| <u>Present Owner</u> | <u>Location</u> | <u>Voltage</u> | <u>Presidential Permit No.</u> |
|------------------------------------|---|--|---------------------------------------|
| Bangor Hydro-Electric Company | Baileyville, ME | 345-KV | PP-89 |
| Basin Electric Power Cooperative | Tioga, ND | 230-kV | PP-64 |
| Bonneville Power Administrative | Blaine, WA Nelway, WA Nelway, WA | 2-500-kV 230-kV 230-kV | PP-10 PP-36 PP-46 |
| CHPE LLC | Champlain, NY | ±230-kV DC | PP-481-1 |
| Eastern Maine Electric Cooperative | Calais, ME | 69-kV | PP-32 |
| 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 | 320-kV | PP-412** |
| Highgate Joint Owners | 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 |
| Maine Public Service Company | Limestone, ME Fort Fairfield, ME Madawaska, ME Aroostook, ME | 69-kV 69-kV 138-kV 2-69-kV | PP-12 PP-12 PP-29 PP-29 |
| Minnesota Power, Inc. | International Falls, MN | 115-kV | PP-78 |
| Minnesota Power, Inc. | Roseau County, MN | 500-kV | PP-398 |
| Minnkota Power Cooperative | Roseau County, MN | 230-kV | PP-61 |
| Montana Alberta Tie Ltd. | Cut Bank, MT | 230-kV | PP-305 |
| 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 |

| <u>Present Owner</u> | <u>Location</u> | <u>Voltage</u> | <u>Presidential Permit No.</u> |
|-----------------------------------|---|----------------------------|---------------------------------------|
| Niagara Mohawk Power Corp. | Devils Hole, NY | 230-kV | PP-190 |
| 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** |
| 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 |

*As described in the Application, Danske Commodities requests authority to export electricity over any authorized international transmission facility, including but not limited to those set forth in this Exhibit C.

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

EXHIBIT D – DESIGNATION OF AGENT AND POWER OF ATTORNEY

Danske Commodities US LLC's principal place of business is located inside the United States.

**EXHIBIT E – STATEMENT OF ANY CORPORATE RELATIONSHIP
OR EXISTING CONTRACT**

Not Applicable

EXHIBIT F – OPERATING PROCEDURES

Not Applicable

EXHIBIT G – MARKET BASED RATE AUTHORITY

Commission Order Granting Market-Based Rate Authorization
Docket No. ER23-303-000

FEDERAL ENERGY REGULATORY COMMISSION
Washington, D.C. 20426

OFFICE OF ENERGY MARKET REGULATION

In Reply Refer To:
Danske Commodities US LLC
Docket No. ER23-303-000

Issued: December 16, 2022

J. Daniel Skees
Morgan, Lewis & Bockius LLP
1111 Pennsylvania Avenue N.W.
Washington, D.C. 20004

Reference: Market-Based Rate Authorization

On October 31, 2022, you filed on behalf of Danske Commodities US LLC (Danske) an application for market-based rate authority with an accompanying tariff. The proposed market-based rate tariff provides for the sale of energy, capacity, and ancillary services at market-based rates.¹ You request on behalf of Danske waivers commonly granted to similar market-based rate applicants. Danske's market-based rate tariff is accepted for filing, effective January 1, 2023, as requested.² Based on your

¹ Danske requests authorization to sell ancillary services in all of the regional transmission organization or independent system operator markets for which the Commission has approved sales of specific ancillary services. Danske also requests authorization to engage in the sale of certain ancillary services as a third-party provider in other markets.

² Danske Commodities US LLC, Market Based Rate Tariff; [FERC Electric, Market Based Rate Tariff \(0.0.0\)](#). The next time Danske makes a market-based rate filing with the Commission, it must include a revised tariff in compliance with Order Nos. 697 and 697-A to include appropriate citations. *See Market-Based Rates for Wholesale Sales of Elec. Energy, Capacity & Ancillary Servs. by Pub. Utils.*, Order No. 697, 119 FERC ¶ 61,295, at P 916 (2007), *order on reh'g*, Order No. 697-A, 123 FERC ¶ 61,055, at P 384 (2008). *See also Niagara Mohawk Power Corporation*, 121 FERC ¶ 61,275 (2007) at P 8.

representations, Danske meets the criteria for a Category 1 seller in all regions and is so designated.³

Your filing was noticed on October 31, 2022, with comments, protests, or interventions due on or before November 21, 2022. None was filed.

Market-Based Rate Authorization

The Commission allows power sales at market-based rates if the seller and its affiliates do not have, or have adequately mitigated, horizontal and vertical market power.⁴

You represent that Danske is owned by Equinor US Holdings Inc. and is a power marketer. In lieu of submitting the indicative market power screens for the PJM Interconnection, L.L.C., New York Independent System Operator, Inc., ISO New England Inc., and Midcontinent Independent System Operator, Inc. markets, you state that you are relying on Commission-approved market monitoring and mitigation to address potential horizontal market power that Danske may have in those markets.⁵ Based on your representations, Danske satisfies the Commission's requirements for market-based rate authority regarding horizontal market power.⁶

³ See *Refinements to Policies and Procedures for Market-Based Rates for Wholesale Sales of Elec. Energy, Capacity & Ancillary Servs. by Pub. Utils.*, Order No. 816, 153 FERC ¶ 61,065, at P 320 (2015). Order No. 697, 119 FERC ¶ 61,295 at PP 848-850. Danske must file an updated market power analysis for each region in which it is designated as a Category 2 seller in compliance with the regional reporting schedule. See Order No. 816, 153 FERC ¶ 61,065 at P 353.

⁴ Order No. 697, 119 FERC ¶ 61,295 at PP 62, 399, 408, 440.

⁵ 18 C.F.R. § 35.37(c)(4) (2021); see also *Refinements to Horizontal Mkt. Power Analysis for Sellers in Certain Reg'l Transmission Org. & Indep. Sys. Operator Mkts.*, Order No. 861, 168 FERC ¶ 61,040 (2019), *order on reh'g*, 170 FERC ¶ 61,106 (2020).

⁶ We note that Danske is not being granted authority to make third-party sales of operating reserves to a public utility that is purchasing ancillary services to satisfy its own open access transmission tariff requirements to offer ancillary services to its own customers. If Danske seeks such authority, it must make the required showing and receive Commission authorization prior to making such sales. See *Third-Party Provision of Ancillary Servs.; Accounting and Financial Reporting for New Elec. Storage Technologies*, Order No. 784, 144 FERC ¶ 61,056, at PP 200-202 (2013), *order on*

With respect to vertical market power, you represent that Danske and its affiliates either do not own, operate, or control any transmission facilities; or own, operate, or control transmission facilities that: (a) have a Commission-approved Open Access Transmission Tariff (OATT) on file; (b) are under the operational control of a regional transmission organization or an independent system operator; (c) have received waiver of the OATT requirement under 18 C.F.R. § 35.28(d)(1); or (d) satisfy the requirements for a blanket waiver under 18 C.F.R. § 35.28(d)(2).⁷ Further, you affirmatively state that Danske and its affiliates have not erected barriers to entry and will not erect barriers to entry into the relevant market. Based on your representations, Danske satisfies the Commission's requirements for market-based rate authority regarding vertical market power.

Waivers, Authorizations, and Reporting Requirements

Danske's request for waiver of Subparts B and C of Part 35 of the Commission's regulations requiring the filing of cost-of-service information, except for sections 35.12(a), 35.13(b), 35.15 and 35.16 is granted. Danske's request for waiver of Part 41 and Part 141 of the Commission's regulations concerning accounting and reporting requirements is granted with the exception of 18 C.F.R. § 141.15.⁸ Danske's request for waiver of Part 101 of the Commission's regulations is hereby granted, with the exception that waiver of the provisions of Part 101 that apply to hydropower licensees is not granted with respect to licensed hydropower projects.⁹ Notwithstanding the waiver of the accounting and reporting requirements here, Danske is expected to keep its accounting

clarification, Order No. 784-A, 146 FERC ¶ 61,114 (2014).

⁷ See *Open Access and Priority Rights on Interconnection Customer's Interconnection Facilities*, Order No. 807, 150 FERC ¶ 61,211, *order on reh'g*, Order No. 807-A, 153 FERC ¶ 61,047 (2015).

⁸ See Order No. 697, 119 FERC ¶ 61,295 at PP 984-985.

⁹ Hydropower licensees are required to comply with the requirements of the Uniform System of Accounts pursuant to 18 C.F.R. Part 101 to the extent necessary to carry out their responsibilities under Part I of the Federal Power Act (FPA). We further note that a licensee's status as a market-based rate seller under Part II of the FPA does not exempt it from its accounting responsibilities as a licensee under Part I of the FPA. See Order No. 816, 153 FERC ¶ 61,065 at PP 345-350; *Seneca Gen., LLC*, 145 FERC ¶ 61,096, at P 23, n.20 (2013) (citing *Trafalgar Power, Inc.*, 87 FERC ¶ 61,207, at 61,798 (1999) (noting that "all licensees are required to comply with the requirements of the Uniform System of Accounts to the extent necessary to carry out their responsibilities under [s]ections 4(b), 10(d) and 14 of the FPA"))).

records in accordance with generally accepted accounting principles.

Danske requests blanket authorization under Part 34 of the Commission's regulations for all future issuances of securities and assumptions of liability. A separate notice was published in the Federal Register establishing a period during which protests could be filed. None was filed. Danske is authorized to issue securities and assume obligations or liabilities as guarantor, indorser, surety, or otherwise in respect of any security of another person; provided that such issue or assumption is for some lawful object within the corporate purposes of Danske, compatible with the public interest, and reasonably necessary or appropriate for such purposes.¹⁰

Danske must file Electric Quarterly Reports (EQRs) with the Commission, consistent with Order Nos. 2001¹¹ and 768.¹² Danske must file EQRs electronically with the Commission consistent with the procedures set forth in Order No. 770.¹³ Danske further must timely report to the Commission any change in status that would reflect a departure from the characteristics the Commission relied upon in granting market-based rate authority.¹⁴

¹⁰ See Order No. 697, 119 FERC ¶ 61,295 at PP 999-1000.

¹¹ *Revised Pub. Util. Filing Requirements*, Order No. 2001, 99 FERC ¶ 61,107, *reh'g denied*, Order No. 2001-A, 100 FERC ¶ 61,074, *reh'g denied*, Order No. 2001-B, 100 FERC ¶ 61,342, *order directing filing*, Order No. 2001-C, 101 FERC ¶ 61,314 (2002), *order directing filing*, Order No. 2001-D, 102 FERC ¶ 61,334, *order refining filing requirements*, Order No. 2001-E, 105 FERC ¶ 61,352 (2003), *order on clarification*, Order No. 2001-F, 106 FERC ¶ 61,060 (2004), *order revising filing requirements*, Order No. 2001-G, 120 FERC ¶ 61,270, *order on reh'g and clarification*, Order No. 2001-H, 121 FERC ¶ 61,289 (2007), *order revising filing requirements*, Order No. 2001-I, 125 FERC ¶ 61,103 (2008).

¹² *Elec. Mkt. Transparency Provisions of Section 220 of the Fed. Power Act*, Order No. 768, 140 FERC ¶ 61,232 (2012), *order on reh'g*, Order No. 768-A, 143 FERC ¶ 61,054 (2013).

¹³ See *Revisions to Elec. Quarterly Report Filing Process*, Order No. 770, 141 FERC ¶ 61,120, at P 3 (2012) (citing Order No. 2001, 99 FERC ¶ 61,107 at P 31).

¹⁴ 18 C.F.R. § 35.42 (2021); see also *Reporting Requirement for Changes in Status for Pub. Utils. with Market-Based Rate Auth.*, Order No. 652, 110 FERC ¶ 61,097, *order on reh'g*, Order No. 652-A, 111 FERC ¶ 61,413 (2005).

In Order No. 860,¹⁵ the Commission revised its regulations governing market-based rates for public utilities to collect certain information through a relational database in order to streamline and modernize the Commission's data collection processes. Danske must comply with the requirements of Order Nos. 860 and 860-A, as well as the regulations promulgated pursuant to those rules.

This action does not constitute approval of any service, rate, charge, classification, or any rule, regulation, or practice affecting such rate or service provided for in the filed documents; nor shall such action be deemed as recognition of any claimed contractual right or obligation affecting or relating to such service or rate; and such acceptance is without prejudice to any findings or orders which have been or may hereafter be made by the Commission in any proceeding now pending or hereafter instituted by or against the applicant.

This action is taken pursuant to the authority delegated to the Director, Division of Electric Power Regulation - West, under 18 C.F.R. § 375.307. This order constitutes final agency action. Requests for rehearing by the Commission may be filed within 30 days of the date of issuance of this order, pursuant to 18 C.F.R § 385.713.

Issued by: Carlos D. Clay, Acting Director, Division of Electric Power Regulation – West

¹⁵ *Data Collection for Analytics and Surveillance and Mkt.-Based Rate Purposes*, Order No. 860, 168 FERC ¶ 61,039 (2019), *order on reh'g*, Order No. 860-A, 170 FERC ¶ 61,129 (2020).

Document Content(s)

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