



November 13, 2020

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

Attention: Mr. Christopher Lawrence

RE: *Direct Energy Marketing Inc.*
Docket No. EA280-__
Application for Renewal of Authorization to Transmit Electric Energy to
Canada

Dear Mr. Lawrence:

Enclosed is a copy of a renewal application for export authorization submitted by Direct Energy Marketing Inc. (DEMI). Pursuant to the Department of Energy's (DOE) Special COVID-19 Filing Procedures,¹ DEMI has: 1) scanned the application and emailed it to you at Christopher.Lawrence@hq.doe.gov, and 2) remitted the \$500 filing fee by check in accordance with DOE's payment instructions.²

If you should have any questions about this application, please do not hesitate to contact us.

Respectfully Submitted,

/s/ John Schultz

John Schultz

Co-President

Direct Energy Marketing Inc.

Enclosures

¹ See DOE, Export Authorizations – Procedures, <https://www.energy.gov/oe/services/electricity-policy-coordination-and-implementation/international-electricity-regulatio-5>.

² See <https://www.energy.gov/sites/prod/files/2020/09/f78/2020%20Dept%20of%20Energy%20Payment%20Instructions%20.pdf>.

**UNITED STATES OF AMERICA
DEPARTMENT OF ENERGY
OFFICE OF ELECTRICITY**

Direct Energy Marketing Inc.

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Docket No. EA280-__

**APPLICATION OF DIRECT ENERGY MARKETING INC. FOR RENEWAL OF
AUTHORIZATION TO TRANSMIT ELECTRIC ENERGY TO CANADA**

Direct Energy Marketing Inc. (DEMI or Applicant), pursuant to Section 202(e) of the Federal Power Act, 16 U.S.C. § 824a(e), and the Department of Energy (DOE) regulations contained in 10 C.F.R. § 205.300, *et seq.*, hereby files its application to renew its blanket authority to transmit electric energy from the United States to Canada over all facilities at the United States border with Canada that are appropriate for third-party use, for a term of an additional ten years effective January 27, 2021, the day after the expiration of DEMI's current authorization.

I. DESCRIPTION OF APPLICANT AND BACKGROUND

The exact legal name of the Applicant is Direct Energy Marketing Inc. DEMI is a Delaware corporation having its principal place of business at 12 Greenway Plaza, Suite 200, Houston, TX 77025.

DEMI is wholly owned by Centrica US Holdings Inc., an indirect, wholly-owned subsidiary of Centrica plc (Centrica). Centrica is a publicly traded company and major supplier of energy and services in the United Kingdom. Centrica, through its affiliates, serves over 12 million natural gas and power customers in the United Kingdom. DEMI does not own or control any electric generation facilities in any wholesale market in interstate commerce.³ Neither DEMI nor any of its affiliates owns or control transmission facilities or has an electric franchised service territory or captive wholesale or retail customers. Affiliates of DEMI provide retail energy services on a

³ DEMI's affiliate, Direct Energy Business Marketing, LLC is a party to a tolling agreement that entitles it to 256 MW of nameplate capacity from the Bayonne Energy Center generating facility. Beyond this limited tolling agreement, none of DEMI's affiliates own or control any electric generation facilities in any wholesale market in interstate commerce.

competitive basis in the United States and Canada. DEMI is authorized by the Federal Energy Regulatory Commission to sell electricity at wholesale at market-based rates.⁴

On November 5, 2003, the DOE issued Order No. EA-280 authorizing DEMI to transmit energy from the United States to Canada for a two-year term as a power marketer. The DOE renewed DEMI's export authorization in Order No. EA-280-A on March 17, 2006. In Order No. EA-280-B, issued on January 26, 2011 the DOE authorized DEMI to export electric energy to Canada for a period of ten years. Through this Application, DEMI seeks to renew its authorization to export power to Canada for a term of ten years commencing January 27, 2021, the day after the expiration of DEMI's current authorization.

II. COMMUNICATIONS

Communications concerning this filing should be sent to:

Ryan Harwell
Licensing & Reporting Manager, Regulatory
Affairs
Direct Energy
12 Greenway Plaza, Suite 250
Houston, TX 77046
Phone: 713-877-5701
Email: Ryan.Harwell@directenergy.com

Deonne Cunningham
Lead Counsel, Direct Energy Business
Wholesale
Direct Energy
12 Greenway Plaza, Suite 250
Houston, TX 77046
Phone: 832-370-5063
Email: Deonne.Cunningham@directenergy.com

Bray Dohrwardt
Associate General Counsel, North American
Business
Direct Energy
12 Greenway Plaza, Suite 250
Houston, TX 77046
Phone: 713-877-3851
Email: Bray.Dohrwardt@directenergy.com

III. JURISDICTION

⁴ *Direct Energy Marketing Inc.*, Docket No. ER03-1088-000 (Aug. 13, 2003) (unpublished letter order granting DEMI Market-Based Rate authority).

Pursuant to section 202(e) of the Federal Power Act, the DOE has jurisdiction over the action to be taken in this application. No other known federal, state or local government has jurisdiction over the action to be taken in this application. FERC has jurisdiction over DEMI's wholesale electric power activities in the United States.

IV. DESCRIPTION OF TRANSMISSION FACILITIES

DEMI intends to export electric energy over transmission interconnections between Canada and the United States. DEMI requests authority to export electricity to Canada over any international transmission facility authorized by Presidential Permit that is appropriate for open access transmission by third parties. A list of these facilities is provided in Exhibit C.

V. RENEWAL AUTHORIZATION AND TECHNICAL DISCUSSION

By this Application, DEMI seeks authorization to continue to transmit electric energy to Canada as a power marketer for a term of ten years. DEMI respectfully requests that this ten-year term commence on January 27, 2021, the day after the expiration of its current blanket authorization under Order No. EA-280-B.

Because DEMI does not own or control electric generation or transmission facilities in any wholesale market in interstate commerce,⁵ neither DEMI nor its affiliates have a power supply system of their own on which DEMI's exports of power could have a reliability, fuel use or system stability impact. DEMI will purchase the power to be exported from electric utilities and federal power marketing agencies pursuant to voluntary agreements. By definition, such power is surplus to the system of the generator and, thus, the electric power that DEMI will export on either a firm or interruptible basis will not impair the sufficiency of the electric power supply within the United

⁵ Further, DEMI's affiliates do not own or control electric generation aside from the tolling agreement with Direct Energy Business Marketing, LLC.

States. Moreover, DEMI's exports of electric energy to Canada will not impede or tend to impede the regional coordination of electric utility planning or operations.

DEMI will make all necessary commercial arrangements and will obtain any and all other regulatory approvals required in order to affect any power exports. All the electricity exported by DEMI 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 those facilities. DEMI will comply with the terms and conditions contained in the authorizations issued for these cross-border facilities as well as any other export limitations that DOE may deem appropriate, consistent with DOE's orders authorizing exports of electric energy by power marketers.

DEMI will schedule each transaction with the appropriate control area in compliance with the reliability criteria, standards, and guidelines of the North American Electric Reliability Corporation (NERC) and its member regional organizations, or any Electric Reliability Organization in existence at the time of export. DEMI will obtain all necessary transmission access over the existing facilities listed in Exhibit C for its exports and will comply with all applicable statutes and implementing rules, regulations, and orders of DOE and FERC. The controls inherent in any transaction that complies with NERC requirements and DOE export limits on the transmission facilities listed in Exhibit C are sufficient to ensure that exports by DEMI will not impede the coordinated use of transmission facilities within the meaning of section 202(e) of the Federal Power Act.

As noted in Order No. EA-102, DOE may utilize the reliability analyses performed in other export authorization proceedings for the transmission facilities listed in Exhibit C in order to make the findings required for the renewal of export authority to DEMI. Additionally, with the exception of facilities related to the New York Power Authority ("NYPA") and Bonneville

Power Authority (“BPA”), which are not subject to DOE’s jurisdiction under Section 202(e) of the Federal Power Act, traditional technical studies have been performed, submitted and reviewed by DOE in connection with the export authorizations issued to the facilities over which DEMI will export energy. As for NYPA and BPA, DOE has previously relied on reports and other information provided by those border facilities. Consistent with its previous decisions regarding applications for export authorization, including orders specific to DEMI (Order EA-280, Order EA-280-A and Order EA-280-B), DOE should in this instance again rely on those studies, reports and other information and determine that the United States system will not be impaired by exports over such border systems.

Because the proposed exports will take place over existing international transmission lines, DEMI submits that the requested authorization does not require the preparation of an environmental impact statement or an environmental assessment pursuant to the National Environmental Policy Act of 1969.

VI. PROCEDURES

This application is consistent with the North American Free Trade Agreement and U.S. energy policy and will foster development of a more efficient and competitive North American energy market. DEMI requests authority for export transactions through specified border facilities even though specific transactions may not yet have been negotiated. DOE has granted export authority to similarly situated power marketers, and DEMI agrees to abide by the general conditions set forth in DOE’s prior orders authorizing power marketers to export power.

VII. EXHIBITS AND ATTACHMENTS

Per 10 C.F.R. § 205.302 (h), the signed Verification of John Schultz is attached to this Application as Attachment 1. Additionally, in accordance with 10 C.F. R. § 205.303, the following Exhibits are attached hereto and made part hereof:

Exhibit A	Agreements - Not Applicable
Exhibit B	Legal Opinion of Counsel - Attached
Exhibit C	Transmission Facilities (Submitted in lieu of Maps) - Attached
Exhibit D	Non-U.S. Applicant's Power of Attorney - Not Applicable
Exhibit E	Statement of Corporate Relationship or Existing Contract - Not Applicable
Exhibit F	Operating Procedures - Not Applicable

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

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

IV. CONCLUSION

In consideration of the foregoing, DEMI respectfully requests expeditious approval of this application for the renewal of its authorization to export electric energy to Canada for a term of ten years on substantially the same terms and conditions as applied to similarly-situated power marketers.

Respectfully submitted,

/s/ John Schultz
John Schultz
Co-President
Direct Energy Marketing Inc.

November 13, 2020

EXHIBIT A

Agreements

(Not Applicable)

Exhibit B

Legal Opinion

Legal Opinion

I, Bray Dohrwardt, am the Co-Secretary of Direct Energy Marketing Inc. (the “Corporation”) and act as legal counsel to the Corporation. I have been asked to provide an opinion pursuant to 10 C.F.R. § 205.303(b) with respect to the Corporation’s Renewal of Authorization to Transmit Electric Energy to Canada (the “Renewal”) dated November 13, 2020.

I hereby certify on behalf of the Corporation and without personal liability in support of the Renewal that:

- (1) The Corporation is duly incorporated and validly existing under the corporate laws of the state of Delaware;
- (2) The Corporation has the corporate capacity to act in the manner described in the Renewal;
- (3) To the best of my knowledge and belief, the Corporation and its officers and directors have complied with all pertinent federal and state laws related to the actions to be undertaken pursuant to the Renewal.

This opinion is limited to the laws of the United States, as they exist at the date set forth above. I am not assuming any obligation to review or update this opinion should the existing facts or circumstances change. I express no opinion as to the law of any other jurisdictions. This opinion is rendered to the Corporation solely in connection with the Renewal, and may not be relied upon for any other purpose without my prior written consent.



Bray Dohrwardt

Co-Secretary, Direct Energy Marketing Inc.

Date: November 13, 2020

Exhibit C

Description of Export Facilities

(List of Transmission, submitted in lieu of maps)

Present Owner No.	Location	Voltage	Presidential Permit
Bangor Hydro Electric Co.	Baileyville, ME	345 kV	PP-89
Basin Electric Power Cooperative	Tioga, ND	230 kV	PP-64
Bonneville Power Administration	Blaine, WA	2x 500 kV	PP-10
	Nelway, WA	230 kV	PP-36
	Nelway, WA	230 kV	PP-46
Eastern Maine Electric Cooperative	Calais, ME	69 kV	PP-32
International Transmission Co.	Detroit, MI	230 kV	PP-230
	Marysville, MI	230 kV	PP-230
	St. Claire, MI	230 kV	PP-230
	St. Claire, MI	345 kV	PP-230
ITC Lake Erie Connector	Erie County, PA	320 kV	PP-412
Joint Owners of the Highgate	Project Highgate, VT	120 kV	PP-82
Long Sault, Inc.	Massena, NY	2x 115 kV	PP-24
Maine Electric Power Co.	Houlton, ME	345 kV	PP-43
Maine Public Service Co.	Limestone, ME	69 kV	PP-12
	Fort Fairfield, ME	69 kV	PP-12
	Madawaska, ME	138 kV	PP-29
	Aroostock, ME	2x 69 kV	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

Present Owner No.	Location	Voltage	Presidential Permit
New York Power Authority	Massena, NY	765 kV	PP-56
	Massena, NY	2x 230 kV	PP-25
	Niagara Falls, NY	2x 345 kV	PP-74
	Devil's Hole, NY	230 kV	PP-30
Niagara Mohawk Power Corp.	Devil's Hole, NY	230 kV	PP-190
Northern States Power Co.	Red River, ND	230 kV	PP-45
	Roseau County, MN	500 kV	PP-63
	Rugby, ND	230 kV	PP-231
Sea Breeze Olympic Converter LP	Port Angeles, WA	±450 kV DC	PP-299
Vermont Electric Power Co.	Derby Line, VT	120 kV	PP-66
Vermont Electric Transmission Co.	Norton, VT	±450 kV DC	PP-76

EXHIBIT D

Designation of Agent

(Not Applicable)

Exhibit E

Relationships/Contracts Regarding Rates

(Not Applicable)

Exhibit F

Operating Procedures

(Not Applicable)

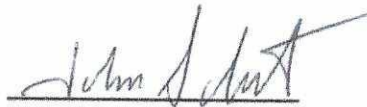
ATTACHMENT 1

Verification

VERIFICATION

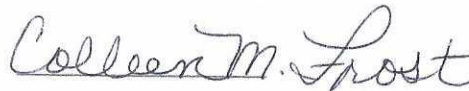
I, John Schultz, being first duly sworn, state as follows:

1. My name is John Schultz, and I am the Co-President of Direct Energy Marketing Inc.
2. I have knowledge of the matters set forth in the "Application of Direct Energy Marketing Inc. for Renewal of Authorization to Transmit Electric Energy to Canada." I hereby verify that the factual assertions contained in that Application are true and correct to the best of my knowledge and belief.



John Shultz
Co-President
Direct Energy Marketing Inc.

Sworn and subscribed before me at Iselin, NJ on this 13th day of November, 2020.



Notary Public

COLLEEN M FROST
ID No. 2298543
NOTARY PUBLIC OF NEW JERSEY
My Commission Expires April 1, 2023