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United States  
Department of Energy

Office of Electricity Delivery and Energy Reliability

Direct Commodities Trading, Inc.

OE Docket No. EA-278-B

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Rescission of Electricity Export Authorization

Order No. EA-278-B

July 26, 2007

# **Direct Commodities Trading Inc.**

## **Order No. EA-278-B**

### **I. BACKGROUND**

Exports of electricity from the United States to a foreign country are regulated by the Department of Energy (DOE) pursuant to sections 301(b) and 402(f) of the Department of Energy Organization Act (42 U.S.C. 7151(b), 7172(f)) and require authorization under section 202(e) of the Federal Power Act (FPA) (16 U.S.C. 824a(e))<sup>1</sup>.

On May 19, 2003, DOE issued Order No. EA-278 to Direct Commodities Trading, Inc. (DCT). That Order authorized DCT to export electric energy to Canada as a power marketer for a two-year term. On January 31, 2005, in Order No. EA-278-A, DOE renewed the DCT authority to export electric energy to Canada for an additional five years.

On November 14, 2006, DCT filed a request with DOE to cancel its existing electricity export authorization. In its request, DCT asserts that it has ceased to export electricity to Canada and no longer needs the authorization.

### **II. FINDING**

DOE finds that cancellation of DCT's electricity export authority by rescinding Order No. EA-278-A would not impair the sufficiency of electric power supply within the United States and would not impede or tend to impede the coordination in the public interest of facilities within the meaning of section 202(e) of the FPA.

DOE believes that it has satisfied its responsibilities under the National Environmental Policy Act of 1969 through the documentation of a categorical exclusion in the Docket No. EA-278 proceeding.

### **III. COMPLIANCE**

Upon issuance of this Rescission Order, DCT no longer has authority to export electricity to Canada. However, this Rescission Order is being issued without prejudice and does not preclude DCT upon proper application from requesting authority to export electric energy again in the future. It should be noted that DOE requires at least sixty days to adequately process an application to export electric energy.

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<sup>1</sup> The authority to administer the International Electricity Program through the regulation of electricity exports and the issuance of Presidential permits has been delegated to the Director of the Office of Electricity Delivery and Energy Reliability in Redefinition Order No. 00-002.10A issued on January 30, 2007.

Obtaining a valid Order from DOE authorizing the export of electricity under section 202(e) of the FPA is a necessary condition before engaging in an export. Therefore, DCT must obtain a new authorization from DOE before engaging in the further export of electricity.. Failure to obtain such an order before exporting may subject DCT to sanctions and penalties under the FPA. DCT should implement appropriate internal procedures to monitor the status of its electricity trading activities to ensure that it does not cause electricity to be exported in the absence of a valid order.

DOE expects transmitting utilities owning border facilities and entities charged with the operational control of those border facilities, such as Independent System Operators or Regional Transmission Organizations, to verify that companies seeking to schedule an electricity export have the requisite authority from DOE to export such power.

#### **IV. ORDER**

Pursuant to section 202(e) of the FPA and the Rules and Regulations issued thereunder (Title 10, Code of Federal Regulations, sections 205.300-309), the electricity export authorization issued to DCT on January 31, 2005, in Order No. EA-278-A is hereby rescinded.

DCT shall furnish DOE, within 30 days following issuance of this Order, a report for the final quarter of calendar year 2006, detailing for each month: (1) the gross amount of electricity delivered, in kilowatt hours; (2) the consideration received for such energy; and (3) the maximum hourly rate of transmission, in kilowatts. If no transactions were made, a one-sentence report indicating "no activity" is sufficient.

The report shall be submitted to the U.S. Department of Energy, Office of Electricity Delivery and Energy Reliability, OE-20, Forrestal Building, 1000 Independence Avenue, SW, Washington, D.C. 20585-0305. A properly identified report will be accepted via facsimile at (202) 586-8008 to meet time requirements, but the original shall still be filed at the above address.

Issued in Washington, D.C., on July 26, 2007.



Anthony J. Como  
Director, Permitting and Siting  
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