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United States  
Department of Energy

Office of Electricity Delivery and Energy Reliability

**Avista Corporation**  
**Candela Energy Corporation**  
**Edison Mission Marketing and Trading, Inc.**  
**Idaho Power Company**  
**Kansas City Power & Light**  
**Northern States Power Company**  
**Pacific Northwest Generating Cooperative**  
**PacifiCorp**  
**Portland General Electric Company**  
**Powerex Corporation**  
**Public Service of Colorado**  
**Puget Sound Energy**  
**TransCanada Energy Sales Ltd.**

OE Docket No. EA-98-L

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Electricity Export Authorization

Order No. EA-98-L

May 6, 2009

# Western Systems Power Pool

## Electricity Export Authorization Amendment Order No. EA-98-L

### **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 September 2, 1994, in Order No. EA-98, DOE authorized 22 members of the Western Systems Power Pool (WSPP) to individually export electric energy to BC Hydro or other future Canadian members of the WSPP under the terms and conditions of WSPP's pooling agreement and service schedules approved by the Federal Energy Regulatory Commission (FERC). In several subsequent proceedings in the EA-98 docket, the list of members authorized to export was modified to add, delete, or reflect corporate name changes. The most recent order in OE Docket No. EA-98-K was issued on November 9, 2007, and authorized 13 WSPP member companies individually to transmit electric energy to Canada. That Order will expire on April 25, 2012.

On February 23, 2009, WSPP, on behalf of TransCanada Energy Marketing ULC (TCEM), a WSPP member authorized to export electricity to Canada under OE Order No. EA-98-K, notified DOE that effective March 1, 2009, TCEM would be transferring its wholesale electric trading operations to its newly formed affiliate, TransCanada Energy Sales Ltd. (TES). WSPP requested that the order issued to WSPP be revised as of March 1, 2009, to reflect this transfer of operations.

Notice of WSPP's request was published in the *Federal Register* on March 31, 2009, (74 FR 14543) requesting that comments, protests, and petitions to intervene be submitted to DOE by April 30, 2009. None were received.

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<sup>1</sup> The authority to administer the International Electricity Regulatory Program through the regulation of electricity exports and the issuance of Presidential permits has been delegated to the Assistant Secretary for the Office of Electricity Delivery and Energy Reliability in Redefinition Order No. 00-002.10C issued on May 29, 2008.

## **II. FINDING AND DECISION**

The circumstances with respect to the above request submitted in this Docket are virtually identical to those for which export authority has previously been granted to the individual WSPP members. Consequently, DOE finds that the electric reliability determination dated July 29, 1994, in FE Docket No. EA-98, is satisfactory to fulfill the statutory requirements of the FPA. Specifically, the export of electric energy to Canada by WSPP member companies, as ordered below, 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 also 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-98 proceeding.

Based on these findings, DOE has removed TransCanada Energy Marketing ULC and added TransCanada Energy Sales Ltd. to the list of WSPP members authorized to export electricity to Canada. This new authorization is being made effective as of March 1, 2009, the date wholesale electricity trading operations were transferred to TES, under the same terms and conditions as the previous authorization in Order No. EA-98-K.

## **III. COMPLIANCE**

DOE expects authorized WSPP companies to abide by the terms and conditions established for its authority to export electric energy to Canada, as set forth below. DOE intends to closely monitor compliance with these terms and conditions, especially the requirement in paragraph H of this Order that the authorized exporters create and preserve full and complete records and file quarterly reports with DOE. A violation of any of those terms and conditions, including the failure to submit timely and accurate quarterly reports, may result in the loss of authority to export electricity and subject one or more authorized exporters to sanctions and penalties under the FPA.

DOE notes that paragraph K of this Order allows WSPP to file an application for renewal of this authorization up to six months prior to its expiration. This Order also puts WSPP on notice that DOE requires at least sixty days to adequately process any renewal application. Accordingly, DOE expects WSPP to implement appropriate internal procedures to monitor the status of its authorization so as to ensure timely application to DOE for renewal of this authorization. Failure to provide DOE with sufficient time to process a renewal application may result in a gap in this authority to export electricity and, therefore, may affect an authorized exporter's ability to satisfy its contractual obligations.

As noted above, 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 the export. Failure to obtain such an Order, or continuing to export after the expiration of such an Order, may result in a denial of authorization to export in the future and subject the exporter to sanctions and penalties under the FPA. 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**

Based on the above and 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), Order No. EA-98-K is hereby rescinded and it is ordered that the following members of WSPP (“the Applicants”) are authorized to export electricity to BC Hydro, or other and future Canadian members of the WSPP, under the terms and conditions of WSPP’s pooling agreement and service schedules approved by FERC, and under the following terms and conditions:

Avista Corporation  
Candela Energy Corporation  
Edison Mission Marketing and Trading, Inc.  
Idaho Power Company  
Kansas City Power & Light  
Northern States Power Company  
Pacific Northwest Generating Cooperative  
PacifiCorp  
Portland General Electric Company  
Powerex Corporation  
Public Service of Colorado  
Puget Sound Energy  
TransCanada Energy Sales Ltd.

(A) The electric energy exported by the Applicants pursuant to this Order may be delivered to Canada only over the following existing international transmission facilities in accordance with assessments made by DOE of the transmission limits for operation in the export mode:

<b><u>Present Owner</u></b>	<b><u>Location</u></b>	<b><u>Voltage</u></b>	<b><u>Presidential Permit No.</u></b> <sup>2</sup>
Bonneville Power Administration	Blaine, WA	2-500-kV	PP-10
	Nelway, WA	230-kV	PP-36
	Nelway, WA	230-kV	PP-46

(B) Exports by the Applicants pursuant to this Order shall not cause total exports on the two 500-kV lines authorized by Presidential Permit PP-10, the 230-kV line authorized by Presidential Permit PP-36, and the 230 kV line authorized by Presidential Permit PP-46 (issued to BPA) to exceed the following limits:

<b><u>Condition</u></b>	<b><u>PP-36 &amp; PP-46 Limit</u></b>	<b><u>PP-10 Limit</u></b>	<b><u>Total Export Limit</u></b>
All lines in service	400 MW	1500 MW	1900 MW
1-500 kV line out	400 MW	300 MW	700 MW
2-500 kV lines out	400 MW	0 MW	400 MW
1-230 kV line out	400 MW	1500 MW	1900 MW
2-230 kV line out	0 MW	1500 MW	1500 MW

(C) Any request for changes to the export limits in paragraph (B) above will be made by DOE only after submission of appropriate information demonstrating a change in the transmission transfer capability between the electric systems between BPA and BC Hydro, or BPA and West Kootenay Power. Notice of these changes will be provided to the Applicants.

(D) The scheduling and delivery of electricity exports to Canada shall comply with all reliability criteria, standards, and guides of the North American Electric Reliability Council, Regional Councils, Regional Transmission Organizations, Independent System Operators, and/or control area operator(s), as appropriate, on such terms as expressed therein, and as such criteria, standards, and guides may be amended from time to time.

(E) Exports made pursuant to this authorization shall be conducted in accordance with the provisions of the Federal Power Act and any pertinent rules, regulations, directives, policy statements, and orders adopted or issued thereunder, including the comparable open access provisions of FERC Order No. 888, as amended.

(F) The authorization herein granted may be modified from time to time or terminated by further order of the DOE. In no event shall such authorization to export over a particular transmission facility identified in paragraph (A) extend beyond the date of termination of the Presidential permit authorizing such facility.

<sup>2</sup> These Presidential permit numbers refer to the generic DOE permit number and are intended to include any subsequent amendments to the permit authorizing the facility.

(G) This authorization shall be without prejudice to the authority of any State or State regulatory commission for the exercise of any lawful authority vested in such State or State regulatory commission.

(H) The Applicants shall create and preserve full and complete records with respect to the electric energy exported to Canada. Each Applicant shall furnish quarterly reports to the DOE, within 30 days following each calendar quarter, detailing for each month of the previous quarter: (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. Quarterly reports must be filed regardless of current activity and whether or not deliveries of electric energy have been made. If no transactions have been made, a one-sentence report indicating "no activity" for the previous quarter is sufficient. Each report shall indicate the DOE order number under which it is being filed and the expiration date of such order.

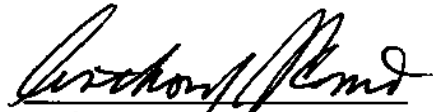
Reports shall be submitted to the U.S. Department of Energy, Office of Electricity Delivery and Energy Reliability, OE-20, Forrestal Building, 1000 Independence Avenue, SW, Washington, D.C. 20585-0305. Properly identified quarterly reports will also be accepted via facsimile at (202) 586-8008 to meet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

(I) In accordance with 10 C.F.R. §205.305, this authorization is not transferable or assignable, except in the event of the involuntary transfer of this authority by operation of law. Provided written notice of the involuntary transfer is given DOE within 30 days, this authorization shall continue in effect temporarily. This continuance also is contingent on the filing of an application for permanent authorization within 60 days of the involuntary transfer; the authorization shall then remain effective until a decision is made on the new application. In the event of a proposed voluntary transfer of this authority to export electricity, the transferee and the transferor shall file jointly an application for a new export authorization, together with a statement of reasons for the transfer.

(J) Exports authorized herein shall be reduced or suspended, as appropriate, whenever a continuation of those exports would cause or exacerbate a transmission operating problem.

(K) This authorization shall be effective as of March 1, 2009, and shall remain in effect until April 25, 2012. Application for renewal of this authorization may be filed within six months prior to its expiration. Failure to provide DOE with at least sixty (60) days to process a renewal application and provide adequate opportunity for public comment may result in a gap in the Applicants' authority to export electricity.

Issued in Washington, D.C., on May 6, 2009.

A handwritten signature in black ink, appearing to read "Anthony J. Como". The signature is written in a cursive style with a horizontal line underneath the name.

Anthony J. Como  
Director, Permitting and Siting  
Office of Electricity Delivery and  
Energy Reliability