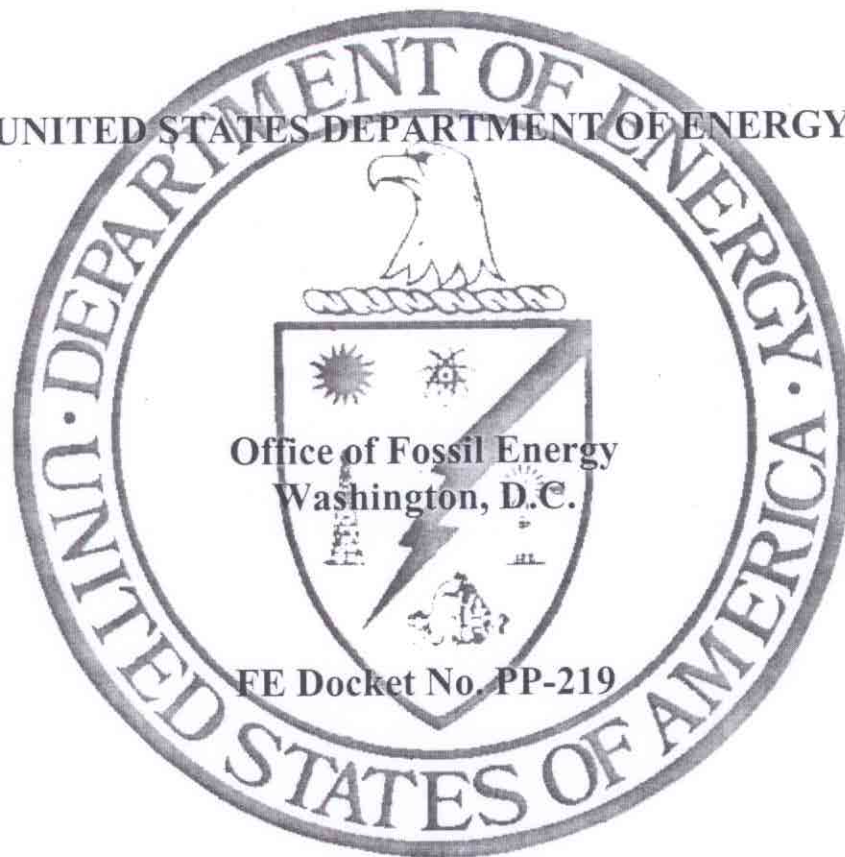


UNITED STATES DEPARTMENT OF ENERGY



Central Power and Light Company

Presidential Permit

Order No. PP-219

April 5, 2000

PRESIDENTIAL PERMIT

CENTRAL POWER AND LIGHT COMPANY

ORDER NO. PP-219

I. BACKGROUND

The Office of Fossil Energy (FE) of the Department of Energy (DOE) has the responsibility for implementing Executive Order (EO) 10485, as amended by EO 12038, which requires the issuance of Presidential permits for the construction, connection, operation, and maintenance of electric transmission facilities at the United States international border.

On February 8, 1971, in Order E-6192 (now Presidential Permit PP-50), the Federal Power Commission¹ authorized the Comision Federal de Electricidad (CFE; the national electric utility of Mexico) to construct, connect, operate, and maintain a 138,000-volt (138-kV) transmission line extending approximately 1.3 miles from Central Power & Light's (CPL) Eagle Pass Substation (located at Eagle Pass, Texas) to the United States border with Mexico. From the border, the transmission line continues approximately 3.7 miles to the Piedras Negras Substation in Mexico's State of Coahuila.

On February 9, 2000, CPL applied to FE for a Presidential permit to operate and maintain existing PP-50 transmission facilities. In the same application, CFE requested that FE rescind Presidential Permit PP-50 if the CPL permit request is granted.

In its application, CPL does not propose a physical change to the existing PP-50 facilities. Rather, CPL proposes to change the manner in which the facilities will be operated by installing High Voltage Direct Current (HVDC) equipment, in the form of Voltage Source Converter technology, at the Eagle Pass Substation. CPL asserts that the installation and operation of the HVDC equipment will relieve existing transmission constraints within the Electric Reliability Council of Texas and convert the interconnection with CFE from a radial connection, operated in a "block-loading" scheme, to a continuous asynchronous interconnection.

Notice of CPL's application for a Presidential permit and CFE's request for rescission of Presidential Permit PP-50 was published in the *Federal Register* on February 16, 2000, (65 FR 7859) requesting that comments, protests, and petitions to intervene be submitted to DOE by March 17, 2000. None were received.

The Secretary of State and the Secretary of Defense have concurred in the issuance of the requested Presidential permit to CPL.

¹The authority to grant Presidential permits for the construction, operation, maintenance, or connection of electric transmission lines at the U.S. international border was transferred from the Federal Power Commission to the Department of Energy by Executive Order 12038, dated February 3, 1978, and made effective retroactively to enactment of the Department of Energy Organization Act, Public Law 95-91, October 1, 1977.

II. DISCUSSION

In the February 16, 2000 *Federal Register* notice, FE referred readers to an administrative proceeding noticed in the *Federal Register* on July 27, 1999, indicating DOE's intention to amend certain Presidential permits to require permit holders to provide non-discriminatory open access transmission services over their international transmission lines. In that notice, the cross-border facilities authorized to CFE in Presidential Permit PP-50 were included in a list of facilities proposed to receive this open access condition. Since the facilities covered by Presidential Permit PP-50 and the facilities authorized herein are the same, DOE intends to add an open access condition to PP-219 at the conclusion of DOE's open access proceeding in Docket No. 99-1.

In its application, CPL included a letter from CFE requesting that DOE rescind its Presidential Permit PP-50 coincident with issuance of a Presidential permit to CPL. In that letter CFE discusses the technical and economic benefits CFE and CPL will realize by the change in operation of the Eagle Pass to Piedras Negras transmission line.

III. FINDING AND DECISION

DOE has assessed the impact that the change in operation of the international transmission facilities at Eagle Pass would have on the reliability of the U.S. electric power supply system. As a result of this review, DOE has determined that the installation of HVDC equipment and conversion of the existing interconnection from a "block-loading scheme" to an asynchronous interconnection, as proposed by CPL, would not adversely impact the reliability of the U.S. electric power supply system. An analysis in support of this finding has been made a part of the record in this Docket.

DOE has also determined that this action is among those classes of actions not normally requiring preparation of an environmental assessment or an environmental impact statement and, therefore, is eligible for categorical exclusion under Appendix B to Subpart D, paragraph B4.11 of the revised DOE Regulations implementing the National Environmental Policy Act of 1969. Specifically, this categorical exclusion is for construction of electric power substations (including switching stations and support facilities) with power delivery at 230 kV or below, or modification (other than voltage increases) of existing substations and support facilities, that could involve the construction of electric powerlines approximately 10 miles in length or less, or relocation of existing electric powerlines approximately 20 miles in length or less, but not the integration of major new generation resources into a main transmission system. Documentation of the use of this categorical exclusion has been placed in this Docket.

IV. ORDER

Pursuant to the provision of EO 10485, as amended by EO 12038, and the Rules and Regulations issued thereunder (Title 10, Code of Federal Regulations, section 205.320 et. seq.), permission is granted to Central Power & Light Company to operate, and maintain electric transmission facilities, previously permitted to CFE in Presidential Permit PP-50, at the international border of the United States and Mexico, as further described in Article 2 below, upon the following conditions:

Article 1. The facilities herein described shall be subject to all conditions, provisions and requirements of this permit. This permit may be modified or revoked by the President of the United States without notice, or by DOE after public notice, and may be amended by DOE after proper application thereto.

Article 2. The facilities covered by and subject to this permit shall include the following facilities and all supporting structures within the right-of-way occupied by such facilities:

One 138,000-volt electric transmission line connected to the Voltage Source Converters installed at the Eagle Pass Substation and extending approximately 1.3 miles south from that substation to the U.S. international border.

These facilities are more specifically shown and described in the application filed in this docket.

Article 3. The facilities described in Article 2 above shall be designed and operated in accordance with the applicable criteria established by the Electric Reliability Council of Texas and consistent with that of the North American Electric Reliability Council or its successor. Furthermore, the facilities authorized herein must be operated consistent with the following conditions:

- (a) The maximum instantaneous rate of transmission over the facilities authorized herein shall be limited to 36 MW when operated in the asynchronous mode.
- (b) The maximum instantaneous rate of transmission over the facilities authorized herein shall be limited to 50 MW when operated in the synchronous mode.
- (c) When the Back-to-Back Voltage Source Converter located at the Eagle Pass Substation is not in service and the bypass circuit breaker is closed, the facilities authorized herein must be operated in such a manner so as to preclude the parallel operation of the CPL and CFE systems through the Eagle Pass Substation; i.e., CPL must revert to the use of a block loading scheme for supplying electric energy to or receiving it from Mexico.

Article 4. No change shall be made in the facilities covered by this permit or in the authorized operation of these facilities unless such change has been approved by DOE.

Article 5. CPL shall at all times maintain the facilities covered by this permit in a satisfactory condition so that all requirements of the National Electric Safety Code in effect at the time of construction are fully met.

Article 6. The operation and maintenance of the facilities covered by this permit shall be subject to the inspection and approval of a properly designated representative of DOE, who shall be an authorized representative of the United States for such purposes. CPL shall allow officers or employees of the United States, with written authorization, free and unrestricted access into, through, and across any lands occupied by these facilities in the performance of their duties.

Article 7. CPL shall investigate any complaints from nearby residents of radio or television interference identifiably caused by the operation of the facilities covered by this permit. CPL shall take appropriate action as necessary to mitigate such situations. Complaints from individuals residing within one-half mile of the center of the transmission circuit are the only ones which must be resolved. CPL shall maintain written records of all complaints received and of the corrective actions taken.

Article 8. The United States shall not be responsible or liable: for damages to or loss of the property of, or injuries to, persons; for damages to, or loss of the facilities covered by this permit; or for damages to, or loss of the property of, or injuries to the person of CPL officers, agents, servants or employees or of others who may be on said premises; any of which may arise from or be incident to the exercise of the privileges granted herein; and CPL shall hold the United States harmless from any and all such claims.

Article 9. CPL shall arrange for the installation and maintenance of appropriate metering equipment to record permanently the hourly flow of all electric energy transmitted between the United States and Mexico over the facilities authorized herein. CPL shall make and preserve full and complete records with respect to the electric energy exported to Mexico. CPL shall furnish annual reports to DOE, by the 15th of February each year, detailing for each month of the previous year: (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. Annual 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 year is sufficient.

Reports shall be submitted to the U.S. Department of Energy, Office of Fossil Energy, FE-27, 1000 Independence Avenue, SW, Washington, D.C. 20585-0305. Properly identified reports will also be accepted via facsimile at (202) 287-5736 to meet time requirements, but original copies should still be filed at the above address.

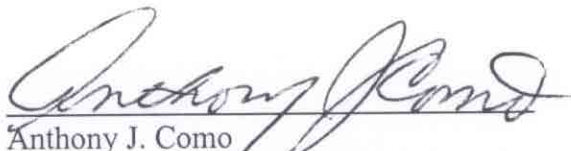
Article 10. Neither this permit nor the facilities covered by this permit, or any part thereof, shall be transferable or assignable, except in the event of the involuntary transfer of the

facilities by the operation of law. In the case of such an involuntary transfer, this permit shall continue in effect for a period of 60 days and then shall terminate unless an application for a new permit pursuant to Title 10, Code of Federal Regulations, section 205.323, has been received by DOE. Upon receipt by DOE of such an application, this existing permit shall continue in effect pending a decision on the new application. During this decision period, the facilities authorized herein shall remain substantially the same as before the transfer.

Article 11. Upon the termination, revocation or surrender of this permit, the 230-kV transmission line which is owned, connected, operated, and maintained by CPL and described in Article 2 of this permit, shall be removed and the land restored to its original condition within such time as DOE may specify and at the expense of CPL. If CPL fails to remove such facilities and/or any portion thereof authorized by this permit, DOE may direct that such actions be taken for the removal of the facilities or the restoration of the land associated with the facilities at the expense of CPL. CPL shall have no claim for damages by reason of such possession, removal or repair. However, if certain facilities authorized herein are useful for other utility operations within the bounds of the United States, DOE will not require that those facilities be removed and the land restored to its original condition upon termination of the international interconnection.

Article 12. The Presidential permit issued by the Federal Power Commission to Comision Federal de Electricidad on February 8, 1971, in Order E-6192 (PP-50), is hereby rescinded.

Issued in Washington, D.C. on April 5, 2000.



Anthony J. Como
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Office of Coal & Power Import & Export
Office of Coal & Power Systems
Office of Fossil Energy