

SEP 14 2016

Electricity Delivery and  
Energy Reliability

UNITED STATES OF AMERICA  
BEFORE THE  
DEPARTMENT OF ENERGY  
OFFICE OF ELECTRICITY DELIVERY AND ENERGY RELIABILITY

Canadian Wood Products –  
Montreal, Inc.

)  
)  
)

Docket No. EA-429-000

**APPLICATION OF CWP ENERGY  
FOR AUTHORITY TO TRANSMIT ELECTRIC ENERGY TO MEXICO**

Pursuant to Section 202(e) of the Federal Power Act (“FPA”), 16 U.S.C. § 824a(e) and 10 C.F.R. § 205.300, et seq., CWP Energy, a subsidiary of Canadian Wood Products – Montreal, Inc. (“CWP Energy” or “Applicant”) hereby submits this application for a blanket authorization to export electricity from the United States to Mexico (“Application”). CWP Energy respectfully requests authorization to transmit electric energy from the United States to Mexico for a period of five (5) years. CWP Energy further respectfully requests that this application be made effective no later than January 1, 2017.

**I. COMMUNICATIONS**

Communications and correspondence concerning this filing should be addressed to:

Ruta Kalvaitis Skučas  
Pierce Atwood LLC  
1875 K St., NW Suite 700  
Washington, DC 20006  
Tel. (202) 530-6428  
[rskucas@pierceatwood.com](mailto:rskucas@pierceatwood.com)

Pascal Massey  
Managing Member, CWP Energy  
407 McGill Street, Suite 315  
Montreal, PQ, H2Y 2G3  
Tel. (514) 871-2120  
Fax. (514) 871-9316  
[Pascal@canadianwood.ca](mailto:Pascal@canadianwood.ca)

## **II. DESCRIPTION OF APPLICANT**

Applicant is a Canadian Corporation with its principle place of business in Montréal, Québec, Canada. Canadian Wood Products-Montréal Inc., and its division CWP Energy, is owned by two individuals, Mr. Phillippe Boisclair, as a majority owner and Mr. Christian L'Abbe as a minority owner. Mr. Boisclair and Mr. L'Abbe do not have any ownership interest or involvement in any other company that is a traditional utility or that owns, operates, or controls any electric generation, transmission or distribution facilities, nor do they have any direct involvement with the energy industry other than through the ownership of CWP Energy.

CWP Energy is a FERC-authorized power marketer engaging in the purchase and sale of physical and/or virtual energy in the Day-ahead and Real-time Markets of various Independent System Operators and Regional Transmission Organizations. CWP Energy applied for market-based rate authority on February 28, 2012 in FERC Docket No. ER12-1171-000. The application was approved by delegated letter order issued on April 3, 2012, attached hereto as Exhibit G. CWP Energy also holds authorization to export electric energy to Canada. *See CWP Energy*, Order Authorizing Electricity Exports to Canada, Order No. EA-410 (Jun. 23, 2015).

## **III. JURISDICTION**

CWP Energy believes that the U.S. Department of Energy ("DOE") is the only governmental agency that has jurisdiction over this application.

## **IV. DESCRIPTION OF TRANSMISSION FACILITIES**

CWP Energy intends to export electricity over existing international transmission facilities between Mexico and the United States, as identified in Exhibit C. CWP Energy requests authority to export electricity to Mexico 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.<sup>1</sup> CWP Energy seeks blanket authority to transmit electric power to Mexico as a power marketer. CWP Energy has no electric power supply system on which the proposed exports could have a reliability, fuel use system or stability impact. CWP Energy also has no obligation to serve native load usually associated with a franchised service area, and, thus, the exports proposed by CWP Energy will not impair its ability to meet current and prospective power supply obligations.

CWP Energy will purchase power to be exported from a variety of sources such as 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 CWP Energy will export on either a firm or interruptible basis will not impair the sufficiency of the electric power supply within the U.S.<sup>2</sup>

CWP Energy 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

---

<sup>1</sup> 16 U.S.C. § 824a(e).

<sup>2</sup> See *Enron Power Marketing, Inc.*, Order EA-102 (1996).

electricity exported by CWP Energy 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. CWP Energy 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 councils in effect at the time of the export.

In previous orders granting export authorization to electric power marketers, DOE 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 cross-border facilities.<sup>3</sup> These same considerations demonstrate that the exports proposed by CWP Energy 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.

## **VI. COMPLIANCE WITH CONDITIONS AND PROCEDURES**

CWP Energy 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, CWP Energy will enter into agreements with third parties which involve the export of electric power from the United States into Mexico. Exports made by CWP Energy will not exceed the export limits for the facilities, or otherwise cause a violation of the

---

<sup>3</sup> 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).

terms and conditions set forth in the export authorizations for each. With regard to specific transactions, CWP Energy will provide written evidence to DOE that it has secured sufficient transmission service for the delivery of power to the border. When scheduling the delivery of power, CWP Energy will comply with the applicable NERC reliability standards. For each calendar year, CWP Energy will provide DOE with reports indicating the gross amount of electricity delivered to Mexico, consideration received during each month, and the maximum hourly rate of transmission, as well as any additional annual reports.

#### **VII. VERIFICATION, REQUIRED COPIES, AND FEE**

Verification executed by CWP Energy's authorized representative in accordance with 10 C.F.R. § 205.302(h) is enclosed with the Application. In accordance with the requirements of 10 C.F.R. § 205.307, and DOE's directions, five (5) copies of the Application are being provided to the Department. In accordance with the requirements of 10 C.F.R. § 205.309, a copy of this application will be provided to the Secretary of the Federal Energy Regulatory Commission.

A check in the amount of \$500.00 made payable to the Treasurer of the United States is enclosed in payment of the fee specified in 10 C.F.R. § 205.309.

#### **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:

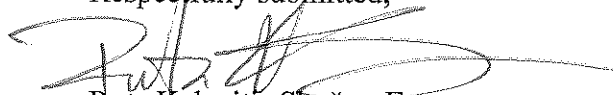
Exhibit A	Transmission Agreements	Not Applicable
Exhibit B	Opinion of Counsel	Attached
Exhibit C	Transmission Facilities	List of international transmission facilities submitted in lieu of a map

Exhibit D	Designation of Agent	Attached
Exhibit E	Statement of Corporate Relationship	Not Applicable
Exhibit F	Operating Procedures	Not Applicable
Exhibit G	FERC Market Based Rate Authority	Attached – Letter Order Issued by FERC Granting CWP Energy Market-Based Rate Authorization under Docket No. ER12-1171-000, issued on April 3, 2012

**IX. CONCLUSION**

WHEREFORE, CWP Energy respectfully requests that DOE grant this application for blanket authorization to export power from the United States to Mexico, for a period of five (5) years, with such authorization to be effective as of January 1, 2017.

Respectfully submitted,



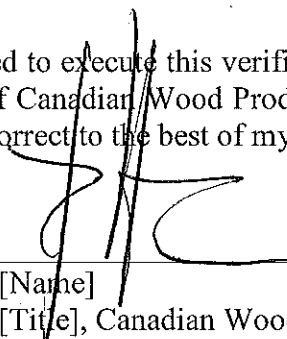
Ruta Kalvaitis Skučas, Esq.  
Pierce Atwood LLP  
1875 K St N.W., Suite 700  
Washington, D.C. 20006  
Telephone: (202) 470-6428  
[rskucas@pierceatwood.com](mailto:rskucas@pierceatwood.com)

**Attorney for Canadian Wood Products –  
Montreal, Inc.**

September 13, 2016

VERIFICATION

I, Phillipe Boisclair, being authorized to execute this verification and having knowledge of the matters set forth in this Application of Canadian Wood Products – Montreal, Inc., hereby verify that the contents thereof are true and correct to the best of my knowledge and belief.



\_\_\_\_\_  
[Name]

[Title], Canadian Wood Products – Montreal, Inc.



08-25-2016, Montreal, QC



\_\_\_\_\_  
Name of Notary Public (*printed name*)

Notary Public, Renée Gareau

My commission expires: 12-18-2017

**EXHIBIT A – TRANSMISSION AGREEMENTS**

*CWP Energy has not entered into any transmission agreements at this time.*



**EXHIBIT B – OPINION OF COUNSEL**

September 13, 2016

Mr. Christopher Lawrence  
Department of Energy  
Office of Electricity Delivery and Energy Reliability  
OE-20, Room 8G-024  
1000 Independence Avenue, S.W.  
Washington, DC 20585

RE: Application of Canadian Wood Products, Montreal Inc. for Authorization to Export Electricity

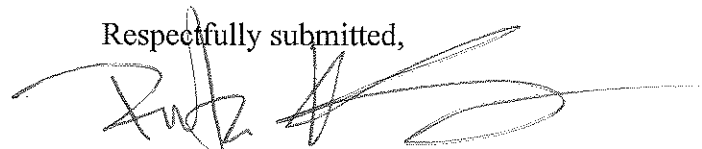
Dear Mr. Lawrence:

Pursuant to 10 C.F.R. § 205.303(b), I hereby provide a legal opinion regarding the corporate powers of Canadian Wood Products, Montreal Inc. to export electricity to Mexico. I have examined the Articles of Organization of Canadian Wood Products – Montreal Inc. (“CWP Energy”). Based on my review of those documents and representations provided to me by authorized representatives of CWP Energy, it is my opinion that:

1. The import and export of electricity contemplated by this Application is within the corporate powers of CWP Energy; and
2. To the best of my knowledge and belief, CWP Energy has directed its officers and agents to take all necessary steps to comply with all applicable state and federal laws in connection with the actions to be taken under the Application.

I am opining here only as to the federal laws of the United States, and laws of relevant states within the United States. I express no opinion as to the laws of any other jurisdiction. I am not assuming any obligation to review or update this opinion should the law or existing facts or circumstances change. This opinion is provided by me as counsel to CWP Energy solely to you for your exclusive use and is not to be made available or relied upon by any other person or entity without my prior written authorization.

Respectfully submitted,



Ruta Kalvaitis Skučas  
**Counsel for Canadian Wood Products –  
Montreal Inc.**

## EXHIBIT C – INTERNATIONAL TRANSMISSION FACILITIES

At the U.S.-Mexico Border  
Authorized for Use by Third Party Transmitters

Present Owner	Location	Voltage	Presidential Permit No.
AEP Texas Central Company	Brownsville, TX	138kV	PP-94
		69kV	PP-94
	Laredo, TX	138kV	PP-317
		230kV	PP-317
	Eagle Pass, TX	138kV	PP-219
Baja California Power, Inc.	Imperial Valley, CA	230kV	PP-234
Comision Federal de Electricidad	Falcon Dam, TX	138kV	None
	Redford, TX	7.2kV	PP-51
	Presidio, TX	13.8kV	PP-03
El Paso Electric Company	Diablo, NM	115kV	PP-92
	Ascarate, TX	115kV	PP-48
Generadora del Desierto – WAPA	San Luis, AZ	230kV	PP-304
San Diego Gas & Electric Company	Miguel, CA	230kV	PP-68
	Imperial Valley, CA	230kV	PP-79
Sharyland Utilities, Inc.	McAllen, TX	138kV	PP-285

**EXHIBIT D – DESIGNATION OF AGENT AND POWER OF ATTORNEY**

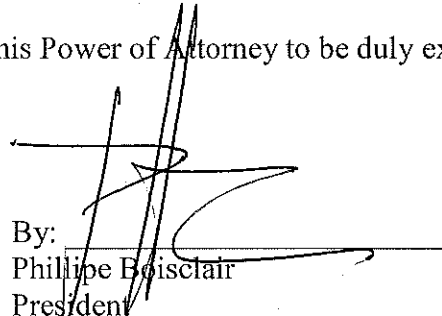
**IRREVOCABLE LIMITED  
POWER OF ATTORNEY**

This IRREVOCABLE LIMITED POWER OF A TORNEY is made on August 25, 2016 by Canadian Wood Products—Montreal, Inc. (the "Principal"), a corporation organized and existing under the Canadian Business Corporations Act, with its headquarters at 407 McGill Street, Suite 315, Montreal, PQ, H2Y 2G3.

1. Appointment. The Principal hereby appoints Ruta Kalvaitis Skučas, Esq., with principle place of business at Pierce Atwood LLP, 900 17<sup>th</sup> St N.W, Suite 350, Washington, D.C. 20006, as the Principal's true and lawful agent for the limited purpose set forth below.
2. Scope of Authority. Pursuant to 10 C.F.R. § 205.303(d), Attorney Skucas shall have the limited power and authority to serve as the agent for the Principal regarding all matters related to the Principal's authorization to export electricity to Mexico as issued by the U.S. Department of Energy ("DOE"). This appointment will remain in effect for the duration of the authorization, a five-year period, and will terminate simultaneously with the expiration of the authorization granted by DOE.
3. Irrevocability. This Power of Attorney is irrevocable by the Principal.

IN WITNESS HEREOF, the Principal has caused this Power of Attorney to be duly executed on this 25<sup>th</sup> day of August, 2016.



By:   
Phillipe Boisclair  
President  
Canadian Wood Products – Montreal, Inc.  
407 McGill Street, Suite 315  
Montreal, PQ, H2Y 2G3

SUBSCRIBED AND SWORN BEFORE ME, this 25 day of August, 2016. Montreal, QC.

Name of Notary Public (*printed name*)  
Notary Public, Renée Gareau  
My commission expires: 12-18-2017

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

*Not Applicable*

**EXHIBIT F – OPERATING PROCEDURES**

*Not Applicable*

**EXHIBIT G – FERC MARKET BASED RATE AUTHORITY**

*Letter Order Issued by FERC  
Granting CWP Energy Market-Based Rate Authorization  
Docket No. ER12-1171-000  
April 3, 2012*



FEDERAL ENERGY REGULATORY COMMISSION  
Washington, D.C. 20426

OFFICE OF ENERGY MARKET REGULATION

In Reply Refer To:  
Canadian Wood Products-Montreal Inc.  
Docket No. ER12-1171-000

April 3, 2012

Ms. Carol A. Smoots  
Attorney for Canadian Wood Products-Montreal Inc.  
Pierce Atwood LLP  
900 17<sup>th</sup> Street N.W.  
Suite 350  
Washington, D.C. 20006

Reference: Market-Based Rate Authorization

Dear Ms. Smoots:

On February 28, 2012, you filed on behalf of Canadian Wood Products-Montreal Inc. (CWP Energy) 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.<sup>1</sup> CWP Energy requests waivers commonly granted to similar market-based rate applicants.

Your filing was noticed on February 28, 2012, with comments, protests or interventions due on or before March 20, 2012. None was filed.

Pursuant to the authority delegated to the Director, Division of Electric Power Regulation - West, under 18 C.F.R. § 375.307, your submittal filed in the referenced docket is accepted for filing, effective February 29, 2012, as requested. Based on your

---

<sup>1</sup> CWP Energy requests authorization to sell ancillary services in the markets administered by PJM Interconnection, L.L.C. (PJM), New York Independent System Operator, Inc. (NYISO), ISO New England Inc. (ISO-NE), California Independent System Operator Corp. (CAISO), and Midwest Independent Transmission System Operator, Inc. (MISO). CWP Energy also requests authorization to engage in the sale of certain ancillary services as a third-party provider in other markets.

representations, CWP Energy meets the criteria for a Category 1 seller in all regions and is so designated.<sup>2</sup>

You state that CWP Energy is located in Montreal, Canada, and intends to act as a power marketer. You further represent that CWP Energy is wholly owned by two individuals, and is not affiliated with any entity that owns or controls generation or transmission facilities. Further, you affirmatively state that CWP Energy has not erected barriers to entry and will not erect barriers to entry into the relevant market.

You state that CWP Energy meets the criteria for Category 1 seller status in all regions. You represent that neither CWP Energy nor any of its affiliates own or control any generation or transmission facilities. You also represent that CWP Energy and its affiliates are not affiliated with any franchised public utility, and do not raise any other vertical market power concerns.

### **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.<sup>3</sup>

Based on your representations, CWP Energy's submittal<sup>4</sup> satisfies the Commission's requirements for market-based rate authority regarding horizontal and vertical market power.

CWP Energy'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

---

<sup>2</sup> *Market-Based Rates for Wholesale Sales of Electric Energy, Capacity and Ancillary Services by Public Utilities*, Order No. 697, FERC Stats. & Regs. ¶ 31,252, at P 848-50, *clarified*, 121 FERC ¶ 61,260 (2007), *order on reh'g*, Order No. 697-A, FERC Stats. & Regs. ¶ 31,268, *clarified*, 124 FERC ¶ 61,055, *order on reh'g*, Order No. 697-B, FERC Stats. & Regs. ¶ 31,285 (2008), *order on reh'g*, Order No. 697-C, FERC Stats. & Regs. ¶ 31,291 (2009), *order on reh'g*, Order No. 697-D, FERC Stats. & Regs. ¶ 31,305 (2010), *aff'd sub nom. Montana Consumer Counsel v. FERC*, 659 F.3d 910 (9th Cir. 2011).

<sup>3</sup> Order No. 697, FERC Stats. & Regs. ¶ 31,252 at P 62, 399, 408, 440.

<sup>4</sup> The next time you make a market-based rate filing with the Commission, you must include a revised tariff in compliance with Appendix C – Limitations and Exemptions Regarding Market-Based Rate Authority to include appropriate citations. *Niagara Mohawk Power Corporation*, 121 FERC ¶ 61,275 (2007) at P 8. *See also*, Order No. 697-A, FERC Stats. & Regs. ¶ 31,268 at P 384.

sections 35.12(a), 35.13(b), 35.15 and 35.16 is granted. CWP Energy's request for waiver of Part 41, Part 101, and Part 141 of the Commission's regulations concerning accounting and reporting requirements is granted with the exception of 18 C.F.R. §§ 141.14 and 141.15.<sup>5</sup> Notwithstanding the waiver of the accounting and reporting requirements here, CWP Energy is expected to keep its accounting records in accordance with generally accepted accounting principles.

CWP Energy 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. CWP Energy 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 CWP Energy, compatible with the public interest, and reasonably necessary or appropriate for such purposes.<sup>6</sup>

CWP Energy must file electronically with the Commission Electric Quarterly Reports.<sup>7</sup> CWP Energy 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 in accordance with Order No. 697.<sup>8</sup>

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

---

<sup>5</sup> *Citizens Energy Corp.*, 35 FERC ¶ 61,198 (1986); *Citizens Power and Light Corp.*, 48 FERC ¶ 61,210 (1989) (*Citizens Power*); *Enron Power Marketing, Inc.*, 65 FERC ¶ 61,305 (1993), *order on reh'g*, 66 FERC ¶ 61,244 (1994) (*Enron*).

<sup>6</sup> *Citizens Power*, 48 FERC ¶ 61,210; *Enron*, 65 FERC ¶ 61,305.

<sup>7</sup> *Revised Public Utility Filing Requirements*, Order No. 2001, FERC Stats. & Regs. ¶ 31,127, *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 (2003). Attachments B and C of Order No. 2001 describe the required data sets for contractual and transaction information. Public utilities must submit Electric Quarterly Reports to the Commission using the EQR Submission System Software, which may be downloaded from the Commission's website at <http://www.ferc.gov/docs-filing/eqr.asp>.

<sup>8</sup> *Reporting Requirement for Changes in Status for Public Utilities with Market-Based Rate Authority*, Order No. 652, FERC Stats. & Regs. ¶ 31,175, *order on reh'g*, 111 FERC ¶ 61,413 (2005); 18 C.F.R. § 35.42 (2011).

Docket No. ER12-1171-000

- 4 -

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 any of the applicant(s).

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.

Questions regarding the above order should be directed to:

Federal Energy Regulatory Commission  
Attn: Debra Irwin  
Phone: (202) 502-6253  
Office of Energy Market Regulation  
888 First Street, N.E.  
Washington, D.C. 20426

Sincerely,

Steve P. Rodgers, Director  
Division of Electric Power  
Regulation - West