

EL PASO ELECTRIC COMPANY

ORDER No. EA-48-M

I. BACKGROUND

On April 16, 1992, in Docket EA-48-I, the Office of Fossil Energy (FE) of the Department of Energy (DOE) issued an electricity export authorization to El Paso Electric Company (EPE) pursuant to section 202(e) of the Federal Power Act (FPA) (16 U.S.C. §824a(e)). That Order authorized EPE to transmit electric energy to Comision Federal de Electricidad (CFE), the national electric utility of Mexico, at a maximum allowable rate of transmission of 200 megawatts (MW).

On June 9, 1997, EPE filed a letter application with the FE requesting that EPE's electricity export authorization be amended to increase the allowable level of exports to Mexico from 200 MW to 210 MW through August 1997 to accommodate hourly fluctuations on CFE's system during the summer. On June 13, 1997, DOE issued Order EA-48-L authorizing EPE to transmit electric energy to CFE at a maximum rate of transmission of 210 MW until August 31, 1997. The increased exports will be delivered to CFE over EPE's two existing 115-kV international transmission lines previously authorized by Presidential Permits PP-48 and PP-92.

On June 26, 1997, EPE notified DOE of a request by CFE for 220 MW of emergency power assistance for a period of three days as a result of a weather-related collapse of a major transmission line that provides service to Mexico's northern region.

Since EPE's current electricity export authorization (Order EA-48-L) permits a maximum transmission rate of 210 MW through August 31, 1997, EPE is seeking permission to exceed the previously authorized rate of export in order to comply with CFE's request for emergency assistance.

II. DISCUSSION and ANALYSIS

Previously, in Docket EA-48-J, and in response to a July 30, 1996, emergency on the CFE system, EPE performed power flow simulations that analyzed the EPE system under two scenarios where: (1) EPE provided CFE with 200 MW of a combination of firm and economy power, and (2) EPE provided CFE with the 200 MW described in the first scenario and an additional 35 MW of emergency assistance. These studies were prepared to support EPE's assertion that it could respond to CFE's 1996 emergency requirement of 235 MW without adversely impacting on EPE's system or the continued reliability to EPE's U.S. customers.

Also, EPE has asserted that it has the unilateral right to suspend this export if reliability problems develop on the United States electric power system.

DOE again calls EPE's attention to the repetitive nature of summer emergency and short term requests to export at increased power levels to Mexico and encourages EPE to prepare, prior to the 1998 peak load season, studies to support an application to permanently increase the authorized rate of transmission to CFE above the current 200 MW limit to handle future emergency needs of CFE.

III. FINDING and DECISION

The electric reliability impacts associated with this instant application are similar to those assessed by DOE in the temporary emergency authorization issued in Docket EA-48-J and DOE finds that it need not prepare further reliability documentation.

Similarly, DOE finds that it has adequately satisfied its responsibility under the National Environmental Policy Act of 1969 through adoption of the Finding of No Significant Impact dated April 15, 1992, and contained in FE Docket EA-48-I.

IV. ORDER

Based on the above discussion and findings, DOE grants EPE authorization to export electric energy to CFE at a maximum rate of transmission of 220 MW. To better serve CFE, this authorization is effective for a period of 7 consecutive days beginning on the first day of delivery of the requested emergency service.

Should the emergency situation on the CFE system exceed 7 consecutive days, EPE may continue to provide assistance to CFE at a maximum rate of transmission of 220 MW without seeking further authorization from DOE but must notify DOE of this action. If CFE requires emergency assistance in excess of 220 MW, EPE must seek further approval of DOE before providing such assistance.

Within 15 working days following the end of this energy emergency on the CFE system, EPE will submit a report to DOE providing the duration of the emergency on the CFE system and the peak rate of transmission during the emergency.

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