



[6450-01-P]

DEPARTMENT OF ENERGY

[OE Docket No. PP-420]

**Amended Application for Presidential Permit;
Nogales Interconnection Project**

AGENCY: Office of Electricity Delivery and Energy Reliability, DOE.

ACTION: Notice of amended application.

SUMMARY: Nogales Transmission, L.L.C. (Nogales Transmission, or the Applicant) has submitted two amendments to its application for a Presidential permit to construct, operate, maintain, and connect an electric transmission line across the United States border with Mexico.

DATES: Comments or motions to intervene must be submitted on or before **[INSERT DATE 30 DAYS AFTER DATE OF PUBLICATION IN THE *FEDERAL REGISTER*]**.

ADDRESSES: Comments or motions to intervene should be addressed as follows: Office of Electricity Delivery and Energy Reliability (OE-20), U.S. Department of Energy, 1000 Independence Avenue, S.W., Washington, D.C. 20585.

FOR FURTHER INFORMATION CONTACT: Christopher Lawrence (Program Office) at 202-586-5260 or via electronic mail at Christopher.Lawrence@hq.doe.gov; Rishi Garg (Program Attorney) at 202-586-0258.

SUPPLEMENTARY INFORMATION: The construction, operation, maintenance, and connection of facilities at the international border of the United States for the transmission of electric energy between the United States and a foreign country requires a Presidential permit issued pursuant to Executive Order (EO) 10485, as amended by EO 12038.

On April 8, 2016, Nogales Transmission filed an application with the Office of Electricity Delivery and Energy Reliability of the U.S. Department of Energy (DOE) for a Presidential permit for the proposed Nogales Interconnection Project (the Project). Nogales Transmission has its principal place of business in Dallas, Texas. It is a subsidiary of Hunt Power, L.P., a Delaware limited partnership, which in turn is a subsidiary of Hunt Consolidated, Inc.

On May 19, 2016, DOE published a Notice of Application in the Federal Register for the proposed Project. In the initial application, the proposed Project would originate at the existing UNS Electric, Inc. (UNSE) Valencia Substation in Nogales, Arizona. A new, approximately 3-mile, overhead, 138-kV alternating current (AC) transmission line would be constructed from the Valencia Substation west to the proposed Gateway Substation. An approximately two-mile, overhead, 230-kV AC line would be constructed from the proposed Gateway Substation to the proposed international border crossing at the U.S.-Mexico border.

A 300 MW bi-directional back-to-back high-voltage direct current (HVDC) converter (*i.e.*, DC tie) would be located at the proposed Gateway Substation, which would allow for an

asynchronous connection between the U.S. and Mexico. The DC tie would be constructed in two phases, with each phase capable of 150 megawatts (MW) of bi-directional flow, for a total of up to 300 MW. Minor modifications within the existing Valencia Substation would be made to accommodate the connection of the proposed 138-kV transmission line.

In the initial application, the U.S. portion of the proposed Project would cross the U.S.-Mexico border at 31° 19' 57.844" N, 110° 58' 35.908" W, which is just west of the Mariposa Port of Entry. On January 9, 2017, Nogales Transmission amended its application to modify the proposed international border crossing to a location approximately 25 feet to the east at 31° 19' 57.846" N, 110° 58' 35.620" W. A portion of the new, approximately two-mile, overhead, 230-kV AC transmission line extending south from the proposed Gateway Substation to the proposed international border crossing was also proposed to be shifted approximately 25 feet to the east (the location of the proposed right-of-way [ROW] was not proposed to be changed).

On May 31, 2017, DOE received a letter from Nogales Transmission amending its initial Presidential permit application a second time to reflect changes to the proposed electrical configuration, which has been designed to make the proposed Project more cost-effective for the Applicant.

The reconfiguration would connect the proposed Project to the UNSE transmission system at the proposed Gateway Substation rather than at the existing Valencia Substation, as initially proposed. A new, approximately 3-mile, overhead double-circuit 138-kV AC transmission line would be constructed on new monopoles. The first circuit would originate at an

existing pole 1,900 feet west of the existing Valencia Substation and terminate at the proposed Gateway Substation. At this origination point, the existing UNSE “Vail to Valencia” transmission line would be severed and connected to this new line, thereby converting the existing UNSE “Vail to Valencia” transmission line to the “Vail to Gateway” transmission line. The second circuit would originate at the proposed Gateway Substation and proceed in an easterly direction to the same pole (1,900 feet west of the existing Valencia Substation), where it would connect with the existing portion of the UNSE 138-kV “Vail to Valencia” transmission line that travels east to the existing Valencia Substation. This circuit would constitute the new “Gateway to Valencia” transmission line and serve as the source for Valencia. The existing UNSE Vail to Valencia line currently connects to the Valencia Substation; this line is the current (and only) source of power for the City of Nogales. The Valencia Substation is the first existing substation within the U.S. The Nogales Interconnection project would change the configuration such that the Vail to Valencia line would become the Vail to Gateway line. Because the Valencia Substation still needs a source of power, the Gateway to Valencia line would be built. Minor modifications to relaying equipment within the Valencia Substation would be made to accommodate this Gateway to Valencia line.

In addition to the DC tie at the Gateway site as initially proposed (now referred to as the Nogales Gateway Substation), on the eastern portion of the Gateway site, a 138-kV UNSE Gateway Substation would consist of a three bay breaker and a half open air configuration to accommodate the line from Vail, the line to Valencia, and the connection to the DC tie, as well as a future UNSE distribution transformer. The Nogales Gateway Substation and the UNSE Gateway Substation would be located on the Gateway site and collectively referred to as the

Gateway Substation. There were no additional changes proposed in this amendment to the location of the new, approximately two-mile, overhead, 230-kV AC transmission line extending south from the proposed Gateway Substation to the proposed international border crossing. The proposed reconfiguration would not affect the location of the proposed route or ROW requirements, but certain changes were proposed to be made to the conductors and towers. A comparison of the initial configuration and the reconfiguration for each of the alternative routes is provided in the application amendment.

The draft Environmental Assessment contains relevant figures in Chapters 1 and 2. It can be downloaded from the Document Library page on the project website:

<http://nogalesinterconnectionea.com/>

The Proposed Project One-line Diagram (Figure 2.4-5) illustrates the details of the configuration as proposed by the amendment. A side-by-side comparison of the reconfiguration to the original application is also in the appendix to the Applicant's amendment (which can also be downloaded from the project website).

PROCEDURAL MATTERS: Any person may comment on this application by filing such comment at the address provided above. Any person seeking to become a party to this proceeding must file a motion to intervene at the address provided above in accordance with Rule 214 of the Federal Energy Regulatory Commission's Rules of Practice and Procedure (18 CFR 385.214). Two copies of each comment or motion to intervene should be filed with DOE on or before the date listed above.

Additional copies of such motions to intervene also should be filed directly with: Enrique Marroquin, Nogales Transmission, L.L.C., 1900 North Akard Street, Dallas, Texas 75201.

Before a Presidential permit may be issued or amended, DOE must determine that the proposed action is in the public interest. In making that determination, DOE considers the environmental impacts of the proposed project pursuant to the National Environmental Policy Act of 1969, as amended, determines the project's impact on electric reliability by ascertaining whether the proposed project would adversely affect the operation of the U.S. electric power supply system under normal and contingency conditions, and any other factors that DOE may also consider relevant to the public interest. DOE also must obtain the concurrences of the Secretary of State and the Secretary of Defense before taking final action on a Presidential permit application.

Copies of this application amendment will be made available for public inspection and copying (upon request) at the address provided above, and by accessing the program website at: <http://energy.gov/oe/services/electricity-policy-coordination-and-implementation/international-electricity-regulatio-2>.

Issued in Washington, D.C., on August 3, 2017.

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