



Filing Receipt

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Citadel Energy Marketing

September 13, 2022

VIA E-FILING

Public Utility Commission of Texas
Attention: Filing Clerk
1701 N. Congress Avenue
Room 8-100
P.O. Box 13326
Austin, TX 78711-3326

Re: Registration of Citadel Energy Marketing LLC as a Power Marketer in Project 14406

To Whom It May Concern:

Citadel Energy Marketing LLC (“CEM”) hereby submits this registration as a power marketer pursuant to Substantive Rule §25.105 and §35.032 of the Public Utility Regulatory Act. In support of this registration, CEM provides the following information:

1. Name and Address of Applicant

Citadel Energy Marketing LLC
Southeast Financial Center
200 S. Biscayne Blvd., Suite 3300
Miami, FL 33131

2. Name and Contact Information of the Person to Whom Communications Should be Addressed

Ike Gibbs
Chief Compliance Officer
Citadel Energy Marketing, LLC
33 Benedict Place, 3rd Floor
Greenwich, CT 06830
Phone: 203-900-6055
Email: ike.gibbs@citadel.com

3. Names and Types of Businesses of Owners (with Percentages)

CEM is directly owned by KGS2 NGPE Holdings LLC (24.7%), CWLC NGPE Holdings LLC (24.9%), and KGSF NGPE Holdings LLC (50.4%). Citadel Advisors LLC is CEM's portfolio manager and is registered with the Securities & Exchange Commission as an investment advisor.

4. Affiliates in Texas Power Markets

None of CEM's affiliates buy or sell electricity at wholesale in Texas, sell electricity at retail in Texas, or are an electric or municipally owned utility in Texas.

5. Location of Any Facility in Texas Used to Provide Service

CEM has an office at the following location:

700 Louisiana Street, 46th Floor
Houston, TX 77002

6. Description of the Service Provided

CEM will conduct wholesale marketing and trading of energy products and services.

7. Copies of All Registration Information Filed with FERC

Please see Attachment 1.

8. Affidavit Signed by an Authorized Person that the Registrant is a Power Marketer

Please see Attachment 2.

Respectfully submitted,

Wm I Gibbs

Ike Gibbs
Chief Compliance Officer
Citadel Energy Marketing LLC

ATTACHMENT 1

FEDERAL ENERGY REGULATORY COMMISSION
Washington, D.C. 20426

OFFICE OF ENERGY MARKET REGULATION

In Reply Refer To:
Citadel Energy Marketing LLC
Docket Nos. ER21-1921-000
ER21-1921-001

Issued: July 29, 2021

Kenneth W. Irvin
Sidley Austin LLP
1501 K Street, N.W.
Washington, D.C. 20005

Reference: Market-Based Rate Authorization

On May 17, 2021, as amended on July 16, 2021, you filed on behalf of Citadel Energy Marketing LLC (Citadel 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.¹ You request on behalf of Citadel Energy waivers commonly granted to similar market-based rate applicants. Citadel Energy's market-based rate tariff is accepted for filing, effective May 18, 2021, as requested.² Based on your representations, Citadel Energy meets the criteria for a Category 1 seller in all regions and is so designated.³

¹ Citadel Energy requests authorization to sell ancillary services in all of the regional transmission organization or independent system operator markets for which the Commission has approved sales of specific ancillary services. Citadel Energy also requests authorization to engage in the sale of certain ancillary services as a third-party provider in other markets.

² Citadel Energy Marketing LLC, FERC FPA Electric Tariff, Market Based Rates; Section 1, Market Based Rates, 0.0.0 and Section 1, Market Based Rates, 1.0.0.

³ See *Refinements to Policies and Procedures for Market-Based Rates for Wholesale Sales of Elec. Energy, Capacity & Ancillary Servs. by Pub. Utils.*, Order No. 816, 153 FERC ¶ 61,065, at P 320 (2015). *Market-Based Rates for Wholesale Sales of Elec. Energy, Capacity & Ancillary Servs. by Pub. Utils.*, Order No. 697, 119 FERC ¶ 61,295, at PP 848-850 (2007).

Your filings were noticed on May 17, 2021, and July 16, 2021, with comments, protests, or interventions due on or before June 7, 2021, and July 21, 2021, respectively. On May 24, 2021, Public Citizen, Inc. filed a timely motion to intervene raising no substantive issues.

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.⁴

You represent that Citadel Energy is a power marketer, which is owned by Citadel Wellington LLC, KGSF Offshore Holdings Ltd, and Citadel Kensington Global Strategies Fund II Ltd. You represent that Citadel Energy and its affiliates do not own or control any generation capacity. Based on your representations, Citadel Energy satisfies the Commission's requirements for market-based rate authority regarding horizontal market power.⁵

With respect to vertical market power, you represent that Citadel Energy and its affiliates either do not own, operate, or control any transmission facilities; or own, operate, or control transmission facilities that: (a) have a Commission-approved Open Access Transmission Tariff (OATT) on file; (b) are under the operational control of a regional transmission organization or an independent system operator; (c) have received waiver of the OATT requirement under 18 C.F.R. § 35.28(d)(1); or (d) satisfy the requirements for a blanket waiver under 18 C.F.R. § 35.28(d)(2).⁶ Further, you affirmatively state that Citadel Energy and its affiliates have not erected barriers to entry and will not erect barriers to entry into the relevant market. Based on your representations, Citadel Energy satisfies the Commission's requirements for market-

⁴ Order No. 697, 119 FERC ¶ 61,295 at PP 62, 399, 408, 440.

⁵ We note that Citadel Energy is not being granted authority to make third-party sales of operating reserves to a public utility that is purchasing ancillary services to satisfy its own open access transmission tariff requirements to offer ancillary services to its own customers. If Citadel Energy seeks such authority, it must make the required showing and receive Commission authorization prior to making such sales. *See Third-Party Provision of Ancillary Servs.; Accounting and Financial Reporting for New Elec. Storage Technologies*, Order No. 784, 144 FERC ¶ 61,056, at PP 200-202 (2013), *order on clarification*, Order No. 784-A, 146 FERC ¶ 61,114 (2014).

⁶ *See Open Access and Priority Rights on Interconnection Customer's Interconnection Facilities*, Order No. 807, 150 FERC ¶ 61,211, *order on reh'g*, Order No. 807-A, 153 FERC ¶ 61,047 (2015).

based rate authority regarding vertical market power.

Waivers, Authorizations, and Reporting Requirements

Citadel 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 sections 35.12(a), 35.13(b), 35.15 and 35.16 is granted. Citadel Energy's request for waiver of Part 41 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 141.15.⁷ Citadel Energy's request for waiver of Part 101 of the Commission's regulations is hereby granted, with the exception that waiver of the provisions of Part 101 that apply to hydropower licensees is not granted with respect to licensed hydropower projects.⁸ Notwithstanding the waiver of the accounting and reporting requirements here, Citadel Energy is expected to keep its accounting records in accordance with generally accepted accounting principles.

Citadel 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. Citadel 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 Citadel Energy, compatible with the public interest, and reasonably necessary or appropriate for such purposes.⁹

Citadel Energy must file Electric Quarterly Reports (EQRs) with the Commission,

⁷ See Order No. 697, 119 FERC ¶ 61,295 at PP 984-985.

⁸ Hydropower licensees are required to comply with the requirements of the Uniform System of Accounts pursuant to 18 C.F.R. Part 101 to the extent necessary to carry out their responsibilities under Part I of the Federal Power Act (FPA). We further note that a licensee's status as a market-based rate seller under Part II of the FPA does not exempt it from its accounting responsibilities as a licensee under Part I of the FPA. See Order No. 816, 153 FERC ¶ 61,065 at PP 345-350; *Seneca Gen., LLC*, 145 FERC ¶ 61,096, at P 23, n.20 (2013) (citing *Trafalgar Power, Inc.*, 87 FERC ¶ 61,207, at 61,798 (1999) (noting that "all licensees are required to comply with the requirements of the Uniform System of Accounts to the extent necessary to carry out their responsibilities under [s]ections 4(b), 10(d) and 14 of the FPA"))).

⁹ See Order No. 697, 119 FERC ¶ 61,295 at PP 999-1000.

consistent with Order Nos. 2001¹⁰ and 768.¹¹ Citadel Energy must file EQRs electronically with the Commission consistent with the procedures set forth in Order No. 770.¹² Citadel 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.¹³

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 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 action is taken pursuant to the authority delegated to the Director, Division of Electric Power Regulation - West, under 18 C.F.R. § 375.307. 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.

Issued by: Steven T. Wellner, Director, Division of Electric Power Regulation - West

¹⁰ *Revised Pub. Util. Filing Requirements*, Order No. 2001, 99 FERC ¶ 61,107, *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, *order refining filing requirements*, Order No. 2001-E, 105 FERC ¶ 61,352 (2003), *order on clarification*, Order No. 2001-F, 106 FERC ¶ 61,060 (2004), *order revising filing requirements*, Order No. 2001-G, 120 FERC ¶ 61,270, *order on reh'g and clarification*, Order No. 2001-H, 121 FERC ¶ 61,289 (2007), *order revising filing requirements*, Order No. 2001-I, 125 FERC ¶ 61,103 (2008).

¹¹ *Elec. Mkt. Transparency Provisions of Section 220 of the Fed. Power Act*, Order No. 768, 140 FERC ¶ 61,232 (2012), *order on reh'g*, Order No. 768-A, 143 FERC ¶ 61,054 (2013).

¹² *See Revisions to Elec. Quarterly Report Filing Process*, Order No. 770, 141 FERC ¶ 61,120, at P 3 (2012) (citing Order No. 2001, 99 FERC ¶ 61,107 at P 31).

¹³ 18 C.F.R. § 35.42 (2020); *see also Reporting Requirement for Changes in Status for Pub. Utils. with Market-Based Rate Auth.*, Order No. 652, 110 FERC ¶ 61,097, *order on reh'g*, Order No. 652-A, 111 FERC ¶ 61,413 (2005).

ATTACHMENT 2

AFFIDAVIT

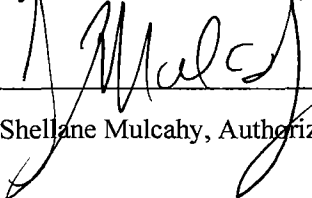
STATE OF ILLINOIS

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COUNTY OF COOK

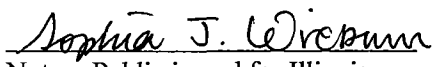
I, **Shellane Mulcahy**, Authorized Signatory for Citadel Advisors LLC as Manager of Citadel Energy Marketing LLC ("CEM"), hereby represent and certify that I have reviewed the registration of CEM as a Power Marketer being filed with the Public Utility Commission of Texas in Project No. 14406 and affirm that the information therein is true and accurate to the best of my knowledge, information, and belief.

Citadel Energy Marketing LLC
By Citadel Advisors LLC, its Manager

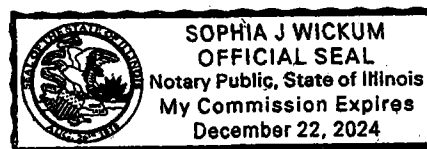


Shellane Mulcahy, Authorized Signatory

Subscribed and sworn before me on this 13th
day of September 2022.



Notary Public in and for Illinois



My commission expires:

December 22, 2024

per I. Gibbs