

**BEFORE THE PUBLIC SERVICE COMMISSION
OF THE STATE OF MISSOURI**

In the Matter of the Application of Grain Belt Express)
Clean Line LLC for a Certificate of Convenience)
And Necessity Authorizing it to Construct, Own,)
Operate, Control, Manage and Maintain a High) File No. EA-2016-0358
Voltage, Direct Current Transmission Line and an)
Associated Converter Station Providing an)
Interconnection on the Maywood - Montgomery)
345kV Transmission Line)

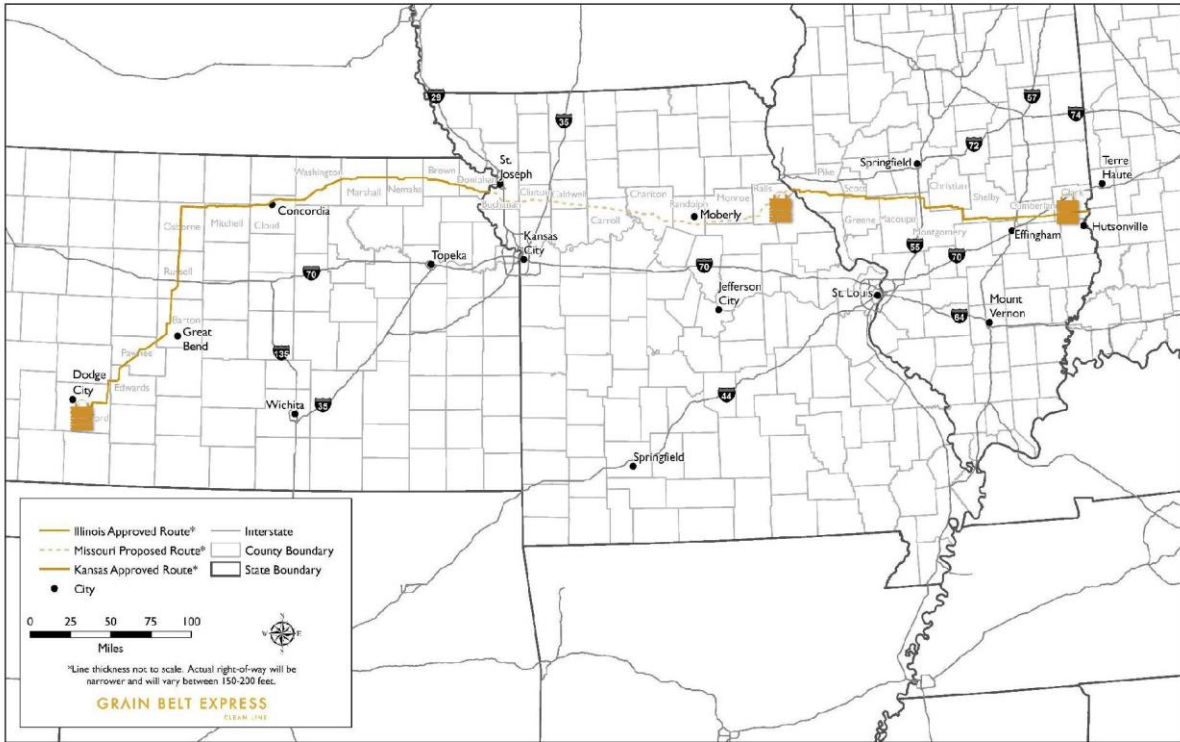
INITIAL BRIEF OF WALMART STORES, INC.

In this case the Commission has been asked to decide numerous issues. Walmart takes no position on the necessary conditions or reporting requirements that should be attached to any approval of the Grain Belt project. Nor does Walmart advance a legal opinion of the Commission’s ability to grant a certificate of convenience and necessity in light of the Missouri Court of Appeals’ decision in *Neighbors United v. Public Service Commission*.¹ Rather, Walmart has limited its position in this case to the narrow issue of whether the Grain Belt transmission project meets two of the five Tartan criteria. Specifically, Walmart has presented evidence that shows that the Grain Belt project fulfills a need and is in the public interest.

I. PROJECT DESCRIPTION

As reflected in the following map, the Grain Belt project will run from a converter station in Ford County, Kansas to a converter station along the Illinois / Indiana border where it will interconnect with Indiana – Michigan Power, a subsidiary of American Electric Power. To date, Grain Belt has received the necessary approvals from Kansas and Illinois and only lacks Missouri approval in order to proceed with construction.

¹ Case No. WD79883, opinion issued March 28, 2017.



As described in testimony, the Grain Belt project will provide three types of open access transmission services:

- 1) Transmission of up to 500 MWs of power from Ford County, Kansas to a converted station along an Ameren 345 kV transmission line in Missouri;
- 2) Transmission of up to 3,500 MWs of power from Ford County, Kansas to a converted station along an Indiana-Michigan Power 765 kV transmission line near the Illinois / Indiana border in the PJM footprint;
- 3) As a result of transmitting 500 MWs of energy into Missouri, the Grain Belt project can transmit up to 500 MWs of power from the Ameren service area to the PJM footprint.²

² Exhibit 104, Berry Direct, pages 4-5.

II. TARTAN CRITERIA

In 1994, the Commission considered the application of Tartan Energy Company d/b/a Southern Missouri Gas Company for a certificate of convenience and necessity to provide natural gas service in six counties in south-central Missouri. There the Commission reaffirmed the criteria previously expressed in *Intercon Gas, Inc.* Specifically, in considering applications for a certificate of convenience and necessity, the Commission will consider five criteria:

- 1) There must be a need for the service;
- 2) The applicant must be qualified to provide the proposed service;
- 3) The applicant must have the financial ability to provide the service;
- 4) The applicant's proposal must be economically feasible; and
- 5) The service must promote the public interest.³

In assessing the first criteria, the need for the service, the Court of Appeals has held that “[t]he term ‘necessity’ does not mean ‘essential’ or ‘absolutely indispensable’, but that an additional service would be an improvement justifying the cost.”⁴

In assessing the fifth criteria, whether the service promotes the public interest, the Commission has stated that this criteria is, in essence, “a conclusory finding as there is no specific definition of what constitutes public interest. Generally speaking, positive findings with respect to the other four standards will in most instances support a finding that an application for a certificate of convenience and necessity will promote the public interest.”⁵

³ *In re Tartan Energy Co., LLC.*, Case No. GA-94-127, issued September 16, 1994, 3 Mo.PSC3d 173, 177 (citing to *Re: Intercon Gas, Inc.*, 30 Mo.P.S.C. (N.S.) 554, 561 (1991)).

⁴ *Id.* at page 181 (citing to *State ex rel. Intercon Gas v. Public Service Commission*, 848 SW.2d 593, 597 (Mo.App. 1993)).

⁵ *Id.* at page 189.

A. NEED FOR THE SERVICE

As mentioned, the Grain Belt transmission project would provide three types of service. Specifically, the transmission project would: (1) provide for the potential delivery of 500 MWs of renewable energy from Ford County, Kansas to a converter station in Ameren's service area; (2) provide for the potential delivery of 3,500 MWs of renewable energy from Ford County, Kansas to the PJM regional transmission organization footprint; and (3) provide for potential transmission of 500 MWs of off-system sales of Ameren energy to the PJM footprint.⁶ Walmart believes that each facet of the Grain Belt proposal helps to meet a public need.⁷

Specifically, by allowing for the delivery of 500 MWs of renewable energy into Missouri, Grain Belt will help meet the demands of Missouri regulated utilities, cooperatives and municipalities interested in increasing their purchases of renewable energy.⁸ In addition, to the extent that commercial and industrial customers may be allowed in the future to directly arrange for the purchase of renewable energy, the Grain Belt project would allow for the transmission of such renewable wind energy. As such, entities like Walmart that have made certain commitments to renewable energy and sustainability goals may be better able to meet these commitments.⁹

Furthermore, since many of these entities also have facilities in PJM, which currently provides the ability for customers to contract for renewable energy, the Grain Belt project will deliver renewable energy to customers that are currently operating in the PJM service area.

⁶ Exhibit 900, Chriss Rebuttal, page 5 (citing to Berry Direct, page 4).

⁷ *Id.* at pages 5-9.

⁸ *Id.* at page 6.

⁹ *Id.* at page 7.

Clearly then, the Grain Belt project will meet the demand for renewable energy both in Missouri as well as in the PJM footprint.¹⁰

Finally, while transmitting as much as 500 MWs of renewable energy into Missouri, the Grain Belt project will then allow for the sale and transmission of energy out of Missouri and into the PJM footprint.¹¹ Certainly the availability of additional markets for the sale of Ameren energy should increase the opportunity for off-system sales and allow for the potential to reduce Ameren's cost of service.

B. PUBLIC INTEREST

For many of the same reasons that the Grain Belt proposal meets a public need, it also serves the public interest. Specifically, the Grain Belt project will allow for the delivery of renewable energy into Missouri and the PJM footprint. Furthermore, the Grain Belt transmission will provide another option for Ameren to make off-system sales. This option provides the opportunity for increased off-system sales volumes and / or a higher price for those off-system sales. Recognizing that off-system sales are used as an offset to retail fuel costs, the opportunity for off-system sales into PJM should provide an opportunity for lower Ameren retail rates. Finally, the delivery of renewable energy in Missouri can help drive economic development in the state as well as providing the opportunity for reduced costs to Missouri customers.¹²

III. CONCLUSION

In light of the increased amount of renewable energy to be offered into Missouri, as well as the opportunity for Ameren to increase its off-system sales revenues and thereby reduce retail rates, Walmart believes that the Grain Belt project meets both the need and public interest criteria of the Tartan standards.

¹⁰ *Id.* at pages 7-8.

¹¹ *Id.* at page 8.

¹² *Id.* at pages 9-10.

Respectfully submitted,

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CERTIFICATE OF SERVICE

I HEREBY CERTIFY that a copy of the foregoing pleading has been served by electronic means on all parties of record as reflected in the records maintained by the Secretary of the Commission through the EFIS system.

/s/ David Woodsmall

David Woodsmall

Dated: April 10, 2017