

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

In the Matter of the Application of Grain Belt Express)
Clean Line LLC for Approval of its Acquisition by) File No. EM-2019-0150
Invenergy Transmission LLC)

RENEW MISSOURI'S POST-HEARING BRIEF

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COMES NOW Renew Missouri Advocates d/b/a Renew Missouri (“Renew Missouri”), and presents its post-hearing brief to the Missouri Public Service Commission (“Commission”):

I. Introduction

The Grain Belt Express Clean Line LLC ("Grain Belt") transmission line will bring economic, market, policy, and environmental benefits to Missouri and the surrounding region.¹ When this Commission granted Grain Belt a Certificate of Convenience and Necessity (“CCN”), it recognized the myriad of benefits the project will bring, considered the relationship Invenergy will play in Grain Belt’s development, and ultimately determined the project served the public interest.²

Still, opponents of the transmission line continue to inaccurately and improperly argue that Grain Belt is not a public utility. Whether Grain Belt is a public utility subject to the Commission’s jurisdiction was fully litigated in Case No. EA-2016-0358 and should not be considered in this

¹ Ex. 7, p. 2.

² *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 Voltage, Direct Current Transmission Line and an Associated Converter Station Providing an Interconnection on the Maywood-Montgomery 345kV Transmission Line* (hereinafter “CCN case”), Case No. EA-2016-0358, Report and Order on Remand, Doc. No. 758, pp. 42-43.

case.³ Instead, the Commission must evaluate whether the proposed transaction and change in ownership is “not detrimental to the public interest.”⁴

II. List of Issues

Issue 1: *Does the Commission have jurisdiction and statutory authority under Section 393.190, RSMo., to approve the sale of Grain Belt to Invenergy Transmission LLC (“Invenergy”)?*

Grain Belt is a public utility and so the applicants must get Commission approval before the sale moves forward.⁵ The Commission issued Grain Belt a CCN after determining the transmission line met all the *Tartan* factors and advances the public interest.⁶ This decision to grant a CCN aligns with the plain language of the Commission’s enabling statutes, direction from the Missouri Supreme Court, and past Commission practice.⁷

Now, prior to selling its assets to Invenergy, Section 393.190 RSMo requires Grain Belt to apply for Commission approval. The Commission recently explained the standard to be applied in cases brought under that section:

the Commission may not withhold its approval of the proposed transaction unless the Applicants fail in their burden to demonstrate that the transaction is not detrimental to the public interest, and detriment is determined by performing a balancing test where benefits are weighed against direct or indirect effects of the transaction that would diminish the provision of safe or adequate of service or that would tend to make rates less just or less reasonable.⁸

³ Section 386.550 RSMo.

⁴ Section 393.190 RSMo.; *State ex rel. City of St. Louis v. Public Service Comm’n*, 73 S.W.2d 393, 400 (Mo. banc 1934).

⁵ *CCN case*, Report and Order on Remand, Case No. EA-2016-0358.

⁶ *Id.*; *In re Tartan Energy*, Report and Report and Order, 3 Mo.P.S.C. 3d 173, Case No. GA-94-127, 1994 WL 762882.

⁷ Section 393.170 RSMo; *Grain Belt Express Clean Line, LLC v. PSC*, No. SC 96993 (Mo. banc 2018).

⁸ *In the Matter of the Application of Great Plains Energy Incorporated for Approval of its Merger with Westar Energy, Inc.*, Case No. EM-2018-0012, Report and Order, Doc. No. 146, p. 28.

Here, the benefits unlocked by approving the transaction ensure the standard is met.

Issue 2: *If so, should the Commission find that Invenergy's acquisition of Grain Belt is not detrimental to the public interest, and approve the transaction?*

Invenergy's ownership will ensure that this transmission project has the resources, financial ability, and qualifications to develop, construct and operate the project. As described in more detail below, this transmission line will create several significant benefits for Missouri. Together these benefits prove the transaction is not detrimental to the public interest.

First, the Grain Belt transmission line will facilitate the development of low-cost, renewable resources and help save Missouri customers money and meet sustainability metrics by linking them to wind energy from western Kansas. MJMEUC and its customers have committed to purchase 136 MW of wind power using the Grain Belt transmission project and have the ability to purchase up to 200 MW of transmission capacity.⁹ In all, the transmission project will allow the municipal customers to save over \$11 million annually under the transmission service agreements compared to existing contracts for coal resources.¹⁰ Customers want more access to cheap, renewable energy in order to satisfy their sustainability goals and to save money. This is clear from the evidence in this case, the findings of the Commission in the CCN case, and the dozens of major companies signing on to support the Corporate Renewable Energy Buyers' Principles.¹¹ Governmental bodies in Missouri are also beginning to establish their own clean energy goals. Approving the Grain Belt transmission line and the transaction in this case will allow utility providers in Missouri to meet customers' needs, preferences, and budgets.

Second, this ownership change does not change the fundamentals of the CCN case. The project continues to be a participant-funded model, meaning Grain Belt and Invenergy will assume

⁹ Ex. 7, p. 6.

¹⁰ *Id.*

¹¹ Ex. 7, p. 6.

the financial risk of building and operating the transmission line.¹² No costs are expected to be recovered through RTO rates, so Missouri ratepayers will see only the financial benefits that pass through if their provider elects to buy capacity or energy on the line.¹³ The Commission’s Staff reviewed updated financial statements of Invenergy and concluded Invenergy has the financial ability to develop, construct, and operate the transmission line.¹⁴ As such, this transaction and change in ownership will allow Missouri customers to realize the benefits created by the participant-funded model.

Third, because this project will facilitate additional renewable energy, there will be environmental benefits. This Commission has repeatedly found that creating environmental benefits serves the public interest. In its *Report and Order* in Case No. EA-2016-0208, the Commission found customers “have a strong interest in the development of economical renewable energy sources to provide safe, reliable, and affordable service while improving the environment and reducing the amount of carbon dioxide released into the atmosphere.”¹⁵ Similarly, in Case No. EA-2015-0256, the Commission concluded “customers and the general public have a strong interest in the development of economical renewable energy sources to provide safe, reliable, and affordable service while improving the environment and reducing the amount of carbon dioxide released into the atmosphere.”¹⁶ In the CCN case, when evaluating the underlying transmission line at issue in this case, the Commission found that “[t]he renewable energy delivered by the

¹² Ex. 3, p. 11.

¹³ *Id.*

¹⁴ Ex. 6, p. 9.

¹⁵ *In the Matter of the Application of Union Electric Company d/b/a Ameren Missouri for Permission and Approval and a Certificate of Public Convenience and Necessity Authorizing it to Offer a Pilot Distributed Solar Program and File Associated Tariff*, Case No. EA-2016-0208, Report and Order, Doc. No. 126, p. 20.

¹⁶ *In the Matter of the Application of KCP&L Greater Missouri Operations Company for Permission and Approval of a Certificate of Public Convenience and Necessity Authorizing It to Construct, Install, Own, Operate, Maintain and Otherwise Control and Manage Solar Generation Facilities in Western Missouri*, Case No. EA-2015-0256, Report and Order, Doc. No. 84, p. 15.

Project will reduce emissions in the Eastern Interconnection by displacing thermal generation, which emits sulfur dioxide, nitrogen oxides, and carbon dioxide, and will decrease water usage, all to the benefit Missouri’s environmental and public health.”¹⁷ Approving this ownership change will help ensure these environmental benefits are realized by the people of Missouri.

Fourth, this transmission line will improve grid reliability and enhance geographic diversity in the sources of generation because the least-cost, renewable wind power will be generated in Kansas and sent into Missouri and beyond.¹⁸ As the Commission concluded in the CCN case, diversity can help reduce system variability and uncertainty in regional systems.¹⁹ This diversity is one way to help stabilize the existing grid during extreme weather events, such as a “polar vortex” or flooding, that may strain regional generation and energy supply.

Lastly, construction of this transmission line will create direct and indirect economic benefits. Specifically, building the transmission line creates significant economic benefits throughout the various project stages. The construction phase of the Grain Belt Express transmission line will support 1,527 total jobs over the three years and create \$246 million in personal income, \$476 million in gross domestic product, and \$9.6 million in state general revenue for the state of Missouri.²⁰ In its first year of operation, the transmission line is expected to support 91 jobs and create \$17.9 million in personal income, \$9.1 million in gross domestic product, and \$720,000 in state general revenue for the state of Missouri.²¹ Approximately \$14.97 million in easement payments will be made in the first year of operation. In subsequent years, the economic impact of this line will support 28 total jobs and create \$2.6 million in personal income, \$4.2

¹⁷ *CCN case*, Case No. EA-2016-0358, Report and Order on Remand, Doc. No. 758, p. 31, 46.

¹⁸ Ex. 7, p. 8.

¹⁹ *Id.*

²⁰ Ex. 7, p. 8.

²¹ *Id.*

million in gross domestic product, and \$111,000 in state general revenue on an annual basis.²² In addition, there will be millions of dollars in tax benefits to the counties the transmission line crosses.²³

Furthermore, the conditions outlined by the Commission in its Report and Order on Remand serve as additional protections for the public interest. Weighing the many benefits described above against any possible detriment, the application exceeds the “no detriment” standard because it is *beneficial* to the public interest, and so, the Commission should approve the transaction.

Issue 3: *Should the Commission condition its approval of Invenergy’s acquisition of Grain Belt and, if so, what should such conditions be?*

In prior merger or sale cases, the Commission has viewed conditions meant to protect the public interest positively.²⁴ Here, Staff recommended the conditions from the March 20, 2019 Report and Order on Remand in Case No. EA-2016-0358.²⁵ Invenergy has agreed to those conditions.²⁶ While these conditions are not necessary to protect the public interest due the substantial benefits the transmission line will cause, they are additional safeguards the Commission can order to mitigate against any possible detriment.

III. Conclusion

For over five years, Grain Belt has sought to build a transmission line that will bring low-cost wind energy to Missouri. Approximately one month ago, on March 20, 2019, the Commission issued a CCN concluding:

²² *Id.*

²³ *Id.*

²⁴ *In the Matter of the Application of Great Plains Energy Incorporated for Approval of its Merger with Westar Energy, Inc.*, Case No. EM-2018-0012, Report and Order, Doc. No. 146.

²⁵ Ex. 5 and 6.

²⁶ Ex. 4, p. 2.

There can be no debate that our energy future will require more diversity in energy resources, particularly renewable resources. We are witnessing a worldwide, long-term and comprehensive movement towards renewable energy in general and wind energy specifically. Wind energy provides great promise as a source for affordable, reliable, safe, and environmentally-friendly energy. The Grain Belt Project will facilitate this movement in Missouri, will thereby benefit Missouri citizens, and is, therefore, in the public interest.²⁷

With Commission approval, Invenergy's ownership will carry forward Grain Belt's good work and ensure that this transmission project continues to have the resources, financial ability, and qualifications to develop, construct, and operate the project.²⁸ This application is beneficial to the public interest, and so, the Commission must issue an order approving the transaction.

WHEREFORE, Renew Missouri submits its *Post-hearing Brief*.

Respectfully,

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Certificate of Service

I hereby certify that copies of the foregoing have been mailed, emailed or hand-delivered to all counsel of record this 6th day of May 2019:

/s/ Tim Opitz

²⁷ *CCN case*, Case No. EA-2016-0358, Report and Order on Remand, Doc. No. 758, p. 47.

²⁸ Ex. 7, pp. 5-6.