

**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, Control,) **Case No. EA-2016-0358**
Manage, Operate and Maintain a High Voltage, Direct)
Current Transmission Line and an Associated Converter)
Station Providing an Interconnection on the Maywood-)
Montgomery 345 kV Transmission Line)

**MISSOURI DEPARTMENT OF ECONOMIC DEVELOPMENT'S
STATEMENT OF POSITIONS**

COMES NOW the Missouri Department of Economic development ("DED"), by and through the undersigned counsel, and for its *Statement of Positions* in the above-styled matter, states:

1. Does the evidence establish that the Commission may lawfully issue to Grain Belt Express Clean Line LLC ("Grain Belt") the certificate of convenience and necessity ("CCN") it is seeking for the high-voltage direct current transmission line and converter station with an associated AC switching station and other AC interconnecting facilities?

Yes, as addressed below in response to Issue 2. Additionally, DED's testimony indicates that the Grain Belt offers the potential to increase diversity of the state's energy resources, spur infrastructure development, and result in enhanced economic activity, increased tax revenues, and job creation due to construction and ongoing operation of the transmission line. Nonetheless, to preserve and protect other affected interests in the state, the Missouri Public Service Commission's ("Commission") approval of a CCN must be premised on the conditions listed in response to Issue 3.

2. Does the evidence establish that the high-voltage direct current transmission line and converter station for which Grain Belt is seeking a CCN are “necessary or convenient for the public service” within the meaning of that phrase in section 393.170, RSMo.?

Answering this question requires adherence to the Commission’s rules governing CCN applications for electric plant at 4 CSR 240-3.105, as well as the statutory language at Section 393.170, RSMo. In evaluating CCN applications, the Commission has generally used a “five-factor test” which is alternatively known as the “Tartan criteria.” The Commission ascertains whether a project encompassed by a CCN: 1) is necessary or convenient for serving the public; 2) can be undertaken by the applicant; 3) is financially feasible; 4) is economically feasible; and, 5) serves the public interest.

Regarding the first of these criteria, the courts have held that, “[t]he term ‘necessity’ does not mean ‘essential’ or ‘absolutely indispensable,’ but that an additional service would be an improvement justifying its cost.” State ex rel. Intercon Gas, Inc. v. Public Service Commission of Missouri, 848 S.W.2d 593, 597 (Mo. App. 1993); citing, State ex rel. Beaufort Transfer Co. v. Clark, 504 S.W.2d at 219. The Grain Belt Express project can meet this standard in that the project contributes toward achieving goals of the Missouri Comprehensive State Energy Plan to diversify the state’s energy portfolio, increasing economic development, and hedging against potential price volatility and reliance on imported fossil fuels. The project offers an opportunity to increase Missouri’s access to wind resources for subscribing municipal utilities, assisting with corporate and local renewable energy goals. The Missouri Joint Municipal Electric Utility Commission has already agreed to purchase capacity from Grain Belt.

The project can also promote economic development, as estimated by the Missouri Economic Research and Information Center. It should be emphasized that these estimates are contingent on Invenenergy's adoption of Clean Line's commitments to working with local businesses including PAR Electric, ABB Inc., Hubbell Power Systems, Inc., and General Cable Industries, Inc. to supply products and services.

DED notes that the Commission Staff has raised questions as to the financial ability of Invenenergy to support the Grain Belt project. Support for the project from DED is contingent on Invenenergy's ability to demonstrate its financial capability, consistent with the Tartan criteria.

3. If the Commission grants the CCN, what conditions, if any, should the Commission impose?

DED supports the following conditions on the issuance of a CCN for the Grain Belt project, as indicated above:

- A. Invenenergy must agree to comply with the Landowner Protocol and Missouri Agricultural Impact Mitigation Protocol, as well as applicable laws of the state which ensure fair treatment of landowners and mitigation of agricultural impacts.
- B. The Commission should condition approval on Invenenergy's acceptance of the conditions found in Exhibits 205 and 206, as well as other conditions that the Commission deems necessary to ensure Invenenergy's financial ability to complete and provide ongoing support for the project.

4. If the Commission grants the CCN, should the Commission exempt Grain Belt from complying with the reporting requirements of Commission rules 4 CSR 240-3.145, 4 CSR 240-3.165, 4 CSR 240-3.175, and 3.190(1), (2) and (3)(A)-(D)?

DED takes no position on this issue at this time, but reserves the right to take a position after hearing.

WHEREFORE, the Missouri Department of Economic Development respectfully files its *Statement of Positions*.

Respectfully submitted,

/s/ Michael Lanahan

Michael Lanahan
Acting General Counsel
Missouri Bar No. 67487
Department of Economic Development
P.O. Box 1157
Jefferson City, MO 65102
(573) 522-3304

michael.lanahan@ded.mo.gov

**Attorney for Missouri Department of
Economic Development**

CERTIFICATE OF SERVICE

I hereby certify that copies of the foregoing have been served electronically on all counsel of record this 13th day of December, 2018.

/s/ Michael Lanahan

Michael Lanahan