

Exhibit No. 141
Issues: Overview
Witness: Michael P. Skelly
Type: Supplemental Direct Testimony
Sponsoring Party: Grain Belt Express Clean Line LLC
Case No.: EA-2016- 0358
Date of Testimony: November 12, 2018

MISSOURI PUBLIC SERVICE COMMISSION

CASE NO. EA-2016-0358

SUPPLEMENTAL DIRECT TESTIMONY OF

MICHAEL P. SKELLY

ON BEHALF OF

GRAIN BELT EXPRESS CLEAN LINE LLC

November 12, 2018

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1 **I. INTRODUCTION AND PURPOSE OF TESTIMONY**

2 **Q. Please state your name, present position, and business address.**

3 A. My name is Michael P. Skelly. I am chairman of Clean Line Energy Partners LLC
4 (“Clean Line”). I am also a Senior Advisor to Lazard Ltd. My business address is 1001
5 McKinney Street, Suite 700, Houston, Texas 77002.

6 **Q. Have you previously submitted testimony in this proceeding?**

7 A. Yes, I submitted direct testimony on August 30, 2016 and testified at the evidentiary
8 hearing in March 2017.

9 **Q. What is the purpose of this supplemental direct testimony?**

10 A. The purpose of my supplemental direct testimony is to report any material changes to my
11 previously submitted testimony and exhibits in this proceeding. Like my prior testimony,
12 my supplemental direct testimony supports the Application of Grain Belt Express Clean
13 Line LLC (“Grain Belt Express” or “Company”), which is seeking a certificate of
14 convenience and necessity (“CCN”) under Section 393.170.1.¹ This certificate would
15 authorize the Company to construct in Missouri 206 miles of the HVDC transmission line
16 (“HVDC Line”) that will traverse the states of Kansas, Missouri, Illinois, and Indiana,
17 including an associated converter station in Ralls County, Missouri that will deliver
18 energy to Missouri by interconnecting with the Ameren Missouri transmission line that
19 connects the Maywood and Montgomery 345 kV substations (the “Project”). This
20 converter station and associated alternating current (“AC”) interconnecting facilities,
21 including an AC switching station, together with the HVDC Line located in this state

¹ All statutory references are to the Missouri Revised Statutes (2016), as amended.

1 comprise the “Missouri Facilities.” The HVDC Line will be located in the Missouri
2 counties of Buchanan, Clinton, Caldwell, Carroll, Chariton, Randolph, Monroe and Ralls.

3 **II. OVERVIEW OF THE APPLICATION**

4 **Q. Are there any material changes to your prior overview testimony?**

5 A. Yes. The major change is that Grain Belt Express Holding LLC has entered into an
6 agreement with Invenenergy Transmission LLC (together with its affiliate, Invenenergy LLC,
7 “Invenenergy”). Invenenergy is a leading U.S.-based developer of wind, solar, and natural
8 gas-fueled power generation projects, to acquire Grain Belt Express with the goal of
9 completing the development and construction of the Project. Invenenergy has developed
10 more than 20,000 MW of projects that are in operation, construction, or under contract.
11 The details of this transaction are discussed in the supplemental direct testimony of Grain
12 Belt Express witness David Berry. Invenenergy Senior Vice Presidents Kris Zadlo and
13 Andrea Hoffman will discuss Invenenergy’s credentials and capabilities in their
14 supplemental direct testimony.

15 **Q. Do you have confidence in Invenenergy’s capabilities to successfully develop, construct
16 and operate the Project?**

17 A. Yes. Invenenergy is a true leader in renewable energy infrastructure development in the
18 United States. I have great confidence in Invenenergy’s managerial, financial and
19 operational qualifications and resources to bring the Project to completion.

20 **Q. Are there other material changes to the new facts that Grain Belt Express presented
21 in this case that were different from what was filed in the 2014 Case, No. EM-2014-
22 0207?**

1 A. Generally, no. The few material changes that have occurred are discussed below. The
2 Company's transmission service agreement ("TSA") with the Missouri Joint Municipal
3 Electric Utility Commission ("MJMEUC") to purchase up to 250 MW of capacity from
4 the Project remains in place. The TSA was recently reaffirmed by MJMEUC through an
5 amendment which is discussed in the supplemental direct testimony of Grain Belt
6 Express witness David Berry and of MJMEUC witness John Grotzinger. Grain Belt
7 Express also has a TSA with Realgy Energy Services, an Illinois load-serving entity, that
8 was agreed to as of November 30, 2016. Realgy has agreed to buy 25 MW of
9 transmission service for delivery into Missouri and 25 MW of transmission service for
10 delivery into PJM.

11 Of the twelve other developments that I listed in my direct testimony at pages 8-
12 10, most of them remain materially unchanged, as indicated below.

13 a. As discussed in the supplemental direct testimony of Invenergy witness Mr.
14 Zadlo, upon acquiring Grain Belt Express, Invenergy will follow its standard
15 approach to project management and construction, and will evaluate all of the
16 Company's existing project contracts, including the agreement with Quanta
17 Services, Inc.

18 b. Unchanged: The Project will offer 500 MW of bi-directional service from the
19 Missouri converter station to PJM Interconnection LLC, ("PJM") (of which
20 MJMEUC has agreed to purchase up to 50 MW). This service will allow
21 Missouri utilities an additional means to earn revenue from off-system sales of
22 excess power. Previously, Grain Belt Express had only offered transmission
23 service to Missouri from the Project's Kansas converter station;

- 1 c. Unchanged: As discussed in Mr. Zadlo’s supplemental direct testimony,
2 Invenergy will develop a Construction Plan that outlines the scope, methods,
3 durations, and resources required to construct the Grain Belt Express Project
4 similar to the Construction Plan attached as **Schedule TFS-4** to the Direct
5 Testimony of Company witness Thomas F. Shiflett;
- 6 d. Unchanged: The Company has prepared a more detailed compliance plan
7 consistent with North American Electric Reliability Corporation standards and
8 certification requirements for transmission operators, which is attached as
9 Schedule **AWG-4** to the Direct Testimony of Company witness Wayne Galli;
- 10 e. Unchanged: The Company has advanced the interconnection process with the
11 Southwest Power Pool, Inc. (“SPP”), including the negotiation and signing of
12 an Interconnection Agreement with SPP and ITC Great Plains;
- 13 f. Regulatory changes that have recently occurred in Illinois are discussed in the
14 supplemental direct testimony of Grain Belt Express witness Hans Detweiler.
- 15 g. As noted above, the transaction with Invenergy will be described more fully
16 by Mr. Berry and Mr. Zadlo.
- 17 h. Unchanged: The Company has conferred with Staff of the Commission
18 regarding appropriate inputs to production cost modeling of the wholesale
19 power market impacts of the Grain Belt Express Project;
- 20 i. Unchanged: The Company has revised certain portions of the Proposed Route
21 of the Project as a result of comments by landowners during easement
22 negotiation efforts and public outreach sessions in 2016, as well as from

1 evidence provided at the local public hearings and written testimony in the
2 2014 Case;

3 j. Unchanged: The Company has established a Landowner Protocol that
4 recognizes and respects the interests of landowners, which is attached as
5 **Schedule DKL-1** to the Direct Testimony of Company witness Deann Lanz.
6 The Landowner Protocol includes the ability for landowners to elect into
7 binding arbitration to determine the easement compensation. In addition,
8 Grain Belt Express has committed to update county-wide market data studies
9 with more recent land valuation information to determine the average per-acre
10 value for specific land types in each county. The updated market studies will
11 set a current basis for the easement payments from Grain Belt Express to
12 landowners;

13 k. Unchanged: The Company has agreed that no earlier than the 20th anniversary
14 of the completion of the Project, Grain Belt Express will establish and
15 maintain a decommissioning fund to be used in the remote event that the
16 Company must dismantle, demolish, or remove all equipment facilities and
17 structures. This would be the first transmission line decommissioning fund
18 ever established in the United States; and

19 l. No change: Developed a Missouri Agricultural Impact Mitigation Protocol
20 (“MO Ag Protocol”) to avoid, minimize, and mitigate for impacts to cropland
21 and agricultural resources in Missouri, which is attached as **Schedule JLA-2**
22 to the Direct Testimony of Company witness James Arndt.

1 **Q. Please identify the witnesses who are submitting supplemental direct testimony on**
2 **behalf of Grain Belt Express.**

3 A. The witnesses and the topics addressed in their supplemental direct testimony are as
4 follows:

5

Witness	Primary Testimony Topics
Michael Skelly	<ul style="list-style-type: none">• Overview of the material changes in the Company's case
David Berry	<ul style="list-style-type: none">• The transaction between the Company and Invenergy• How the Project continues to meet the <u>Tartan</u> criteria• Updates regarding the TSA with MJMEUC
Jonathan Abebe	<ul style="list-style-type: none">• Mr. Abebe adopts the direct and surrebuttal testimony of Anthony Wayne Galli• Updates regarding developments that have occurred at PJM and MISO
Hans Detweiler	<ul style="list-style-type: none">• Mr. Detweiler adopts the direct and surrebuttal testimony of Mark Lawlor and of Deann Lanz• Updates regarding the status of the regulatory approval process in Kansas and Illinois
Kris Zadlo (Invenergy)	<ul style="list-style-type: none">• Invenergy's managerial and operational experience and qualifications• Need for the Project• Economic feasibility of the Project• Construction and landowner relationship issues
Andrea Hoffman (Invenergy)	<ul style="list-style-type: none">• Invenergy's financial resources and capabilities to support the Project• Project development and financing methods that Invenergy will follow

1 **Q. Will any of the Company’s other witnesses present supplemental direct testimony?**

2 A. No. With the exception of Prescott Hartshorne, who discussed the role of National Grid’s
3 financial and operational support of the Project, there have either been no changes to their
4 testimony, or no change in material or significant facts, as indicated below. The support
5 provided to Clean Line and to the Project by National Grid will be succeeded by the
6 financial resources and operational experience of Invenergy, as discussed in the
7 supplemental direct testimony of Mr. Zadlo and Ms. Hoffman.

8 Regarding the other witnesses whose prior testimony is summarized below, Mr.
9 Detweiler or Mr. Berry will confirm in their supplemental direct testimony that there are
10 no material changes to their testimony.

Witness	Primary Testimony Topics
James Puckett	<ul style="list-style-type: none">• Grain Belt Express’s route determination process• Basis for selection of the Proposed Route• Missouri Route Selection Study and Routing Study Addendum
Suedeem Kelly	<ul style="list-style-type: none">• How the Project meets the Tartan criteria• How the Project benefits the Missouri public• Why a participant-funded business model is a market-driven solution to transmission expansion• How Grain Belt Express helps to solve the challenge of interregional transmission planning
James Arndt	<ul style="list-style-type: none">• Industry standard agricultural impact mitigation practices• Summary of the Company’s Missouri Ag Policy• Grain Belt Express’ proposed and potential agricultural impact mitigation measures
William Bailey	<ul style="list-style-type: none">• Assessment of the scientific issues related to potential health effects of electric and magnetic fields as they relate to the Project

Witness	Primary Testimony Topics
Thomas F. Shiflett²	<ul style="list-style-type: none"> • PAR Electric’s relationship with Grain Belt Express • How PAR will manage Project construction • The Project’s job impacts in Missouri • Emergency response and restoration • How PAR will maintain landowner relationships during the construction process
J. Neil Copeland	<ul style="list-style-type: none"> • Economic and environmental impacts of operation of the Grain Belt Express Project • Production cost analysis • Economic market study methodology • Improvements since 2014 Grain Belt Express Case
Edward Pfeifer	<ul style="list-style-type: none"> • Loss of Load Expectation (“LOLE”) analysis and results • Reliability benefits that the Grain Belt Express Project will provide to Missouri
Wayne Wilcox	<ul style="list-style-type: none"> • Description of how the Project is in the public interest because it will bring revenue and opportunities to the Project area counties that it crosses • Description of Grain Belt Express’ work with landowners, county officials, and other community members • A landowner’s perspective on farming around transmission lines
Richard Tregnago	<ul style="list-style-type: none"> • Description of how the Project is in the public interest because it will bring property tax benefits to the Project Area counties it traverses • How the property value of agricultural land with transmission lines is assessed
Richard J. Roddewig	<ul style="list-style-type: none"> • Effects of transmission liens on property values • Compensation proposal that Grain Belt Express will offer to landowners

² While existing contracts are subject to review by Invenergy, the general construction, emergency response restoration, and landowner relationship practices discussed in Mr. Shiflett’s direct testimony will remain the same.

1 **III. OVERVIEW OF THE TARTAN CRITERIA**

2 **Q. Are there any material changes to your direct testimony on whether there is a need**
3 **for the service provided by the Project?**

4 A. No. As noted above, the Company's TSA with MJMEUC and its TSA with Realgy
5 Energy Services demonstrate a clear need for the service the Project will provide.

6 **Q. Are there any material changes to your direct testimony on whether the Project is**
7 **economically feasible?**

8 A. No. HVDC technology continues to be the most cost-effective and efficient way to move
9 large amounts of renewable energy over a long distance. As discussed by Mr. Abebe,
10 new tariffs adopted by the Midcontinent Independent System Operator ("MISO") now
11 specifically accommodate merchant HVDC projects like the Grain Belt Express Project.
12 Western Kansas provides high capacity factor wind energy that is the cheapest form of
13 renewable energy in the Midwest.

14 **Q. Are there any material changes to your direct testimony on whether Grain Belt**
15 **Express has the financial capability to provide service?**

16 A. Yes. As discussed by Mr. Berry and by Ms. Hoffman of Invenergy, the financial backing
17 for the Company is as strong as, if not stronger, than the support provided by the current
18 investors in Clean Line and the Company.

19 **Q. Are there any material changes to your direct testimony on whether Grain Belt**
20 **Express has the operational qualifications to provide service?**

21 A. Yes. As Mr. Zadlo discusses in supplemental direct testimony, Invenergy possesses
22 substantial experience and expertise to support the construction and operation of the
23 Great Belt Express Project. Invenergy is well qualified to complete the development

1 phase of the Project, to construct the transmission line and converter stations, and to
2 oversee its operation.

3 **Q. Are there any material changes to your direct testimony on whether the Project is in**
4 **the public interest?**

5 A. No. If anything, the public interest is even greater today, as discussed by Mr. Zadlo in
6 his supplemental direct testimony.

7 **IV. CLEAN LINE AND THE GRAIN BELT EXPRESS PROJECT**

8 **Q. Are there material changes to this section of your direct testimony?**

9 A. Yes. As noted above and as discussed by Mr. Berry in his supplemental direct testimony,
10 there is a material change in the ownership of Grain Belt Express. With regard to the
11 other projects that Clean Line had pursued, the following changes have occurred:

- 12 • The Plains & Eastern transmission project was originally designed to deliver
13 renewable energy from western Oklahoma to Arkansas and eastern Tennessee. As
14 a result of changes in federal policy, in December 2017 Clean Line sold the
15 Oklahoma portion of this project (Plains and Eastern Clean Line Oklahoma LLC)
16 to NextEra Energy Resources. NextEra intends to use this asset to provide
17 transmission service to wind generators in Oklahoma and the Southwest Power
18 Pool.
- 19 • In May 2018 Clean Line sold to Pattern Energy Group the Western Spirit
20 transmission project and the Mesa Canyons Wind Farm project, both of which
21 were in advanced stages of development and are expected to begin construction in
22 2019.

- 1 • In July 2018 ConnectGen acquired the non-transmission development assets of
- 2 Clean Line, including its interests in a 600 MW wind project and a series of
- 3 utility-scale wind and battery storage development projects.
- 4 • Clean Line is not now actively developing either the Rock Island or the
- 5 Centennial West transmission projects.

6 **Q. Are there any updates to your direct testimony regarding the development activities**
7 **that Grain Belt Express has been engaged in since the filing of the Application?**

8 A. Yes. Changes that have occurred in Kansas and Illinois are discussed in the
9 Supplemental Direct Testimony of Hans Detweiler.

10 **V. PUBLIC POLICY SUPPORTING THE DEVELOPMENT OF RENEWABLE**
11 **ENERGY RESOURCES AND PRIVATE INVESTMENT IN INFRASTRUCTURE**

12 **Q. Are there any material changes to your direct testimony regarding Missouri’s**
13 **public policy regarding its support of renewable energy and investment that**
14 **supports renewable energy infrastructure?**

15 A. No. Missouri’s statutory policy has not changed, and the business community in
16 Missouri continues to support the development of infrastructure such as the Grain Belt
17 Express Project.

18 **Q. Does this conclude your supplemental direct testimony?**

19 A. Yes, it does.

**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,)
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)

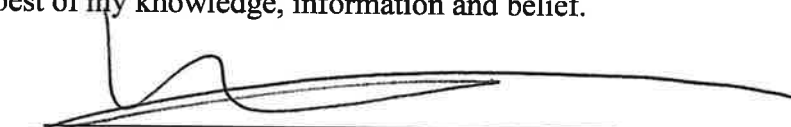
Case No. EA-2016-0358

AFFIDAVIT OF MICHAEL P. SKELLY

STATE OF California)
COUNTY OF San Francisco)^{SS}

Michael P. Skelly, being first duly sworn upon his oath, states:

1. My name is Michael P. Skelly. I am the Chairman of Clean Line Energy Partners LLC.
2. Attached hereto and made a part hereof for all purposes is my Supplemental Direct Testimony on behalf of Grain Belt Express Clean Line LLC, having been prepared in written form for introduction into evidence in this proceeding.
3. I have knowledge of the matters set forth herein. I hereby swear and affirm that my answers contained in the attached testimony to the questions therein propounded, including any attachments thereto, are true and accurate to the best of my knowledge, information and belief.



Michael P. Skelly

Subscribed and sworn before me this 12th day of November 2018.



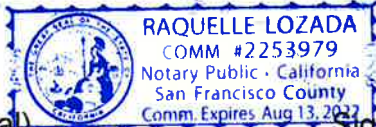
Notary Public

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

State of California
County of San Francisco

Subscribed and sworn to (or affirmed) before me on this 12th
day of Nov, 2018, by Michael Kelly

proved to me on the basis of satisfactory evidence to be the
person(s) who appeared before me.



(Seal)

Signature

A handwritten signature in blue ink, appearing to read 'R. Lozada', written over a horizontal line.