BEFORE THE PUBLIC SERVICE COMMISSION
OF THE STATE OF MISSOURI

In the Matter of the Joint Application of Invenergy Transmission LLC, Invenergy Investment Company LLC, Grain Belt Express Clean Line LLC and Grain Belt Express Holding LLC for an Order Approving the Acquisition by Invenergy Transmission LLC of Grain Belt Express Clean Line LLC	))))))))	Case No. EM-2019-0150

JOINT APPLICANTS' INITIAL BRIEF

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ATTORNEYS FOR GRAIN BELT EXPRESS HOLDING LLC AND GRAIN BELT EXPRESS CLEAN LINE LLC

May 6, 2019

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Invenergy Transmission LLC ("Invenergy Transmission"), on behalf of itself and its parent company Invenergy Investment Company LLC ("Invenergy Investment" and together with Invenergy Transmission, "Invenergy"), as well as Grain Belt Express Clean Line LLC ("GBE" or "Grain Belt") on behalf of itself and its parent company Grain Belt Express Holding LLC ("GBE Holding") (collectively, "Joint Applicants"), submit this initial brief pursuant to the Missouri Public Service Commission's ("Commission" or "PSC") March 6, 2019 Order Adopting Procedural Schedule.

I. Introduction

On November 20, 2018, Joint Applicants filed a Notice of Intended Case Filing, advising the Commission that Joint Applicants intended to file an application pursuant to Section 393.190[1] to seek approval of the acquisition of GBE by Invenergy Transmission. On February 1, 2019, Joint Applicants filed their Application pursuant to Section 393.190, 4 CSR 240-2.060, 2.080(14), 2.090(4), 10.105 and 10.135, requesting that the Commission approve a transaction involving a change in ownership of GBE, that the Commission proceed expeditiously, and that a prehearing conference be scheduled. In the Application, Joint Applicants noted that they have agreed pursuant to a Membership Interest Purchase Agreement ("MIPA") that, pending a number of conditions precedent including review and approval by the PSC, Invenergy Transmission will acquire GBE (the "Transaction"). GBE is the owner of all of the current assets and rights of the Grain Belt Express Transmission Project ("GBE Project" or "Project"). The GBE Project is a proposed approximately 780-mile, overhead, multi-terminal ±600 kilovolt ("kV") high voltage direct current ("HVDC") transmission line and associated facilities that will connect over 4,000

[1] All statutory references are to the Missouri Revised Statutes (2016), as amended, unless otherwise noted.

megawatts ("MW") of low-cost, wind-generated power in western Kansas for delivery to customers and consumers in Missouri, Illinois, Indiana, and states farther east.

GBE proposes to construct in Missouri the approximately 206-mile portion of the HVDC Line on a route that crosses the Missouri River south of St. Joseph and continues across the state in an easterly direction to south of Hannibal in Ralls County, where the HVDC Line will cross the Mississippi River into Illinois. GBE also proposes to construct a converter station and associated AC interconnecting facilities in Ralls County to be able to deliver power from the Project to Missouri customers. The Project will interconnect with the Ameren Missouri system in Ralls County along the Maywood-Montgomery 345 kV AC transmission line, which connects the Maywood 345 kV substation with the Montgomery 345 kV substation in Montgomery County.

GBE applied for a line certificate of convenience and necessity ("CCN") pursuant to Section 393.170.1 on August 30, 2016 in Case No. EA-2016-0358, authorizing it to construct, own, operate, control, manage, and maintain the Missouri portion of the Project (the "CCN Proceeding"). Following appellate proceedings, which have been summarized in prior pleadings and thus will not be restated here, the Missouri Supreme Court remanded the case to the PSC to determine whether the GBE Project is necessary or convenient for the public service. Grain Belt Express Clean Line LLC v. PSC, 555 S.W.3d 469, 474 (Mo. en banc 2018).

On remand, the Commission conducted an evidentiary hearing on December 18-19, 2018 in order to take evidence regarding "material changes" in the facts previously presented with regard to GBE's request for a CCN. See CCN Proceeding, Order Setting Procedural Conference at 1 (Sept. 28, 2018). As part of the remand proceedings, GBE informed the Commission of the

pending Transaction and provided evidence of Invenergy's technical and financial ability to manage the Project going forward.

On March 20, 2019, the Commission issued its Report and Order on Remand, granting GBE's application for a CCN and establishing certain conditions. In re Application of Grain Belt Express Clean Line LLC for a Certificate of Convenience and Necessity, No. EA-2016-0358 (Mar. 20, 2019) ("CCN Order"). The CCN Order took effect on April 19, 2019 under Section 386.490.2, and the Commission denied the three applications for rehearing on April 24, 2019. Because GBE is now a public utility holding a CCN, the Transaction is subject to Commission approval pursuant to Section 393.190.

On April 23, 2019, the Commission convened an evidentiary hearing on the proposed transaction.

II. The Commission Has the Jurisdiction and Statutory Authority Pursuant to Section 393.190, RSMo. To Approve the Transaction

A. Grain Belt Express Owns Electric Plant and is an Electrical Corporation under Section 393.190.1

Section 393.190.1 provides, in pertinent part:

> No . . . electrical corporation . . . shall hereafter sell, assign, lease, transfer, mortgage or otherwise dispose of or encumber the whole or any part of its franchise, works or system, necessary or useful in the performance of its duties to the public, nor by any means, direct or indirect, merge or consolidate such works or system, or franchises, or any part thereof, with any other corporation, person or public utility, without having first secured from the commission an order authorizing it so to do.

Section 386.020(15) then defines an "electrical corporation" as "every corporation, company . . . owning, operating, controlling or managing any electric plant[.]" "Electric plant" is in turn defined in Section 386.020(14) as "all real estate, fixtures and personal property operated, controlled, owned, used or to be used for or in connection with or to facilitate the generation, transmission, distribution, sale or furnishing of electricity[.]" (emphasis added).

In its CCN Order, the Commission explicitly found that GBE's 39 easements that it has signed with Missouri landowners are interests in real estate, and that its cash on hand for project development is personal property. See CCN Order at 37 (such "real estate and personal property are to be used for or in connection with Grain Belt's Project" and "meet the definition of electric plant"). Because the Commission specifically determined that Grain Belt Express is an electrical corporation and thereby subject to the Commission's jurisdiction in the CCN case, the Commission likewise has jurisdiction and authority under Section 393.190 in this proceeding to approve the sale of GBE to Invenergy Transmission.

Because this jurisdictional issue has already been decided by the Commission, it may not be re-litigated. Section 386.550 provides: "In all collateral actions or proceedings the orders and decisions of the commission which have become final shall be conclusive." The Commission's CCN Order took effect and became operative on April 19, 2019 under Section 386.490.2, and, as previously noted, the Commission denied the three applications for rehearing on April 24, 2019. Thus, the CCN Order is final and conclusive under Section 386.550, and not subject to collateral attack in this proceeding. AG Processing, Inc. v. KCP&L Greater Mo. Operations Co., 432 S.W.3d 226, 230 (Mo. App. W.D. 2014) ("Finality with regard to administrative orders occurs when the agency arrives at a terminal, complete resolution of the case before it."). For this reason alone, any argument opposing the Commission's jurisdiction in this case must be rejected.

Furthermore, Hans Detweiler, lead developer for GBE, testified in this proceeding that GBE maintains 39 active easements in Missouri. See Tr. at 51, 76. Easements have long been held to be real estate interests in Missouri. Kansas City Power & Light Co. v. Riss, 312 S.W.2d 846, 847 (Mo. 1958) ("an easement is an interest in real estate"); Berry v. Shinkle, 193 S.W.3d 435, 439-40 (Mo. App. W.D. 2006) ("an easement constitutes an interest in real estate"). As the

Commission recognized, the easements held by GBE are "to be used for or in connection with" the development of the Project whose purpose is the transmission and sale of electricity, and fall within the meaning of electric plant under Section 386.010(14). CCN Order at 37.

Mr. Detweiler also testified that GBE continues to possess cash or cash equivalents to be used for project development. See Tr. 72, 75-77. During an in camera session, he confirmed the amount of GBE's current assets that consisted of cash and cash equivalents, as set forth in the company's December 31, 2018 balance sheet. See Tr. 71-72; Exhibit 13(C) at 1. The Commission has stated that the cash or cash equivalents that GBE holds, "to be used for or in connection with" the development of the Project, are personal property and electric plant. CCN Order at 37. See Fleischmann v. Mercantile Trust Co., 617 S.W.2d 73, 73-74 (Mo. en banc 1981); In re Armistead, 245 S.W.2d 145, 147 (Mo. 1952) ("money[s] on deposit" are "intangible personal property" subject to taxation); State ex rel. Reid v. Barrett, 118 S.W.2d 33, 37 (Mo. App. St. L. 1938).

Finally, the Company holds county road-crossing assents (also referred to as franchises by some Missouri courts) that were issued pursuant to Section 229.100. These county road-crossing assents issued to Grain Belt Express, some of which have never been challenged, are considered franchises or licenses and, therefore, are a form of personal property. The Supreme Court has referred to the assent that a county may grant before any person, corporation, or other entity may erect poles for the suspension of electric wires that cross the public roads or highways of any county as a "franchise." Missouri Public Serv. Co. v. Platte-Clay Elec. Coop., 407 S.W.2d 883, 889 (Mo. 1966). The Supreme Court cited Section 7924 of the 1929 Revised Statutes, the predecessor to Section 229.100. See § 229.100, History & Statutory Notes. Similarly, the Court of Appeals in StopAquila.org v. Aquila, Inc., 180 S.W.3d 24, 40-41 (Mo.

App. W.D. 2005), expressly referred to the assent that a county commission issues under Section 229.100 as a franchise.

Under Missouri law franchises are personal property, typically classified as intangible. See Norris v. Norris, 731 S.W.2d 844, 845 (Mo. en banc 1987); Ackerman Buick, Inc. v. General Motors Corp., 66 S.W.3d 51, 61 (Mo. App. E.D. 2001) (a franchise is "personal property"); Ludlow-Saylor Wire Co. v. Wollbrinck, 205 S.W. 196, 198 (Mo. en. banc. 1918); State ex rel. Reid v. Barrett, 118 S.W.2d 33, 36-37 (Mo. App. St. L. 1938) (property includes "physical things, such as lands, goods, money; intangible things, such as franchises"). Therefore, the Section 229.100 county assents or franchises held by Grain Belt Express are personal property under the definition of electric plant.

The Missouri Landowners Alliance, Show Me Concerned Landowners, and Joseph and Rose Kroner (collectively referred to as "MLA") have indicated their intention to argue that in filings in other cases GBE has criticized the use of the term "franchise" as an accurate or proper description for a Section 229.100 county road-crossing assent. Regardless of whether a county road-crossing grant of authority is referred to as an "assent," a "franchise," a "license," a "permit" or something else, it is nonetheless a valid interest in personal property under Missouri law. And, relevant to the proceedings before this Commission, such an interest qualifies as personal property under the definition of electric plant in Section 386.010(14). None of Intervenors' discovery in this proceeding or filings from other cases can dispute this fact.

Therefore, GBE's real estate and personal property holdings are sufficient for it to act as an electrical corporation in Missouri that owns electric plant, as this Commission has already found in the CCN Order.

B. Grain Belt Express Will be Devoted to a Public Use under Missouri Law and Will Offer Wholesale, Interstate Transmission Service that is not Unduly Discriminatory or Preferential under FERC Regulations and the Federal Power Act.

MLA argues that Grain Belt Express is not an electrical corporation, even if it meets the statutory definition of Section 393.190, because it is not "devoted to a public use," as discussed in State ex rel. M.O. Danciger & Co. v. PSC, 205 S.W. 36, 39-40 (Mo. 1918) ("Danciger"). See Statement of Position of MLA at 1-4 (Apr. 12, 2019). The critical flaw in MLA's argument is that it reads the word "retail" into the definition of electrical corporation under Section 386.020(15), as well as electric plant under Section 386.020(14). These definitions are not limited to the ownership, operation or management of *only* retail electric plant, or the generation, transmission, distribution, sale or furnishing of electricity *only* for retail service. Therefore, the Commission has jurisdiction under Section 393.190 to approve the acquisition of GBE by Invenergy Transmission.

The definitions of both electric plant and electrical corporation are broad, not narrow. This is why the Commission recently exercised its lawful authority to grant GBE a CCN under Section 393.170.2. See CCN Order at 50-54. This decision is consistent with similar decisions issued over the past 18 years to other electrical corporations to operate wholesale transmission projects that are rate regulated by the Federal Energy Regulatory Commission ("FERC"), but which required the permission of this Commission to be constructed in Missouri. See In re Ameren Trans. Co. of Illinois, No. EA-217-0345 (Jan. 10, 2018); In re Transource Missouri LLC, No. EA-2013-0098 (2013); In re Interstate Power & Light Co., No. EO-2007-0485 (2007); In re IES Utilities, Inc., No. EA-2002-296 (2002).

The issue decided by the Missouri Supreme Court in Danciger was whether the Royal Brewing Company in Weston was furnishing electricity for "public use" when its plant sold

power to a limited number of private businesses and residences located within three blocks of the brewery. Danciger, 205 S.W. at 37. Under these circumstances the Court held that the plant's private property was not "devoted to a public use" and that the brewery was not acting as a public utility. Id. at 37-40. Finding that there was "no explicit professing of public service," the Court concluded that the brewery had not devoted itself to a public use and therefore could not be regulated by the PSC. Id. at 40.

In contrast, the Grain Belt Express Project will serve the public. Under FERC protocols, GBE must broadly solicit interest in the Project, the rates that it negotiates must be just and reasonable, without undue discrimination or preference, and the service must not impair regional reliability and operational efficiency. Unlike the Royal Brewing Company, GBE does not have unfettered discretion to choose its customers and charge what it pleases. Rather, GBE must abide by specific regulations regarding the solicitation of customers and negotiation of rates. As Invenergy Senior Vice President Kris Zadlo explained, FERC has established these criteria to determine whether merchant transmission projects like the Project should be granted the right to charge negotiated rates for transmission rights under an Open Access Transmission Tariff ("OATT"). See Tr. 107-08, 121-25 (K. Zadlo).

In its Order Conditionally Authorizing Proposal and Granting Waivers in Grain Belt Express Clean Line LLC, 147 FERC ¶ 61,098 at Para. 9 (2014), FERC stated:

> The Commission's analysis for evaluating negotiated rate applications focuses on four areas of concern: (1) the justness and reasonableness of the rate; (2) the potential for undue discrimination; (3) the potential for undue preference, including affiliate preference; and (4) regional reliability and operational efficiency requirements.

These criteria are applied to merchant transmission projects like the GBE Project because developers of such merchant proposals assume all of the market risk of a project and have no

captive customers from which to recover the cost of the project. Id., 147 FERC ¶ 61,098 n.1. GBE will offer transmission service through an OATT that will be filed with and subject to the jurisdiction of FERC under Section 205 of the Federal Power Act. See Hudson Transmission Partners, LLC, 135 FERC ¶ 61,104 at nn. 1-2 & Para. 14 (2011). Therefore, GBE is an electrical corporation that will operate electric plant that is devoted to the public use.

As the Commission found in its CCN Order, "an entity that constructs and operates a transmission line bringing electric energy from electrical power generators to public utilities that serve consumers is a necessary and important link in the distribution of electricity and qualifies as a public utility." See CCN Order at 38.

Given the Commission's recent order denying rehearing in the CCN case, any attack upon those findings violates Section 386.550, as discussed above. See Order Denying Applications for Rehearing, In re Grain Belt Express, No. EA-2016-0358 (Apr. 24, 2019).

MLA presents a similar collateral attack on the Commission's jurisdiction, arguing that because GBE will not offer retail service in Missouri, the PSC has no jurisdiction to authorize the Transaction under Section 393.190 because GBE is not a public utility. See MLA's Statement of Position at 4-5. MLA takes the extreme position that if GBE is a Missouri electrical corporation and a public utility, "then it is subject to the entire purview and regulation of the Commission, including the authority of the commission to compel the company to provide service to all residences and businesses in the area where it provided service." Id. at 2 (original emphasis).

Under this theory, MLA acknowledges that GBE's rates and operations will be subject to FERC regulation because under Section 201 of the Federal Power Act it will engage in the "transmission of electric energy in interstate commerce" and the "sale of electric energy at

wholesale in interstate commerce." Id. at 4. See 16 U.S.C. § 824(b)(1). However, they attempt to use these facts to support their argument that the Commission lacks jurisdiction under Section 393.190, just as they sought to deprive the Commission of jurisdiction in the CCN case under Section 393.170.

The Commission rejected this argument in the CCN case, declaring that because "[s]tates retain the authority to regulate such matters as … facilities used for transmission of electricity" that will "provide energy to Missouri citizens," neither federal regulation nor state law deprived the Commission of jurisdiction. See CCN Order at 39.

Applying this logic to a recent utility acquisition case, the Commission approved the sale of the assets of the holding company that owned ITC Midwest to Fortis Inc. under Section 393.190.1 See Order Approving Stipulation & Agreement and Granting Joint Application for Approval of Merger at 4-5, In re ITC Midwest LLC's and Fortis Inc.'s Joint Application for Approval of Merger, No. EM-2016-0212 (Sept. 14, 2016). The Commission declared that while it did not regulate ITC Midwest's rates under Chapters 386 and 393, it "does maintain jurisdiction concerning non-rate matters involving the portion of ITC Midwest's Missouri transmission line, such as general safety and the transfer of the franchise or property." Id. As a result, the PSC found that the company was required to obtain the authorization of the Commission before completing the merger, noting that it had jurisdiction to determine whether the transaction is "not detrimental to the public interest." Id. at 5. Concluding that the evidence supported a finding that the merger was not detrimental to the public interest, the Commission granted its approval under Section 393.190. Id. at 5-6.

There is no legal impediment to the PSC exercising such jurisdiction in this case. The Commission should find that the facts in this case show that the acquisition of GBE by Invenergy Transmission is not detrimental to the public interest and should approve the Transaction.

III. The Transaction Is Not Detrimental to the Public Interest, Promotes the Public Interest, and Should Be Approved By the Commission

The Transaction meets the standard for granting approval under Section 393.190.1 and the "not detrimental to the public interest" standard.[2] In addition to meeting the "not detrimental to the public interest" standard, the Transaction promotes the public interest, as will be discussed in greater detail below.

A. The Commission Has Already Recognized the Significant Public Benefits of the Project in the CCN Proceeding, and the Transaction Will Help Bring the Project to Fruition

The Transaction promotes the public interest because it will facilitate the continued development of the GBE Project, which will deliver low-cost wind energy to Missouri wholesale customers, who will, in turn, provide that low-cost energy to their Missouri retail customers. The Commission has found that the GBE Project is in the public interest and the Transaction facilitates the fulfillment of that public interest.

The benefits of the Project were discussed at length by numerous witnesses during the March 2017 evidentiary hearing in the CCN Proceeding. The CCN Order stated:

> 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

[2] State ex rel. City of St. Louis v. Public Service Comm'n, 73 S.W.2d 393, 400 (Mo. banc 1934); see also, In the Matter of the Application of Great Plains Inc. for Approval of its Merger with Westar Energy, Inc., Case No. EM-2018-0012, Report & Order, pp. 27-28 (May 24, 2018); In the Matter of the Joint Application of Great Plains Energy Inc., Kansas City Power & Light Co., and Aquila, Inc. for Approval of the Merger of Aquila, Inc. with a Subsidiary of Great Plains Energy Inc. and for Other Related Relief, Case No. EM-2007-0374, Report & Order, pp. 228-232 (July 1, 2008);

> 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. CCN Order at 47.

In finding that the Grain Belt Project is in the public interest, the PSC stated that the Project will lower energy production costs in Missouri and will have a substantial and favorable effect on the reliability of electric service in Missouri, particularly through its effect on wind diversity in the region. Id. at 46. The Commission further found that the Project will result in an estimated range of $12.8 million in annual savings for customers of Missouri Joint Municipal Electric Utility Commission ("MJMEUC"), which will receive up to 250 MW of capacity from the Project through an existing Transmission Services Agreement. Id. at 15-16. In evaluating the specific benefits of the Project, the Commission found that the construction phase of the Project will support 1,527 jobs over 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. Id. at 46. The Project will also result in significant property tax benefits to affected counties, a total of approximately $7.2 million in the first year of operation. Id. In the first year of operation, the Project will result in approximately $14.97 million in easement payments to landowners and create 91 jobs, $17.9 million worth of personal income, and $9.1 million in gross domestic product. Id.

In the current proceeding, Staff's Rebuttal Report also referred to the findings in the CCN case and the Commission's determination that the Project is in the public interest. Staff stated that it has no reason to question that Invenergy is qualified to own, operate, control and manage the facilities and provide the service related to the Project. Ex. 6 at 4 (Staff Rebuttal Report). In addition, Staff reviewed Invenergy's updated financial statements, which "continue to suggest

Invenergy's proposed acquisition of Grain Belt would not be detrimental to the public interest." Id. at 10. Accordingly, Staff recommended that the Commission find that the Transaction is not detrimental to the public interest, and further recommended that the Commission approve the Application subject to the conditions ordered by the Commission in its March 20, 2019 Report and Order on remand in the CCN case. Id. at 10-11.

The Commission's approval of the proposed Transaction will bring the numerous benefits associated with the Project closer to completion by Invenergy's provision of a much more broad financial platform to GBE, and by virtue of Invenergy's experience in raising significant capital, as evidenced by the strength of its investment partners and its experience in raising more than $30 billion since 2011 to finance projects. As described by Invenergy Senior Vice President of Financial Operations, Andrea Hoffman, not only does Invenergy have significant assets and equity (in excess of $9 billion in assets and $3 billion in equity), it has the ability to raise significant capital whenever necessary based on both its reputation and status as a leading developer in the industry, as evidenced by the strength of its investment partners and its experience in raising more than $30 billion since 2001 to finance projects. Ex. 2 at 4-5 (Hoffman Direct Testimony); Tr. 83.

B. Invenergy's Extensive Experience Developing and Operating Renewable Projects Will Facilitate the Development of the GBE Project

Invenergy's significant experience developing and maintaining generation and transmission assets will be invaluable to the successful continued development of the GBE Project. As explained by Invenergy witness Kris Zadlo, since 2001, Invenergy has built all required transmission and distribution lines, generator step-up transformers ("GSUs"), and substations for its facilities in numerous regions, including within the regions managed by Southwest Power Pool, Inc. ("SPP"), Midcontinent Independent System Operator, Inc. ("MISO")

and PJM Interconnection, LLC ("PJM"). Invenergy developed, permitted and constructed this infrastructure across various terrains, state and local jurisdictions, and in vastly differing environmental and regulatory conditions. This effort has led to the construction of over 392 miles of high-voltage transmission lines, over 1,748 miles of distribution lines, 59 substations and 73 GSUs of which several have been built for utilities. Ex. 3 at 8 (Zadlo Direct Testimony).

Invenergy has project development personnel who possess comprehensive and long-term experience in right-of-way issues, material procurement, contract negotiation, and construction of electrical transmission and substations. Id. at 9-10. Further, Invenergy's approach to project management and construction has resulted in the successful development of 5 projects totaling approximately 840 MWs in the SPP footprint and currently has over 109 active requests in the SPP queue. Invenergy has also developed 23 projects totaling approximately 5,160 MWs in the MISO footprint and currently has over 60 active requests in the MISO queue. Finally, Invenergy has developed 7 projects totaling approximately 2,700 MWs in the PJM footprint and currently has over 65 active requests in the PJM queue. Id. These successfully developed projects provide ample demonstration of Invenergy's project development experience, and the Commission's approval of the Transaction will permit Invenergy to utilize its expertise on the GBE project.

MLA attempts to undermine Invenergy's project development experience and financial resources by asserting that National Grid, one of the early investors in Clean Line, has significantly greater assets than Invenergy and has built more transmission than Invenergy. See Tr. 81-85. However, MLA has provided no expert or other testimony to challenge Invenergy's development expertise which remains entirely undisputed. To the contrary, the evidence is clear that Invenergy is qualified to carry out and complete the Project. As an investor in the Project and Board Member of Clean Line, National Grid is aware of and approves of the proposed

Transaction. See Ex. H to Joint Application (Written Consent of the Board of Directors of Clean Line Energy Partners, LLC.) National Grid has expressed no inclination to retain ownership of the Project, making MLA's attempted comparison even more moot. Accordingly, all of MLA's arguments regarding National Grid should be rejected by the Commission as a red herring.

C. Invenergy's Financial Experience Will Aid the GBE Project in Obtaining Both Construction and Long-Term Financing

Not only does Invenergy have significant assets and equity, it has the ability to raise significant capital whenever necessary based on both its reputation and status as a leading developer in the industry, as evidenced by the strength of its investment partners and its history of raising more than $30 billion since 2001 to finance projects. Ex. 2 at 4-5 (Hoffman Direct Testimony). Invenergy maintains strong relationships with more than 60 financial institutions worldwide, including international and domestic banks, multilateral development banks, export credit agencies and pension funds. In the U.S. alone, Invenergy has financed and executed on projects in 23 states. Id. at 5.

Consistent with its prior experience, Invenergy expects to engage a lender or group of lenders approximately six to nine months prior to commencement of construction to provide a construction loan for the GBE Project. The construction loan and equity capital provided by Invenergy, and potentially other investors, is expected to be sufficient for the entire construction cost of the Project. Id. at 7. Subsequent to the financing of development and construction activities, following achievement of commercial operations, more permanent financing, such as term debt and equity financing, will rely on the contracted cash flow from transmission service or capacity contracts with its transmission customers for repayment, and the debt will also be secured by the Project's assets and contracts. Id. at 7-8.

As the Commission noted in the CCN Order, Invenergy has an "impressive record of development and construction of energy projects," and Commission approval of the Transaction will empower Invenergy to bring its experience to bear on the GBE Project, thereby paving the way for the multitude of public benefits of the Project to become an actuality. See CCN Order at 43.

IV. If the Commission Conditions its Approval of Invenergy Transmission's Acquisition of GBE, the Conditions Should Be Those Set Forth in the CCN Order

Staff has recommended that the Commission approve the Application subject to the conditions ordered by the Commission in its CCN Order. Mr. Zadlo filed Surrebuttal Testimony on April 4, 2019, in which he testified that Invenergy agrees to the conditions outlined by the Commission in the CCN Order. No other party has submitted proposed conditions for the Commission's consideration. Accordingly, if the Commission conditions its approval of Invenergy Transmission's, the conditions should be those set forth in the CCN Order, as recommended by Staff.

[Signatures on following page]

Respectfully submitted,

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ATTORNEYS FOR GRAIN BELT EXPRESS HOLDING LLC AND GRAIN BELT EXPRESS CLEAN LINE LLC

CERTIFICATE OF SERVICE

I hereby certify that a copy of the foregoing was served upon all parties of record by email or U.S. mail, postage prepaid, this 6th day of May, 2019.

/s/ Anne E. Callenbach
Attorney for Invenergy Transmission LLC