

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 Voltage, Direct) Case No. EA-2016-0358
Current Transmission Line and an Associated Converter)
Station Providing an interconnection on the Maywood-)
Montgomery 345 kV Transmission Line)

RESPONSE OF THE MISSOURI LANDOWNERS ALLIANCE
TO RESPONSE OF INFINITY WIND POWER TO MLA’S MOTION TO COMPEL

Comes now the Missouri Landowners Alliance (MLA), pursuant to Commission Rule 4 CSR 240-2.080(13), and respectfully submits the following response to the “Response of Infinity Wind Power to MLA Motion to Compel,” filed on March 10, 2017. The MLA stands on its Motion to Compel, other than to address certain comments by Infinity Wind Power (Infinity) which were not addressed in the Motion to Compel.

1. Taking Infinity’s arguments in a logical sequence, they contend that it doesn’t really matter whether Infinity and Iron Star can fulfill the terms of the PPA with MJMEUC because if Infinity and Iron Star fail to perform, then MJMEUC could find comparably priced energy from a different supplier.¹ That argument is flawed. MJMEUC presumably signed with Infinity because they offered the lowest price for their energy. So even if Infinity defaulted tomorrow, the price of the alternative would almost surely be higher.

But more importantly, if Infinity or Iron Star fails to perform, the problem may not surface until some years down the road. And at that point it is anyone’s guess as to

¹ Infinity Response par. 9 and 11.

whether and by how much the price of energy available to MJMEUC might have changed from that negotiated with Infinity. This question is particularly relevant because each year of delay would likely mean the loss of another 20 percentage points in the value of the Investment Tax Credit.² This fact almost guarantees that prices from wind farms developed several years from now will be higher than what MJMEUC would pay under its PPA with Iron Star. Thus Infinity has no logical basis for the blanket assertion that “MJMEUC would be able to obtain comparably priced wind power from another developer.”³

3. Given that Infinity’s claim in that regard is at best speculative, then its ability to fully perform under the terms of its PPA with MJMEUC is indeed relevant to the issuance of a CCN to Grain Belt. If several years down the road Infinity becomes the next SunEdison, and fails to get the Iron Star project off the ground, then it is certainly conceivable that the combination of the Grain Belt line and the then-best cost for the energy is no longer the best solution for MJMEUC. And the potential for MJMEUC to then opt out of the Grain Belt contract is certainly a relevant consideration in determining the need for the line in Missouri. Without the MJMEUC contract, Grain Belt has little or no basis for distinguishing the current situation from the 2014 case. In fact, Infinity recognizes as much. It states that the PPA between Infinity and MJMEUC supports the showing that the Grain Belt line is indeed needed.⁴ So logically, the potential absence of such a PPA would work in just the opposite direction.

² Rebuttal testimony of Joseph J. Jaskulski, Exh. 300, p. 12 lines 231-34.

³ Infinity Response par. 10.

⁴ Infinity Response, par. 6.

4. Infinity argues that the MLA is asking the Commission to apply the Tartan criteria of financial viability not only to Grain Belt, but also to Infinity.⁵ That is only true to the extent that Infinity's financial viability affects the ultimate need for the line and the economic feasibility of the Project. And there is no doubt that if Infinity fails to perform, then Grain Belt's prospects under those two criteria are adversely affected.

5. Infinity contends that its financial viability should be deemed beyond reproach because it has supposedly developed the nine projects shown on Attachment A to its Response. However, as the adage says, "past performance is not an indicator of future success." Moreover, MJMEUC's contract is with Iron Star, not with Infinity. And under the terms of that contract, even if Infinity is in fact financially sound, MJMEUC has no recourse against Infinity in the event of default by Iron Star.⁶ And as something of an aside, it is not even clear what role Infinity actually played in the projects listed on their Attachment A. For example, compare that list of projects to those included at unnumbered page 4 of Schedule DAB-3 to Mr. David Berry's direct testimony.

In short, the financial viability of both Infinity and Iron Star are legitimate issues in this case. The section of the PPA with MJMEUC dealing with "Events of Default", including the possibility of bankruptcy, was obviously included for a reason.⁷

6. Infinity also resorts to marginalizing the MLA, arguing that it is not even qualified to evaluate Infinity's financial viability.⁸ Be that as it may, Infinity would presumably agree that this Commission is qualified to make such a determination. But

⁵ Infinity Response, par. 7.

⁶ See Contract at Schedule JG-4 to Mr. Grotzinger's rebuttal testimony, Section 13.12, page 38.

⁷ Id. at page 24.

⁸ Infinity Response, page 1; par. 8; page 6.

the Commission will never have the opportunity to do so unless one of the parties presents it with facts which allow the Commission to review that issue for itself.

WHEREFORE, the MLA respectfully renews its request that the Commission direct Infinity to provide responses to MLA Data Requests IW.5 and IW.8.

Respectfully submitted,

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CERTIFICATE OF SERVICE

I certify that a true and correct copy of the foregoing document was served upon the parties to this case by electronic mail this 13th day of March, 2017.

/s/ Paul A. Agathen
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