

**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

**MISSOURI DEPARTMENT OF ECONOMIC DEVELOPMENT'S
POST-HEARING REPLY BRIEF**

COMES NOW the Missouri Department of Economic development (“DED”), by and through the undersigned counsel, and for its *Post-Hearing Brief* in the above-styled matter, states:

DED believes that the issues as to the effect of the *Neighbors United* decision on this proceeding, along with other issues, have been adequately briefed by the other parties and therefore require no additional treatment.¹ Instead, DED writes this reply brief for two purposes: first, to rebut the attacks on Mr. Alan Spell’s economic analysis, and second to clarify DED’s position both as to the county consents and the decommissioning fund conditions. In short, the evidence in the record clearly establishes that the Grain Belt Express Clean Line LLC ("Grain Belt") project will provide a positive economic impact to the state. As to the second issue, DED believes that a certificate of convenience and

¹ For the record, DED does not believe that *Neighbors United* precludes consideration of this application.

necessity can be issued with proper conditions to protect the interests of the public. Those conditions can include obtaining appropriate county consents. Moreover, for the decommissioning fund, the Commission should show flexibility to the applicant to provide any means of liquid financial backing to ensure the performance of the fund.

1. No Party has Adequately Rebutted Mr. Spell’s Analysis Regarding Economic Benefit with Admissible Expert Testimony

Several parties question the analysis that was put forward by Mr. Alan E. Spell. These concerns are premised on purportedly displaced industries and interests that might be affected by the construction of the Grain Belt project. These interests have not been provided in the form of actual evidence. Instead, several parties attempt to use attorney argument to fill the void of admissible expert testimony—claiming that purportedly displaced coal and agricultural interests should outweigh the economic benefit despite the fact that such impacts are not quantified in any appreciable manner. The mere specter of an economic impact on these industries is not a substitute for evidence on the same point. Indeed, Mr. Spell testified that he did not believe the economic detriments of the project would outweigh its economic benefits.²

Common sense would dictate that Mr. Spell’s testimony holds weight. Grain Belt has given its assurance that Missouri companies will be tapped for the production of materials to be used in the construction of the project.³ Any assertion that the construction of the line would not have positive impacts for the Missouri economy, when

²Tr. at 1256-1257.

³ Tr. Vol. 10, pp. 147-148, ll. 1-25 and 1-4.

the sources for materials for that project are to be located within the state, is simply not credible.

What remains when the attorney argument is put to the side is Mr. Spell's model. The estimated benefits of the project include over 1,500 new jobs over the three year project construction period, 91 jobs in the project's first year of operation, and 28 jobs in subsequent years of operation; new personal income in the amount of \$246 million during construction, \$17.9 million in the first year of operation, and \$2.6 million in subsequent years of operation; and, new gross domestic product in the amount of \$476 million during construction, \$9.1 million in the first year of operation, and \$4.2 million in subsequent years of operation.⁴ As Mr. Spell candidly testified, a model like REMI is not a crystal ball, but it is nonetheless a useful tool to estimate what the future may bring.⁵ DED is aware of no other economic modeling software on the market that is more accurate than REMI.⁶ Against a vacuum of contrary evidence, the Commission should give Mr. Spell's testimony its full weight.

This economic benefit, coupled with the fact that the project will allow parties like MJMEUC to meet renewable demands at a supra-competitive rate, means that this project is within the public interest.

2. Clarity as to DED's Position on Conditions to be placed on the Certificate of Convenience and Need

⁴ Exhibit No. 526, pp. 2-3, ll. 21-22 and 1-23.

⁵ TR. Vol. XVI, Page 1241-2.

⁶ *Id.* at 1284-5

DED has listed several conditions that may appropriately be placed on the Certificate of Convenience and Necessity. As to the county assents, DED wishes to clarify its position. The necessary county consents may be added as a condition on the certificate itself and need not be in place before issuing any certificate in the first place. While DED maintains that the counties are in the best position to protect local land owner rights, the manner in which the Commission decides to meet that policy goal should be flexible and appropriate given circumstances.

Additionally, DED stated that a condition should include directing Grain Belt to start paying into a decommissioning fund. DED did not believe that this condition requires cash payments on hand. Rather, the Commission should allow Grain Belt to utilize any manner of cash equivalent that is sufficient to ensure performance of the fund. By way of example, it would be appropriate to accept a letter of credit from a reputable financial institution in the amount necessary and appropriate under the circumstance to guarantee performance.

Respectfully submitted,

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CERTIFICATE OF SERVICE

I hereby certify that copies of the foregoing have been served electronically on all counsel of record this 24th day of April, 2017.

/s/ Brian Bear _____

Brian Bear