BEFORE THE PUBLIC SERVICE COMMISSION
OF THE STATE OF MISSOURI

In the Matter of the Application of Grain Belt Express LLC for an Amendment to its Certificate Of Convenience and Necessity Authorizing it to Construct, Own, Operate, Control, Manage, and Maintain a High Voltage, Direct Current Transmission Line and Associated Converter Station	))))))	File No. EA-2023-0017

POSITION STATEMENT OF THE MISSOURI LANDOWNERS ALLIANCE[1]

Pursuant to the Commission's April 3, 2023 Order Amending Procedural Schedule, the Missouri Landowners Alliance ("MLA") hereby files this Position Statement.

1. **Does the evidence establish that the following amendments to the Certificate of Convenience and Necessity ("CCN") held by Grain Belt Express LLC ("Grain Belt Express") are "necessary or convenient for the public service" within the meaning of that phrase under section 393.170, RSMo:**

a. Relocating the Missouri converter station from Ralls County to Monroe County and increasing the capacity of the Missouri converter station from 500 MW to 2500 MW.

The requested five-fold increase in the capacity of the Missouri converter station should be rejected because Grain Belt has failed to meet two of the Tartan factors related to this proposed amendment: that there must be a need for the service; and that the revised Project is economically feasible.

Need for the expanded service

In the last Grain Belt CCN case, No. EA-2016-0358 ("the last CCN case"), in its Report and Order on Remand, issued March 20, 2019 ("Report and Order on Remand"),

[1]This Position Statement is submitted by the Missouri Landowners Alliance, the Eastern Missouri Landowners Alliance d/b/a Show Me Concerned Landowners, Norman Fishel, Gary and Carol Riedel, and Dustin Hudson. For convenience, this group will be collectively referred to here as the MLA.

the Commission found that the Project was needed primarily because of the benefits to MJMEUC (now MEC) and its customers. (Report and Order on Remand, p. 41)

Given that fact, it is important to remember that if the Commission rejects Grain Belt's proposal to expand the capacity of the Missouri converter station, the MEC would lose none of the benefits relied upon by the Commission in the last CCN case. Grain Belt's CCN would simply remain unchanged from what it has today, as would its obligations to the MEC.[2] Thus the MEC benefits cited in the last CCN case do not justify the proposed change in the capacity of the Missouri converter station.

The fundamental reason why the revamped version of the converter station fails to meet the Tartan "need" test is this: based upon the minimal lack of customer commitment for the existing 500 MW in Missouri, Grain Belt has failed to prove that this state needs any expansion in the capacity of the converter station – much less a five-fold increase.

At the time of the last CCN case, Grain Belt had only the contract for 136 MW of firm capacity with the MEC, plus another 25 MW for Missouri delivery with a company called Realgy. (Report and Order, p. 14, 16). That is the sum total of Grain Belt's success over the past nine years in convincing customers of the need for even 500 MW of capacity in Missouri.[3]

And even the sale to MEC is not a true indication of demand for Grain Belt's product. As an inducement to make that purchase Grain Belt offered the MEC a rate

[2] See direct testimony of Mr. Shashank Sane, p. 13, lines 3-4, stating that the MJMEUC contract is still in place.
[3] Grain Belt's Application in its first CCN case, EA-2014-0207 was filed on March 26, 2014. See Report and Order, p. 3, EFIS 547.

below market-price,[4] in what is referred to by Staff and even by Grain Belt as a "sweetheart deal".[5] And as Grain Belt's witness Mr. Sane concedes, Grain Belt will need to sell the remaining capacity in Missouri at even higher rates[6] – rates for which there have been no takers.

Given the lack of success over the past nine years in selling the initial 500 MW of capacity at a sustainable rate, Grain Belt has failed to prove there is a need in Missouri for five times that amount of capacity.

Economic Feasibility

Grain Belt has also failed to meet its burden of showing that the revised project, with 2500 MW of capacity going to Missouri, is economically feasible.

In addressing this issue in the last CCN case, the Commission found that "it is the 3500 MW portion of the project to be sold in PJM that demonstrates the financial viability of the project overall, since power prices for PJM are generally $10/MWh higher than prices paid for the energy sold into the MISO market in Missouri." [7]

Here, under its proposal for "phasing" (as discussed below), Grain Belt would have no obligation to even build Phase 2 of the project, which would constitute the key link for the sales into the PJM system. But even assuming Phase 2 is eventually completed, there is no evidence in this case that the prices paid in PJM still demonstrate "the financial viability of the project overall."

Moreover, under Grain Belt's latest proposal, presumably only 2500 MW of capacity would be delivered to the Illinois/Indiana converter station, instead of the 3500

[4] See Rebuttal Testimony of MEC witness Mr. John Grotzinger, p. 11 line 22 – p. 12 line 12).
[5] See Staff Report, last line of p. 1.
[6] Surrebuttal testimony of Mr. Sane, p. 16, lines 10-11.
[7] Report and Order, p. 44.

MW relied upon by the Commission in the last CCN case.[8] Thus there will be significantly lower sales to the PJM market to support the overall financial viability of the project.

Also related to financial viability, Invenergy has filed a formal complaint against MISO at the FERC, seeking to force MISO to modify its treatment of the Grain Belt project in MISO's yearly review of potential transmission additions.[9] The MLA contends that Invenergy's efforts in that case could prevent MISO from pursuing alternative transmission service that could duplicate Grain Belt's project. If Grain Belt is attempting to eliminate competition from MISO, there is reason to question Grain Belt's financial viability.

Additional issues potentially related to the first proposed amendment

While it is not clear which of the amendments or which of the Tartan factors it relates to, Grain Belt witness Dr. Loomis submitted a study which purports to show the economic impacts of the revised project.[10] However, Dr. Loomis' study provides nothing of value with respect to any issue in this case. It should therefore be ignored by the Commission on the grounds discussed by Staff[11], as well as the study's failure to recognize that the supposed benefits from the line are offset by economic detriments directly attributable to the project.

Finally, as to the first proposed amendment, if the Commission does approve the increase in the capacity of the Missouri converter station, the MLA takes no position

[8] The total proposed capacity of the line is 5,000 MW. (Grain Belt's Application, p. 13, par. 33, filed on August 24, 2022). With 2,500 MW proposed for delivery in Missouri, that leaves only 2,500 MW for delivery at the Sullivan substation for sale into PJM.
[9] See Surrebuttal testimony of Mr. Sane, p. 10 line 20 – p. 11 line 9.
[10] Direct Testimony of Dr. David G. Loomis, p. 5, line 2.
[11] Rebuttal Testimony of Mr. Michael L. Stahlman, p. 7 line 21 – p. 8 line 10.

concerning the relocation of the AC connector line. If the Commission rejects the proposal to increase the capacity of the converter station, then the relocation of the AC connector line is presumably a moot issue.

b. Relocating the AC connector line (the "Tiger Connector") from Ralls County to Monroe, Audrain, and Callaway Counties.

If the Commission rejects Grain Belt's proposal to increase the capacity of the Missouri converter station from 500 MW to 2500 MW, as discussed above, then there is no basis for relocating the AC connector line. The proposal to do so would be moot at that point, and should therefore be rejected.

If the Commission does approve the increase in the capacity of the converter station, then as indicated above the MLA takes no position concerning the relocation of the AC connector line.

c. Constructing the Project in two phases.

i. If the Commission determines that constructing the project in two phases is "necessary or convenient for the public service," should the Commission approve a modification to the "Financing Conditions," as set forth in Section 1 of Exhibit 1 to the Report and Order on Remand in Case No. EA-2016-0358, to allow for constructing the Project in two phases?

By requiring in the last case that Grain Belt secure financing for the entire project before any portion of it could be built, the Commission guaranteed that Grain Belt would need to build what it now calls Phase 2 if it wanted to build anything at all. But under Grain Belt's proposal in this case, it would be under no obligation to ever build Phase 2 of the project. It could simply stop with Phase 1.

One consequence of giving Grain Belt that option is that the absence of Phase 2 would eliminate the bulk of the sales to the PJM area, which the Commission found in

the last case was the critical element in ensuring the financial viability of the entire project.[12]

Several Grain Belt witnesses contend that its proposed phasing plan would expedite the benefits of Phase 1 for Missouri.[13] Yet not one of their witnesses mention that the plan would also expedite the collection of Grain Belt's profits.

2. Should the Commission approve a modification of the Landowner Protocols, as referenced and incorporated into the Report & Order on Remand in Case No. EA-2016-0358, to modify the compensation package offered to Tiger Connector landowners?

In the last CCN case, Grain Belt was required to pay 110 % of the of the fair market value of the easement property, plus an additional payment for any support structures built upon the easement property (which included $6,000 for monopole structures).[14] Grain Belt is now proposing to pay 150% of the fair market value of the easement property, but with no payment for any support structures.[15]

This change may be beneficial to some landowners, but for others the lack of structure payments will undoubtedly more than offset the 150% payment for the easement property. Grain Belt's proposal is inequitable and should therefore be rejected -- at least for all easements signed after the final order is issued in this case.

In lieu of Grain Belt's proposal, the MLA suggests that for easements signed after the final order is issued in this case, the landowner be given the choice of the payment schedule proposed in this case by Grain Belt, or the payment schedule approved by the Commission in the last CCN case.

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[12] Report and Order, p. 44.
[13] See, e.g., surrebuttal testimony of Rolanda Shine, p. 9, line 11 and page 11 line 12; surrebuttal testimony of Kevin Chandler, p. 5 lines 7-8.
[14] Direct testimony of Kevin Chandler, p. 15, lines 17-18
[15] Id. at p. 15, lines 21-22.

3. Should the Commission approve a modification of Ordering Paragraph 5 in the Report & Order on Remand in Case No. EA-2016-0358, such that easements obtained by means of eminent domain must be returned to the fee simple title holder if Grain Belt Express LLC does not satisfy the Financing Conditions within seven years, rather than five years, from the date that such easement rights are recorded with the appropriate county recorder of deeds?

There is no logical basis for giving Grain Belt an extra two years to obtain financing under the above provision.

This proposal was discussed by Mr. Kevin Chandler, at pages 19-20 of his direct testimony. He first points out that the seven-year term was included in the recently enacted House Bill 2005.[16] As Mr. Chandler acknowledges, that legislation does not even apply to Grain Belt.[17] Nevertheless, he argues that Grain Belt should reap the benefits of that one piece of the legislation "for fairness and consistency, and in deference to the General Assembly …."[18]

Those arguments might be meaningful if Grain Belt was also proposing that it be subject to all the other provisions in House Bill 2005 from which Grain Belt is exempt. Because Grain Belt is not volunteering to do so, the terms fairness, consistency and deference carry no weight.

In his surrebuttal, Mr. Chandler claims there would be "dramatic consequences" if all of HB 2005 was applied to Grain Belt[19]. But if any particular provision in the Bill is that onerous, as Mr. Chandler later describes in more detail[20], then Grain Belt could exempt itself from that one provision alone, while still accepting the other provisions of House Bill 2005 from which it is also exempt. Grain Belt is making no such suggestion.

[16] Id. p. 19, line 29 – p. 20 line 1.
[17] Id. p. 19 lines 19-22.
[18] Id. p. 20, lines 1-3.
[19] Surrebuttal testimony of Kevin Chandler, p. 10 lines 18-19.
[20] Id. p. 13, lines 3-13.

The fair and consistent solution here is to simply retain the 5-year provision approved in the last CCN case, and reject the 7-year provision which Grain Belt seeks to borrow from House Bill 2005.

4. If the Commission approves any or all of the foregoing amendments, what conditions, if any, should the Commission impose.

If the Commission does approve Grain Belt's proposal for the revised Project, the MLA respectfully asks that the Commission impose the following conditions:

(a) In order to avoid any misunderstanding, the Commission should reiterate that with respect to the revised project, Grain Belt must adhere to all of the conditions which were set forth in the last CCN case at Exhibit 206 and attached to the final order in that case as Attachment 1. (Report and Order, p. 51). (This recommendation by the MLA would not apply to any of the "Financing Conditions" set forth in Section I of that exhibit which might be modified by the Commission pursuant to its decision on Section 1.c above.)

(b) As in the last CCN case, the Commission should reiterate that Grain Belt must comply with the Missouri Landowner Protocol, including but not limited to, Grain Belt's Code of Conduct and the Missouri Agricultural Mitigation Impact Protocol, and incorporate the terms and obligations of the Missouri Landowner Protocol into any easement agreements with Missouri landowners. (Report and Order, p. 52, par. 8) (This recommendation by the MLA would not apply to any provision of the Landowner Protocol which might be revised by the Commission pursuant to its decision on Section 2 above.)

(c) The Commission should reiterate that Grain Belt must establish a decommissioning fund for the entirety of the revised project, adopting the same

provisions set forth at pages 52-53 of paragraph 9 in the Report and Order in the last CCN case. (Grain Belt apparently has no objection to this suggestion, as indicated in the Surrebuttal Testimony of Mr. Kevin Chandler at page 20 lines 11-16, and Section 8 of his Schedule KC-5.)

(d) The Commission should require Grain Belt to obtain all necessary environmental permits and approvals prior to construction of the Tiger Connector line. (Grain Belt has agreed to this condition, as indicated in the Surrebuttal Testimony of Ms. Stelzleni, at page 3, line 18 – page 4, line 2).

WHEREFORE, for the reasons set forth above, the MLA respectfully requests the Commission to reject in total the Application filed in this case by Grain Belt on August 24, 2022.

Respectfully submitted,

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Certificate of Service

A copy of this Position Statement was served by electronic mail this 30th day of May, 2023, to counsel for all parties.

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