

**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
STATEMENT OF POSITIONS**

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

1. Does the evidence establish that the Commission may lawfully issue to Grain Belt Express Clean Line LLC ("Grain Belt") the certificate of convenience and necessity (“CCN”) it is seeking for the high-voltage direct current transmission line and converter station with an associated AC switching station and other AC interconnecting facilities?

DED’s testimony indicates that the Grain Belt offers the potential to increase diversity of the state’s energy resources, spur infrastructure development, and result in enhanced economic activity, increased tax revenues, and job creation due to construction and ongoing operation of the transmission line. Nonetheless, to preserve and protect other affected interests in the state, the Public Service Commission’s (“Commission”) approval of a CCN must be premised on the conditions listed in response to Issue 3.

2. Does the evidence establish that the high-voltage direct current transmission line and converter station for which Grain Belt is seeking a CCN are “necessary or convenient for the public service” within the meaning of that phrase in section 393.170, RSMo.?

Answering this question requires adherence to the Commission’s rules governing CCN applications for electric plant at 4 CSR 240-3.105, as well as the statutory language at Section 393.170, RSMo. In evaluating CCN applications, the Commission has generally used a “five-factor test” which is alternatively known as the “Tartan 1 criteria.” The Commission ascertains whether a project encompassed by a CCN: 1) is necessary or convenient for serving the public; 2) can be undertaken by the applicant; 3) is financially feasible; 4) is economically feasible; and, 5) serves the public interest.

Regarding the first of these criteria, the courts have held that, “[t]he term ‘necessity’ does not mean ‘essential’ or ‘absolutely indispensable,’ but that an additional service would be an improvement justifying its cost.” State ex rel. Intercon Gas, Inc. v. Public Service Commission of Missouri, 848 S.W.2d 593, 597 (Mo. App. 1993); citing, State ex rel. Beaufort Transfer Co. v. Clark, 504 S.W.2d at 219. The Grain Belt Express project can meet this standard in that the project contributes toward achieving goals of the Missouri Comprehensive State Energy Plan to diversify the state’s energy portfolio, increasing economic development and hedging against potential price volatility and reliance on imported fossil fuels. The project offers an opportunity to increase Missouri’s access to wind resources, assisting with corporate renewable energy goals and expanding options to meet or exceed the Renewable Energy Standard. The Missouri Joint Municipal Electric Utility has already agreed to purchase capacity from Grain Belt, with an estimated \$10 million in annual savings for its customers. The project can not only support

emissions reductions, but promote economic development; the Missouri Economic Research and Information Center has estimated that the project will result in over 1,500 new jobs over its three year construction period, as well as 91 jobs in its first year of operation and 28 jobs in subsequent years of operation. New personal income is expected to be \$246 million during construction, \$17.9 million in the first year of operation, and \$2.6 million in subsequent years of operation. New gross domestic product is expected to be \$476 million during construction, \$9.1 million in the first year of operation, and \$4.2 million in subsequent years of operation. Clean Line is working with local businesses including PAR Electric, ABB Inc., Hubbell Power Systems, Inc., and General Cable Industries, Inc. to supply products and services.

3. If the Commission grants the CCN, what conditions, if any, should the Commission impose?

DED supports the following conditions on the issuance of a CCN for the Grain Belt project, as indicated above:

- A. As required by 4 CSR 240-3.105(1)(D) and Section 229.100, RSMo., Clean Line must provide the Commission with the requisite approvals from county commissions prior to approval of a CCN. In its recent Report and in Case No. EA-2015-0146, the Commission found under similar circumstances that county commission approval was required by Section 229.100, RSMo. as a prerequisite to approving a CCN for a transmission provider to construct a transmission line in areas where the applicant did not already hold a CCN. In that proceeding, the PSC conditioned approval of the CCN on submission of certified copies of county commission approvals for each affected county. DED's support for the Grain Belt project is conditioned on a similar

demonstration by Clean Line that county commissions have approved construction of the line.

- B. Clean Line must also agree to comply with the Landowner Protocol and Missouri Agricultural Impact Mitigation Protocol, as well as applicable laws of the state which ensure fair treatment of landowners and mitigation of agricultural impacts.
- C. Finally, the Commission should condition approval on Clean Line's acceptance of the additional conditions recommended in Part VI of the Staff's Rebuttal Report, filed January 24, 2016.

4. If the Commission grants the CCN, should the Commission exempt Grain Belt from complying with the reporting requirements of Commission rules 4 CSR 240-3.145, 4 CSR 240-3.165, 4 CSR 240-3.175, and 3.190(1), (2) and (3)(A)-(D)?

DED takes no position on this issue at this time, but reserves the right to take a position after hearing.

WHEREFORE, the Missouri Department of Economic Development respectfully files its *Statement of Positions*.

Respectfully submitted,

/s/ Brian Bear

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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 13th day of March, 2017.

/s/ Brian Bear _____

Brian Bear