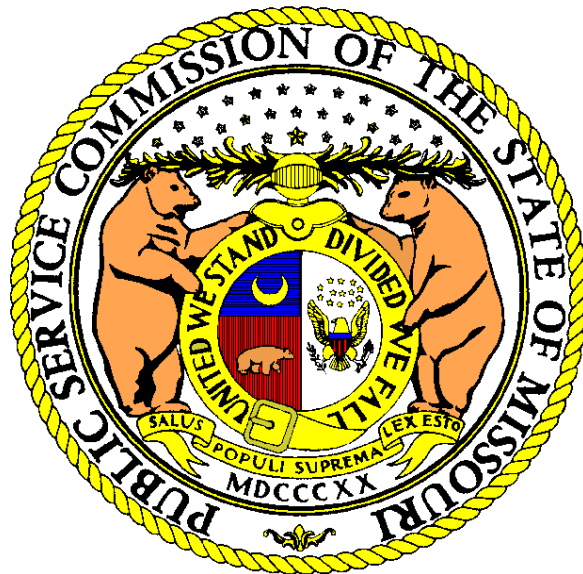


**MISSOURI PUBLIC SERVICE COMMISSION**

**REVISED STAFF**

**SUPPLEMENTAL REBUTTAL REPORT**



**GRAIN BELT EXPRESS CLEAN LINE, LLC**

**CASE NO. EA-2016-0358**

*Jefferson City, Missouri  
December 31, 2018*

**\*\* Denotes Confidential Information \*\***

**REVISED STAFF SUPPLEMENTAL REBUTTAL REPORT**

**GRAIN BELT EXPRESS CLEAN LINE, LLC**

**CASE NO. EA-2016-0358**

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1                    **REVISED STAFF SUPPLEMENTAL REBUTTAL REPORT**

2                    **GRAIN BELT EXPRESS CLEAN LINE, LLC**

3                    **CASE NO. EA-2016-0358**

4                    **I. Executive Summary**

5                    On August 30, 2016, Grain Belt Express Clean Line, LLC (“Grain Belt”) filed the  
6                    *Application of Grain Belt Express Clean Line LLC for a Certificate of Convenience and*  
7                    *Necessity* (“Application”) seeking a certificate of convenience and necessity (“CCN”)  
8                    authorizing it to construct, own, operate, control, manage, and maintain in Missouri, the  
9                    approximately 206-mile segment of a high voltage, direct current (“HVDC”) transmission line  
10                   that will traverse Missouri from Kansas across Illinois and into Indiana, and, in Ralls County,  
11                   Missouri, an associated converter station and alternating current (“AC”) interconnecting  
12                   facilities, including an AC switching station and related transmission lines (“Project”).  
13                   The proposed HVDC transmission line and converter station facilities are an inter-regional  
14                   (i.e., crossing multiple regional transmission operator (“RTO”) regions) transmission project that  
15                   will span the footprints of the Southwest Power Pool, Inc. (“SPP”), Midcontinent Independent  
16                   System Operator, Inc. (“MISO”), and PJM Interconnection, LLC (“PJM”) and, in Missouri,  
17                   traverse Buchanan, Clinton, Caldwell, Carroll, Chariton, Randolph, Monroe and Ralls Counties.  
18                   According to the Application, the proposed project “will provide economic and reliability  
19                   benefits by delivering low-cost, wind-generated energy from western Kansas to load and  
20                   population centers in Missouri and other states in the region.”<sup>1</sup> In the Application, Grain Belt  
21                   also requests relief from certain reporting requirements of rule 4 CSR 240-3.145, 3.165, 3.175  
22                   and 3.190.

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<sup>1</sup> Application of Grain Belt Express Clean Line, LLC for a Certificate of Convenience and Necessity. Page 2, Paragraph 1, August 30, 2016.

1 Staff reviewed Grain Belt’s Application based on the five factors the Commission listed  
2 in *In Re Tartan Energy*, GA-94-127, 3 Mo.P.S.C.3d 173, 177 (1994) – need, qualifications to  
3 own, operate, control and manage the facilities and provide the service, financial ability,  
4 economic feasibility, and promotion of the public interest (“Tartan Criteria”) and submits this  
5 Supplemental Rebuttal Report (“Supplemental Rebuttal”) in response to the Supplemental Direct  
6 Testimony (“Supplemental Direct”) of various Grain Belt witnesses, Mr. John Grotzinger on  
7 behalf of the Missouri Joint Municipal Electric Utility Commission (“MJMEUC”), and Mr. Matt  
8 Riley on behalf of ENGIE North America, Inc. (“ENGIE”). Some of the Tartan Criteria sections  
9 in Staff’s Rebuttal Report covered multiple subtopics and multiple Staff witnesses. Except to the  
10 extent specifically discussed in this Supplemental Rebuttal, Staff’s conclusions have not  
11 changed, and unchanged subsections are not repeated here.

12 In Staff’s Rebuttal Report, it was Staff Counsel’s position:

13 that, not only must Grain Belt have the consent from each of the Missouri  
14 county commissions for its transmission line to cross the public roads and  
15 highways in their respective county before a Commission certificate for  
16 the line is effective, Grain Belt must have those consents before the  
17 Commission can lawfully issue the certificate, *i.e.*, those consents are  
18 prerequisites to the certificate.<sup>2</sup>

19 In its Report and Order,<sup>3</sup> the Commission, among other things, stated:

20 After applying the facts to the law to reach its conclusions, the  
21 Commission concludes that the substantial and competent evidence in the  
22 record supports the conclusion that [Grain Belt] has failed to meet, by a  
23 preponderance of the evidence, its burden of proof to demonstrate that it  
24 has obtained all county assents under Section 229.100 necessary for a

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<sup>2</sup> Staff Rebuttal Report. Case No. EA-2016-0358. April 4, 2017.

<sup>3</sup> Report and Order. Case No. EA-2016-0358. Issued August 16, 2017. Effective September 15, 2017.

1 certificate of convenience and necessity as required by *Ameren*  
2 *Transmission Co.*<sup>4</sup>

3 On appeal, the Supreme Court of Missouri determined, “[t]he Commission erroneously  
4 concluded it could not lawfully grant a line CCN to Grain Belt without the utility first obtaining  
5 consent from the affected counties. Such consent is not required before obtaining a line CCN  
6 pursuant to section 393.170.1”.<sup>5</sup> Therefore, this issue is no longer a Staff concern.

7 As further explained in this Supplemental Rebuttal, since Grain Belt is proposing to  
8 sell its ownership interests to Invenergy Transmission, LLC (“Invenergy Transmission”),  
9 a direct, wholly-owned subsidiary of Invenergy Investment Company, LLC (“Invenergy  
10 Investment”) and an affiliate of Invenergy, LLC (Hereinafter, Staff refers to all three companies  
11 collectively as “Invenergy”), Staff’s supplemental review of the “financial ability” criteria  
12 focused on the ability of the new owners to finance the remaining estimated start-up equity  
13 capital. Staff issued several data requests (“DRs”) related to the financial ability of Invenergy  
14 and received access to the confidential financial information on December 10, 2018. Staff also  
15 researched publicly-available information in addition to the information provided in  
16 Supplemental Direct. Based on this information, it is clear that Invenergy has established an  
17 extensive network of access to private debt and equity investors, ~~but details about Invenergy’s~~  
18 ~~financial statements remain unknown~~.

19 Further, since Grain Belt has not completed the regional transmission studies, the costs to  
20 integrate Grain Belt’s converter station still remain unknown.

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<sup>4</sup> *Matter of Ameren Transmission Co. of Illinois*, No. WD 79883, 2017 WL 1149139 (Mo. Ct. App., Mar. 28, 2017), reh'g denied (Apr. 27, 2017), transfer denied (Apr. 27, 2017), transfer denied (June 27, 2017).

<sup>5</sup> Opinion. Supreme Court of Missouri en banc. No. SC96993. July 17, 2018.

1           Based on Staff’s supplemental review, Staff still cannot definitively state that the  
2 Application, as supported by Supplemental Direct, satisfies all the Tartan Criteria. However, in  
3 its Supplemental Direct, Grain Belt continues to commit to the conditions set forth in Staff  
4 Exhibit 206, as well as the agreements related to Rockies Express Pipeline, LLC as contained in  
5 Staff Exhibit 205.<sup>6</sup> As demonstrated in its Rebuttal Report and at hearing, and assuming  
6 sufficient information is provided related to the financials of Invenergy, Staff recommends any  
7 order approving a CCN be conditioned on the various agreements in Exhibits 205 and 206. In  
8 addition to Exhibit 205 and 206, Staff recommends an additional condition that Grain Belt  
9 provide Staff with reasonable access to the confidential financial information of Invenergy.

10           Staff also continues to recommend the Commission order that Grain Belt must comply  
11 with the conditions prior to acquiring involuntary easements or starting construction of the  
12 transmission line. Staff further recommends the conditions be subject to a demonstration to the  
13 Commission that the outstanding studies do not raise any new issues, and if they do, that the  
14 Commission is satisfied with Grain Belt’s solution to address those issues. Finally, Staff  
15 recommends the Commission condition the CCN such that if the design and engineering of the  
16 Project materially changes from what is presented in its Application, Grain Belt is required to file  
17 an updated Application subject to further review and determination by the Commission.

18 *Staff Expert/Witness: Natelle Dietrich*

19           **II. Five Tartan Criteria**

20           a. Whether there is a need for the facilities and service

21           Unchanged from Rebuttal Report - *Staff Expert/Witness: Daniel I. Beck, PE*

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<sup>6</sup> Supplemental Direct Testimony of David A. Berry on Behalf of Grain Belt Express Clean Line, LLC. November 12, 2018. Page 7.

b. Whether the applicant is qualified to own, operate, control and manage the facilities and provide the service

Grain Belt witness Hans Detweiler explains (Supplemental Direct, pages 1-2, beginning at line 7) that he is adopting the previously submitted testimony of Mark O. Lawlor and Deann K. Lanz, and addressing any material changes to their testimony. Mr. Detweiler has led or advised on the development of all of Clean Line Energy Partners', LLC ("Clean Line") electric transmission projects, and is the lead developer of the Grain Belt Project. He indicates he provided strategic guidance and participated in other activities related to the CCN proceedings at the Illinois Commerce Commission ("ICC"). Mr. Detweiler states he was the Director of State Policy for the American Wind Energy Association, and was Deputy Director of the Illinois Department of Commerce and Economic Development.

Grain Belt witnesses, David Berry and Michael P. Skelly, in their Supplemental Direct testimonies, discuss the material change in ownership of Grain Belt Express, and their continued involvement in the Project. Mr. Berry discusses the Membership Interest Purchase Agreement ("MIPA") between Grain Belt Express Holding, LLC ("GBE Holdings") and Invenergy Transmission. Staff witness David Murray discusses the financing arrangement later in this Supplemental Rebuttal.

In his Supplemental Direct, Grain Belt witness Kris Zadlo describes Invenergy. According to his testimony, Invenergy is a US-based company founded in 2001. Mr. Zadlo states that Invenergy is "North America's largest privately held company that develops, owns, and operates large-scale renewable and other clean energy generation, energy storage facilities, and electric transmission facilities across North America, Latin America, Japan and Europe." Invenergy has expertise in project development, permitting, transmission, interconnection,

1 energy marketing, finance, engineering, project construction, operations and maintenance, and  
2 has developed more than 20,000 MW of large-scale wind, solar, natural gas and energy storage  
3 facilities (Zadlo Supplemental Direct, page 6, lines 13-22). Schedule kz-5, attached to  
4 Mr. Zadlo's Supplemental Direct, represents that Invenergy senior management has from  
5 approximately 15 to 30 years of experience.

6 Staff has no reason to dispute that Grain Belt, and subsequently Invenergy, are qualified  
7 to own, operate, control and manage the Project subject to the agreed upon conditions in Staff  
8 Exhibits 205 and 206.

9 *Staff Expert/Witness: Natelle Dietrich*

10 c. Whether the applicant has the financial ability for the undertaking

11 Staff's Rebuttal Report concluded that Grain Belt was financially capable to construct the  
12 Project. Staff's conclusion was based on its review of Grain Belt's proposed financing plan as  
13 well as Staff's understanding of the commitment and financial qualifications of the investors  
14 providing capital to Grain Belt through Clean Line. According to the Supplemental Direct filed  
15 by Grain Belt, Clean Line is proposing to sell its equity interest to a new investor.

16 On November 9, 2018, Invenergy ~~Transmission, an indirect subsidiary of Invenergy,~~  
17 executed a MIPA with GBE Holdings, which would result in Invenergy purchasing Grain Belt if  
18 certain contingencies are met, such as the Missouri Public Service Commission granting the  
19 CCN in this case as well as approving Invenergy's ~~Transmission's~~ proposed acquisition of Grain  
20 Belt from GBE Holdings (notice of anticipated application has been filed and assigned Case/File  
21 No. EM-2019-0150).



1           If Invenergy ~~Transmission~~ closes on the purchase of Grain Belt, Invenergy will become  
2 the sole equity investor at closing. According to Grain Belt’s response to Staff DR No. 0078  
3 (attached as Schedule DM-sr1), Grain Belt’s capital needs during the development stage will be  
4 funded by cash on hand at Invenergy ~~Transmission’s parent company, Invenergy Investment~~  
5 ~~Company, LLC (“Invenergy Investment”)~~ and possibly equity capital from other investors.  
6 Invenergy’s financial statements support Grain Belt’s response. Invenergy’s cash balance as of  
7 December 31, 2017, was approximately six times greater than Clean Line’s cash balance as of  
8 the same date. Additionally, the book value of Invenergy’s equity is twenty times greater than  
9 Clean Line’s equity. Therefore, Invenergy’s financial statements support Grain Belt witness  
10 Berry’s Supplemental Direct that indicates Invenergy’s financial resources are stronger than  
11 Clean Line’s.~~Staff requested actual and pro forma financial statements for Invenergy and~~  
12 ~~Invenergy Transmission (Staff was unaware of Invenergy Investment when it issued its data~~  
13 ~~requests) to assess the current and anticipated capitalization of the companies that are likely to~~  
14 ~~directly and/or indirectly provide capital for Grain Belt, but Grain Belt objected to providing~~  
15 ~~such information.~~

16           Staff also requested more specific information about how Grain Belt would be funded  
17 during the construction stage of the Project. In response to Staff DR No. 0079 (attached as  
18 Schedule DM-sr2), Grain Belt indicated that the Project would be funded with a combination of  
19 debt and equity. Grain Belt’s response indicates that it will rely on the strong relationship  
20 Invenergy ~~Transmission and its affiliates~~ has with 60 financial institutions to raise the  
21 necessary capital for construction. Grain Belt’s response indicates that Invenergy has never been  
22 unsuccessful in obtaining financing for a contracted project. Grain Belt’s response importantly  
23 indicates the following: “Prior to commencement of construction, Invenergy plans to execute

1 credit agreements with lenders for debt financing obligations and equity contribution agreements  
2 with investors for equity commitments that will be drawn upon as needed to fund construction  
3 costs.” ~~Although it is reasonable to receive and review the financial statements of Invenergy and~~  
4 ~~its direct or indirect affiliates that will supply capital to Grain Belt, if this information is not~~  
5 ~~provided to Staff to show balance sheet capacity for the Grain Belt project, This data request~~  
6 ~~response is consistent with the original financing plan proposed by Clean Line. Recognizing that~~  
7 ~~such a financing plan will not provide assurance of a commitment of funds for the entire cost of~~  
8 ~~the Project until shortly before construction, Staff and Grain Belt had agreed to a condition that~~  
9 ~~requires Grain Belt to show proof of such commitments before construction commences. the~~  
10 ~~upfront commitment of investors for all construction costs with built in contingencies will be~~  
11 ~~imperative. To the extent the Project’s costs were to exceed these commitments, Invenergy~~  
12 ~~would need to demonstrate how these costs would be covered. According to Grain Belt witness~~  
13 David Berry’s Supplemental Direct, Grain Belt is still committed to this ~~willing to abide by the~~  
14 ~~condition. that requires Grain Belt to provide evidence of sufficient financing commitments to~~  
15 ~~cover the entire cost of the Project before commencement of construction.~~

16 Staff’s ~~conclusion that Grain Belt had the financial capability to be granted a CCN was~~  
17 ~~also based on Staff’s review and analysis of Clean Line’s balance sheet as well as an~~  
18 ~~understanding of how Clean Line raised a majority of its equity capital. Because Clean Line is~~  
19 ~~proposing to sell its ownership interests to Invenergy, the most relevant consideration now is the~~  
20 ~~ability of the new owners to finance the remaining amount of estimated start up equity capital for~~  
21 ~~Grain Belt. Invenergy has committed to fund additional development costs, which is defined in~~  
22 ~~the Development Management Agreement it executed with GBE Holdings on November 9,~~  
23 ~~2018, before it closes on the MIPA. Staff issued data requests asking for Invenergy’s and~~

1 ~~Invenergy Transmission's actual and pro forma financial statements in order to evaluate their~~  
2 ~~current and expected financial condition, but Grain Belt objected to providing this information~~  
3 ~~because it does not consider the information relevant. Staff provided capitalization information~~  
4 ~~on the current owners of Grain Belt in its Rebuttal Report. This information is no longer relevant~~  
5 ~~considering the proposed acquisition of Grain Belt by Invenergy through Invenergy~~  
6 ~~Transmission. While it is possible that Grain Belt may be sufficiently capitalized on a~~  
7 ~~stand alone basis at the time construction starts, considering the size of the proposed Project, it is~~  
8 ~~possible that Grain Belt may need support from its ultimate parent company. In fact, investors~~  
9 ~~willing to provide debt capital to the Project may demand such support. Therefore, Staff should~~  
10 ~~be allowed to review Invenergy's financial statements before making a final recommendation on~~  
11 ~~Grain Belt's financial ability to construct the Project.~~

12 ~~Notwithstanding the above,~~ Staff also researched publicly-available information on  
13 Invenergy in order to assess its general financial qualifications and its provide an initial  
14 assessment of its typical approach to financing strategies. its current investments. Invenergy and  
15 its subsidiaries are privately owned and privately funded, so there are few financial details other  
16 than the identification of some institutional investors that have committed capital to Invenergy's  
17 projects through direct investments.

18 ~~Invenergy wholly owns the following subsidiaries: Invenergy Investment Company,~~  
19 ~~LLC, Invenergy Services, LLC, Invenergy Solar Development, LLC, and Invenergy Wind, LLC.~~  
20 ~~Invenergy Investment Company, LLC and Invenergy Wind, LLC also own other subsidiary~~  
21 ~~companies. Invenergy jointly owns Invenergy Renewable, LLC and Invenergy Thermal~~  
22 ~~Financing, LLC. According to Ms. Hoffman's Supplemental Direct, Invenergy's total assets as~~  
23 ~~of December 31, 2017, were in excess of \$9 billion with \$3 billion of total equity supporting~~

~~these assets. Because Staff has not reviewed Invenergy's financial statements, Staff is not sure if the \$3 billion of equity includes direct third party equity investments (minority interests) in Invenergy's other subsidiaries. Ms. Hoffman indicates it is possible that Grain Belt's equity may be funded by third party investors if the Project progresses.~~

Ms. Hoffman indicates in her Supplemental Direct that Invenergy is “North America’s largest privately held company that develops, owns, and operates large-scale renewable and other clean energy generation, energy storage facilities, and electric transmission facilities across North America, Latin America, Japan and Europe.” Staff requested that Invenergy provide an example of a project/affiliate that has been financed similar to how Invenergy plans to finance the Grain Belt Project. In response to Staff DR No. 0080 (Schedule DM-sr3), Invenergy identified the Lackawanna Energy Center (“Lackawanna Center”). Based on Staff’s review of publicly-available information about other projects Invenergy has developed, or that are in the planning stages of development, the Lackawanna Center is certainly one of the largest it has developed.

Invenergy currently owns 13.91% of Lackawanna Center through its subsidiary, Invenergy Clean Power, LLC. Invenergy is the operator of the Lackawanna Center. The other two equity investors are First Reserve Management L.P. (72.18%) and AMPCI North America Thermal Power (13.91%). Financing of the Lackawanna Center also consisted of \$1 billion of senior debt financing. It is not clear from either Invenergy’s response to Staff’s data request or other publicly-available information whether the debt investors required a certain amount of equity capital and/or commitments for further equity contributions from the equity investors.

It is clear from Staff’s review of Invenergy’s publicly-available information that it has established a vast network of access to private debt and equity investors. This is evident from

1 the many rounds of funding they have performed at the Invenergy level and some of the smaller  
2 rounds of funding they have performed at their subsidiaries. This information supports  
3 Invenergy's position that it has the ability to raise capital for large energy projects. However,  
4 ~~Staff still considers it prudent to require Invenergy to provide its most recent audited financial~~  
5 ~~statements so Staff can review its financial condition. If it is Grain Belt's position that it can~~  
6 ~~attract the necessary amount of capital for the Project without Invenergy's financial support and~~  
7 ~~commitment, then Staff expects Grain Belt will thoroughly explain such in its Supplemental~~  
8 ~~Surrebuttal Testimony.~~

9 Staff's recommendation that Invenergy Grain Belt, under Invenergy ownership, still has  
10 the financial ability to be granted a CCN is contingent on the following conditions (the first of  
11 which Grain Belt reaffirmed in Mr. Berry's Supplemental Direct and the second of which is  
12 new):  ~~has failed to demonstrate to Staff that it possesses adequate committed financing or~~  
13 ~~internal reserves to successfully complete this project. Therefore, Staff's affirmation of Grain~~  
14 ~~Belt's financial ability is contingent on Invenergy's continued commitment to Staff's condition~~  
15 ~~regarding a showing of committed financing capacity before starting construction, as well as~~  
16 ~~adequately responding to Staff's concerns communicated through this Supplemental Rebuttal.~~

17 1. Grain Belt will not install transmission facilities on easement property in Missouri  
18 until it has obtained commitments for funds in an amount equal to or greater than the  
19 total cost to build the entirety of this multi-state transmission project. To allow the  
20 Commission to verify compliance with this condition, Grain Belt shall file the  
21 following documents with the Commission at such a time as Grain Belt is prepared  
22 to begin to construct electric transmission facilities in Missouri:

23  
24 (a) On a confidential basis, equity and loan or other debt financing  
25 agreements and commitments entered into or obtained by Grain Belt or  
26 its parent company for the purpose of funding Grain Belt's multi-state  
27 transmission project that, in the aggregate, provide commitments for  
28 the total project cost.

1  
2 (b) An attestation by an officer of Grain Belt that Grain Belt has not, prior  
3 to the date of the attestation, installed transmission facilities on  
4 easement property; or a notification that such installation is scheduled  
5 to begin on a specified date.

6  
7 (c) A statement of the total multi-state transmission project cost, broken  
8 out by the categories of engineering, manufacturing and installation of  
9 converter stations; transmission line engineering; transmission towers;  
10 conductor; construction labor necessary to complete the project; right-  
11 of-way acquisition costs; and other costs necessary to complete the  
12 project, and certified by an officer of Grain Belt, along with a  
13 reconciliation of the total project cost in the statement to the total  
14 project cost as of the Application of \$2.35 billion; and property owned  
15 in fee by Grain Belt including the converter station sites.

16  
17 (d) A reconciliation statement certified by an officer of Grain Belt showing  
18 that (1) the agreements and commitments for funds provided in  
19 subsection (a), above, are equal to or greater than the total project cost  
20 provided in subsection (c), above; and (2) the contracted transmission  
21 service revenue is sufficient to service the debt financing of the project  
22 (taking into account any planned refinancing of debt).

23  
24 2. Grain Belt's owners (anticipated to include, but not be limited to Invenergy  
25 Investment Company LLC and any downstream subsidiaries) shall cooperate with  
26 Staff in providing reasonable access to its unredacted financial records until the  
27 completion or official abandonment of the Project.

28 *Staff Expert/Witness: David Murray, CFA*

29 d. Whether the proposal is economically feasible

30 **RTO Interconnection Studies**

31 Staff's Rebuttal Report described the MISO Generation Interconnection Procedures  
32 in Attachment X of its Open Access Transmission Tariff ("OATT"). Since that time,  
33 Grain Belt has withdrawn from the MISO Generation Interconnection and has not sought

1 interconnection under the new process, Attachment GGG: Merchant HVDC Transmission  
2 Connection Procedures.

3         The original procedure would have studied the project at the full 500 MW of  
4 the converter station. Under the new procedures, the HVDC merchant can interconnect  
5 with or without injection rights (e.g. for Grain Belt, study the interconnection anywhere from  
6 0 to 500 MW). “Injection Rights serve as a pre-certification of the Transmission System’s  
7 capability to receive capacity and energy from the MHVDC Transmission Line at the requested  
8 Point of Connection, in the specified MW quantity, without degrading the reliability of the  
9 Transmission System.” Injection rights requests are evaluated pursuant to Attachment X,  
10 the Generation Interconnection Procedures. Grain Belt’s customers would then be able to  
11 convert the injection rights into external Network Resource Interconnection Service without any  
12 additional studies in the Definitive Planning Phase to the extent such studies have been  
13 performed as part of the MHVDC Connection Customer’s request for Injection Rights. Injection  
14 rights terminate three years after commercial operation of the HVDC line begins. In response to  
15 Staff DR No. 0069, Grain Belt states that it has not sought injection rights and did not respond to  
16 the specific question about what injection rights it would intend to seek.

17         Significant to Grain Belt’s withdrawal from the Generation Interconnection Procedures is  
18 its loss of a queue position. Staff’s Rebuttal Report discussed a special protection scheme of the  
19 Audrain Power Station and the preliminary studies assumed the complete construction of the  
20 Ameren Transmission Company of Illinois’ (“ATXI”) Mark Twain project, which was contested  
21 at that time. Although the Mark Twain project is now under construction, several projects are  
22 ahead of Grain Belt in the MISO queue, and it is uncertain how much capacity of the new ATXI

1 line would be used by projects ahead of Grain Belt in the queue. The projects ahead of Grain  
2 Belt in the queue include Ameren’s 400 MW windfarm in Adair and Schuyler counties.

3 Overall, Staff’s position has not changed: since Grain Belt has not completed the RTO  
4 studies, the costs to integrate Grain Belt’s converter station are unknown, therefore there  
5 continues to be insufficient information to conclude that the Project is economically feasible.  
6 However, Grain Belt has committed to providing Staff with completed RTO Interconnection  
7 Agreements and any associated studies and to provide its plan to address any new issues that  
8 arise from them.

9 *Staff Expert/Witness: Michael L. Stahlman*

10 **The Realgy, LLC and MJMEUC Contracts as Evidence of Economic Feasibility**

11 During the hearing, Grain Belt witness Berry revealed an additional contract with  
12 Realgy, LLC, that proposed to use the Missouri converter station to provide power to  
13 Realgy, LLC’s Illinois customers. No details about the contract were provided during  
14 the hearing. Grain Belt recently provided the Transmission Service Agreement (“TSA”) in  
15 response to Staff DR No. 0074. Among its terms, the price of transmission for Realgy, LLC is

16 \*\* \_\_\_\_\_  
17 \_\_\_\_\_.<sup>7</sup> \*\* The “first-mover” rate of an average of \$1.60 per kilowatt-month was  
18 given to MJMEUC. Staff presented evidence that the MJMEUC TSA was insufficient for  
19 Grain Belt to earn a profit on the Missouri converter station.<sup>8</sup> Therefore, Staff maintains that the

7 \*\* \_\_\_\_\_

8 During the hearing, Commissioner Rupp asked Mr. Berry, “So did Grain Belt just drop the 500 megawatts into Missouri and offer just a sweetheart deal to MJMEUC to get a customer to say, hey, we got it, knowing that they can get more and make it up on the back end in the PJM market? A. I’d say there’s some truth to that...” (HEARING Vol. XIV 3/22/2017, p. 944).



1 MJMEUC or Realty contracts are not sufficient demonstration of participant funding to satisfy  
2 the economic feasibility Tartan Criteria.

3 *Staff Expert/Witness: Michael L. Stahlman*

4 e. Public Interest

5 **Economic Benefits**

6 In its Rebuttal Report, Staff noted that Grain Belt cited increased employment and tax  
7 revenue as two economic benefits that support a finding that this Project is in the public interest.

8 In his Supplemental Direct, Mr. Zaldo states: “Invenergy plans to evaluate any existing contracts  
9 Grain Belt has in place and determine how they may align with Invenergy’s plan to advance the  
10 [Grain Belt] Project” (page 11). Staff continues to recommend not using that information as a  
11 basis to approve or reject Grain Belt’s application, but notes that the cited employment and tax  
12 revenue could be affected by Invenergy’s evaluation.

13 *Staff Expert/Witness: Michael L. Stahlman*

14 **III. Safety Issues**

15 Unchanged from Rebuttal Report

16 *Staff Experts/Witnesses: Shawn E. Lange and Kathleen McNelis*

17 **IV. Summary of Public Comments**

18 Public Comments addressed in this section are comments the Commission receives from  
19 the public and are entered into the Commission’s Electronic Filing and Information System  
20 (“EFIS”) as public comments.

1 As of January 20, 2017 (1:15 PM), there were 3,059 public comments submitted in EFIS  
2 related to this case. As of December 3, 2018, 3,526 comments have been received. Many of the  
3 additional comments were received in early to mid-2017, and express support for the project.  
4 Additional comments were received asking the Commission to take steps to clarify its authority  
5 over the project. A few comments were received in this same time period expressing concern for  
6 the project. The most recent comment was submitted in January 2018, expressing concern with  
7 the project.

8 *Staff Expert/Witness: Natelle Dietrich*

9 **V. Recommended Conditions**

10 Staff recommends any order approving a CCN be conditioned on the various agreements  
11 in Exhibits 205 and 206.

12 Staff further recommends any order approving a CCN be conditioned on Grain Belt's  
13 owners (anticipated to include, but not be limited to Invenergy Investment Company LLC and  
14 any downstream subsidiaries) shall cooperate with Staff in providing reasonable access to its  
15 unredacted financial records until the completion or official abandonment of the Project.

16 Staff also continues to recommend the Commission order that Grain Belt must comply  
17 with the conditions prior to acquiring involuntary easements or starting construction of the  
18 transmission line. Staff further recommends the conditions be subject to a demonstration to the  
19 Commission that the outstanding studies do not raise any new issues, and if they do, that the  
20 Commission is satisfied with Grain Belt's solution to address those issues. Finally, Staff  
21 recommends the Commission condition the CCN such that if the design and engineering of the

1 Project materially changes from what is presented in its Application, Grain Belt is required to file  
2 an updated Application subject to further review and determination by the Commission.

3 *Staff Expert/Witness: Natelle Dietrich on behalf of all Staff Experts/Witnesses*

4 Attachments:

5 Schedule DM-sr1

6 Schedule DM-sr2

7 Schedule DM-sr3

**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 ) Case No. EA-2016-0358  
Convenience and Necessity Authorizing it to )  
Construct, Own, Operate, Control, Manage and )  
Maintain a High Voltage, Direct Current )  
Transmission Line and an Associated Converter )  
Station Providing an Interconnection on the )  
Maywood-Montgomery 345kV Transmission Line )

**AFFIDAVIT OF NATELLE DIETRICH**

STATE OF MISSOURI )  
 ) ss.  
COUNTY OF COLE )

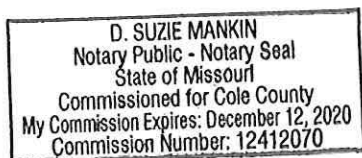
**COMES NOW NATELLE DIETRICH** and on her oath declares that she is of sound mind and lawful age; that she contributed to the foregoing *Revised* Supplemental Rebuttal Report; and that the same is true and correct according to her best knowledge and belief.


Further the Affiant sayeth not.

  
\_\_\_\_\_  
**NATELLE DIETRICH**

**JURAT**

Subscribed and sworn before me, a duly constituted and authorized Notary Public, in and for the County of Cole, State of Missouri, at my office in Jefferson City, on this 11<sup>th</sup> day of December 2018.



  
\_\_\_\_\_  
Notary Public



**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	)	Case No. EA-2016-0358
Convenience and Necessity Authorizing it to	)	
Construct, Own, Operate, Control, Manage and	)	
Maintain a High Voltage, Direct Current	)	
Transmission Line and an Associated Converter	)	
Station Providing an Interconnection on the	)	
Maywood-Montgomery 345kV Transmission Line	)	

**AFFIDAVIT OF MICHAEL L. STAHLMAN**

STATE OF MISSOURI	)	
	)	ss.
COUNTY OF COLE	)	

**COMES NOW MICHAEL L. STAHLMAN** and on his oath declares that he is of sound mind and lawful age; that he contributed to the foregoing *Supplemental Rebuttal Report*; and that the same is true and correct according to his best knowledge and belief.

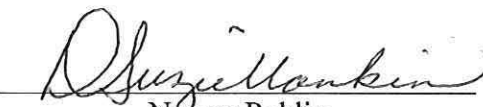
Further the Affiant sayeth not.

  
 \_\_\_\_\_  
**MICHAEL L. STAHLMAN**

**JURAT**

Subscribed and sworn before me, a duly constituted and authorized Notary Public, in and for the County of Cole, State of Missouri, at my office in Jefferson City, on this 30th day of November 2018.

D. SUZIE MANKIN Notary Public - Notary Seal State of Missouri Commissioned for Cole County My Commission Expires: December 12, 2020 Commission Number: 12412070
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 \_\_\_\_\_  
 Notary Public

## Missouri Public Service Commission

### Respond Data Request

<b>Data Request No.</b>	0078
<b>Company Name</b>	Grain Belt Express Clean Line, LLC-(Electric)
<b>Case/Tracking No.</b>	EA-2016-0358
<b>Date Requested</b>	11/15/2018
<b>Issue</b>	General Information & Miscellaneous - Other General Info & Misc.
<b>Requested From</b>	Karl Zobrist
<b>Requested By</b>	Mark Johnson
<b>Brief Description</b>	Funding Needs
<b>Description</b>	How will Grain Belt Express Clean Line LLC's capital needs be funded during the development stage of the Grain Belt Express Project? How will Invenergy Transmission LLC's capital needs be funded during the development stage of the Grain Belt Express Project? Please provide an estimate of the funding needs as well as an explanation of how such funding will be assured. Data Request submitted by David Murray (david.murray@psc.mo.gov).
<b>Response</b>	Capital needs during the development stage of the Grain Belt Express Project are expected to be funded by cash on hand from Invenergy Transmission LLC's parent, Invenergy Investment Company LLC, and possibly equity capital provided by other investors. At this stage in the Project it is premature to prepare a comprehensive development budget; Invenergy Transmission is rather focusing its efforts on satisfying conditions precedent required to close the transaction and obtaining regulatory approvals required to advance the Project.
<b>Objections</b>	NA

The attached information provided to **Missouri Public Service Commission** Staff in response to the above data information request is accurate and complete, and contains no material misrepresentations or omissions, based upon present facts of which the undersigned has knowledge, information or belief. The undersigned agrees to immediately inform the **Missouri Public Service Commission** if, during the pendency of Case No. **EA-2016-0358** before the Commission, any matters are discovered which would materially affect the accuracy or completeness of the attached information. If these data are voluminous, please (1) identify the relevant documents and their location (2) make arrangements with requestor to have documents available for inspection in the **Grain Belt Express Clean Line, LLC-(Electric)** office, or other location mutually agreeable. Where identification of a document is requested, briefly describe the document (e.g. book, letter, memorandum, report) and state the following information as applicable for the particular document: name, title number, author, date of publication and publisher, addresses, date written, and the name and address of the person(s) having possession of the document. As used in this data request the term "document(s)" includes publication of any format, workpapers, letters, memoranda, notes, reports, analyses, computer analyses, test results, studies or data, recordings, transcriptions and printed, typed or written materials of every kind in your possession, custody or control or within your knowledge. The pronoun "you" or "your" refers to **Grain Belt Express Clean Line, LLC-(Electric)** and its employees, contractors, agents or others employed by or acting in its behalf.

<b>Security :</b>	Public
<b>Rationale :</b>	NA

**Schedule DM-sr1**

## Missouri Public Service Commission

### Respond Data Request

<b>Data Request No.</b>	0079
<b>Company Name</b>	Grain Belt Express Clean Line, LLC-(Electric)
<b>Case/Tracking No.</b>	EA-2016-0358
<b>Date Requested</b>	11/15/2018
<b>Issue</b>	General Information & Miscellaneous - Other General Info & Misc.
<b>Requested From</b>	Karl Zobrist
<b>Requested By</b>	Mark Johnson
<b>Brief Description</b>	Funding Needs
<b>Description</b>	How will Grain Belt Express Clean Line LLC's capital needs be funded during the construction stage of the Grain Belt Express Project? How will Invenergy Transmission LLC's capital needs be funded during the construction stage of the Grain Belt Express Project? Please provide an estimate of the funding needs as well as an explanation of how such funding will be assured. Data Request submitted by David Murray (david.murray@psc.mo.gov).
<b>Response</b>	Capital needs during the construction stage of the Grain Belt Express Project are expected to be funded by a combination of debt and equity financing. Invenergy Transmission LLC, through its affiliates, has strong relationships with more than 60 financial institutions and has never been unsuccessful in obtaining financing for a contracted project. Consistent with prior experience, Invenergy will work with one or more lenders and potential equity investors to finance the construction of the Grain Belt Express Project. Invenergy will negotiate and structure the debt and equity financing to fully cover the cost of construction, and repayment will be based on the strength of the contracted cash flows. Prior to commencement of construction, Invenergy plans to execute credit agreements with lenders for debt financing obligations and equity contribution agreements with investors for equity commitments that will be drawn upon as needed to fund construction costs.
<b>Objections</b>	NA

The attached information provided to **Missouri Public Service Commission** Staff in response to the above data information request is accurate and complete, and contains no material misrepresentations or omissions, based upon present facts of which the undersigned has knowledge, information or belief. The undersigned agrees to immediately inform the **Missouri Public Service Commission** if, during the pendency of Case No. **EA-2016-0358** before the Commission, any matters are discovered which would materially affect the accuracy or completeness of the attached information. If these data are voluminous, please (1) identify the relevant documents and their location (2) make arrangements with requestor to have documents available for inspection in the **Grain Belt Express Clean Line, LLC-(Electric)** office, or other location mutually agreeable. Where identification of a document is requested, briefly describe the document (e.g. book, letter, memorandum, report) and state the following information as applicable for the particular document: name, title number, author, date of publication and publisher, addresses, date written, and the name and address of the person(s) having possession of the document. As used in this data request the term "document(s)" includes publication of any format, workpapers, letters, memoranda, notes, reports,



analyses, computer analyses, test results, studies or data, recordings, transcriptions and printed, typed or written materials of every kind in your possession, custody or control or within your knowledge. The pronoun "you" or "your" refers to **Grain Belt Express Clean Line, LLC-(Electric)** and its employees, contractors, agents or others employed by or acting in its behalf.

**Security :** Public

**Rationale :** NA

## Missouri Public Service Commission

### Respond Data Request

<b>Data Request No.</b>	0080
<b>Company Name</b>	Grain Belt Express Clean Line, LLC-(Electric)
<b>Case/Tracking No.</b>	EA-2016-0358
<b>Date Requested</b>	11/15/2018
<b>Issue</b>	General Information & Miscellaneous - Other General Info & Misc.
<b>Requested From</b>	Karl Zobrist
<b>Requested By</b>	Mark Johnson
<b>Brief Description</b>	Comparable Affiliate Example
<b>Description</b>	Please identify affiliates within the Invenergy LLC family of companies that have been financed similar to how Invenergy LLC plans to finance the Grain Belt Express Project. Data Request submitted by David Murray (david.murray@psc.mo.gov).
<b>Response</b>	The plan for financing of the Grain Belt Express Project will be similar to energy project financing structures implemented over the last seventeen years by affiliates of Invenergy Transmission LLC. A similar example is the project financing structure implemented for the Lackawanna Energy project, which is a 1,485 MW natural gas-fired combined cycle power plant constructed in Lackawanna County, Pennsylvania and operating in the PJM electricity market. During the development stage, Invenergy negotiated with lenders and equity investors and in December 2016 completed the financing, including approximately \$1B of senior debt financing facilities, which have funded the construction of the project.
<b>Objections</b>	NA

The attached information provided to **Missouri Public Service Commission** Staff in response to the above data information request is accurate and complete, and contains no material misrepresentations or omissions, based upon present facts of which the undersigned has knowledge, information or belief. The undersigned agrees to immediately inform the **Missouri Public Service Commission** if, during the pendency of Case No. **EA-2016-0358** before the Commission, any matters are discovered which would materially affect the accuracy or completeness of the attached information. If these data are voluminous, please (1) identify the relevant documents and their location (2) make arrangements with requestor to have documents available for inspection in the **Grain Belt Express Clean Line, LLC-(Electric)** office, or other location mutually agreeable. Where identification of a document is requested, briefly describe the document (e.g. book, letter, memorandum, report) and state the following information as applicable for the particular document: name, title number, author, date of publication and publisher, addresses, date written, and the name and address of the person(s) having possession of the document. As used in this data request the term "document(s)" includes publication of any format, workpapers, letters, memoranda, notes, reports, analyses, computer analyses, test results, studies or data, recordings, transcriptions and printed, typed or written materials of every kind in your possession, custody or control or within your knowledge. The pronoun "you" or "your" refers to **Grain Belt Express Clean Line, LLC-(Electric)** and its employees, contractors, agents or others employed by or acting in its behalf.

<b>Security :</b>	Public
<b>Rationale :</b>	NA

**Schedule DM-sr3**