

**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)
)

Case No.: EA-2023-0017

REPLY BRIEF of CLEAN GRID ALLIANCE

Sean R. Brady
(IL Bar # 6271134)

Judith Anne Willis
(MO Bar # 63327)

Senior Counsel and Director of
Regulatory Advocacy

Clean Grid Alliance
P.O. Box 4072
Wheaton, IL 60189-4072
Telephone: 651-968-6240
Email:
sbrady@cleangridalliance.org

The Law Office of Judith Anne Willis
P.O. Box 106088
Jefferson City, MO 65110
Telephone: 573-301-8082
Email:
jaw@anniewillislaw.com

Attorney for Clean Grid Alliance

Attorney for Clean Grid Alliance

DATED: July 14, 2023

Table of Contents

I. REPLY.....	1
1. The Project will Deliver Low-Cost Renewable Power from Kansas to Missouri..	1
2. The Renewable Energy Delivered via the Grain Belt Express Project is Needed by Missouri Utilities	3
3. The Grain Belt Express Project Fosters Electricity Market Competition that Reduces Prices	5
4. The Grain Belt Express Project Increases Electric Reliability and Resilience in Missouri and Across MISO and SPP	8
5. The Grain Belt Express is in the Public Interest because it Reduces Pollution and Facilitates Compliance with Environmental Regulations.....	9
IV. CONCLUSION AND REQUESTED RELIEF.....	10

Clean Grid Alliance respectfully submits its Reply Brief in the above captioned case pursuant to Section 4240-2.140 of the Commission’s Practice and Procedure and pursuant to *Order Granting Staff’s Motion for an Extension to File Initial Brief*, dated June 28, 2023.

Clean Grid Alliance’s (“CGA”) reply brief responds to arguments made by Missouri Landowner’s Alliance (“MLA”) and Agricultural Associations¹, that were filed on July 7, 2023.

I. REPLY

MLA challenges the five major points in CGA witness Goggin’s testimony.² MLAs arguments fail for the reasons set forth below.

1. The Project will Deliver Low-Cost Renewable Power from Kansas to Missouri

MLA challenges CGA witness Michael Goggin’s testimony that the Project will deliver low-cost renewable power to Missouri.³ MLA asserts that the problem with Mr. Goggin’s approach is that he did not account for the cost of delivering the energy from Kansas to Missouri.⁴

Mr. Goggin’s analysis supplements or augments the modeling results presented in the PA Consulting Report. While Mr. Goggin’s comparison of the cost or power purchase agreement (“PPA”) prices of wind and solar resources in Kansas is not as accurate as the

¹ In its initial brief, the Agric. Assoc. concurred with, reiterated, adopted and incorporated by reference in total the legal arguments, evidentiary citations, and prayers for relief and remedy set forth in the Initial Post Hearing Brief of the Missouri Landowner Alliance filed in this matter.

² Initial Post-Hearing Brief of The Missouri Landowners Alliance (“MLA IB”), at 35-38.

³ MLA IB at 3, *citing* Exh. 600, Rebuttal Testimony of Michael Goggin submitted on Behalf of Clean Grid Alliance and Scheds. MG-1 through MG-11 (“Goggin RTTY”) at 4:81-82.

⁴ MLA IB at 36.

modeling performed by PA Consulting⁵ it is still is informative and “moves the needle” under the preponderance of the evidence standard. Mr. Goggin’s comparison of historical PPA prices shows that prices for wind and solar projects in SPP have historically been significantly lower than PPAs for similar sized projects in MISO.⁶ This is informative about whether the line is economically feasible.

Mr. Goggin also explained that because his comparison uses historical prices those prices do not account for the federal Inflation Reduction Act’s solar Production Tax Credit. The tax credit will greatly enable renewable projects in Kansas to offer lower-priced PPAs in Missouri.⁷ If the renewable resource developers who would subscribe to and pay to use the line are unable to secure PPAs and sell their energy into Missouri or MISO then Grain Belt Express will not get secure financing. If Grain Belt Express cannot secure full financing for each respective phase of the Project then it cannot be built.⁸

MLA did not claim the underlying data used by Mr. Goggin was wrong, inaccurate, or invalid. Therefore, it can be relied upon by the Commission as an indication of the likelihood the Project is economically feasible. Furthermore, MLA does not present counter-evidence demonstrating that power purchase agreement prices for wind or solar resources in Kansas are not competitive to similar resources in Missouri or MISO. Therefore, the only valid data in the record indicates that the Project will deliver low-cost renewable power to Missouri at a price that is competitive with prices in Missouri and MISO. The competitive nature of the price is one reason why the Project is economically

⁵ Exh. 3, Direct Testimony of Mark Repsher on Behalf of Brain Belt Express LLC and Scheds MR-1 through MR-2 (“Repsher DTTY”), at 6-9.

⁶ Exh. 600, Goggin RTTY at 8-9.

⁷ Exh. 600, Goggin RTTY at 9-10.

⁸ Application, ¶86; Exh. 19, Direct Testimony of Kevin Chandler and accompanying Scheds. KC-1 though KC-6 (“Chandler DTTY”) at 18:11 to 19:18.

feasible.

For the foregoing reasons, the Commission should rely upon Mr. Goggin's testimony on the Project delivering low-cost renewable energy into Missouri when determining that the Project is economically feasible and in the public interest.

2. The Renewable Energy Delivered via the Grain Belt Express Project is Needed by Missouri Utilities

MLA challenges CGA witness Michael Goggin's testimony that the Project is needed. MLA asserts that Mr. Goggin's reliance on Ameren Missouri's ("Ameren") and Evergy's integrated resource plans ("IRPs") should be disregarded because Mr. Goggin

provides no evidence that the Grain Belt project is in fact the lowest-cost option for meeting those needs, or that it would be in the best interest of those utilities and their customers to purchase capacity from Grain Belt.⁹

The standard of proof (as discussed in *Intercon*) is not that the proponent needs to demonstrate the project or proposal is an absolute need, but that the proposed project provides an improvement justified by the cost.¹⁰

Ameren's and Evergy's IRPs are indicators of demand for wind and solar resources and to the extent MLA's concern is whether the Project provides the lowest cost resource, the record proves that they would be. Typically, IRPs identify types of resources to meet a cost-effective or reliability need – such as the addition of so many MW of wind, solar, or battery storage. Ameren and Evergy have already identified wind and solar resources as being the targeted resources to cost effectively meet their needs over the next 10 years. Ameren's IRP calls for adding 3,500 MW of renewables by 2030, while Evergy's 2022

⁹ MLA IB at 36, *citing* Exh. 600 Goggin RTTY at 23:470-73.

¹⁰ *State ex rel. Intercon Gas, Inc. v Pub. Serv. Commission of Missouri*, 848 S.W.2d 593, 597 (Mo. Ct. App. 1993).

update to its 2021 IRP calls for adding 3,540 MW by 2032. That totals over 7,000 MW of new renewable nameplate capacity.¹¹ The 2,500 MW of wind and solar resources that could be delivered via the Project can bid to meet that need. The PA Consulting Report and CGA witness Goggin's testimony support the finding that the wind and solar projects delivered via the Project would at least be competitive if not lower cost than similar projects in MISO.¹² Therefore, the IRPs demonstrate a potential need or demand for the energy delivered by GBX.

In its analysis of Grain Belt Express, Ameren favorably ranked a scenario in which the Project would have delivered 1,000 MW of wind. The IRP found the scenario that includes the Grain Belt Express project offered a comparably low cost to Ameren's preferred scenario (preferred course of action), which purchases the same amount of renewable capacity. In its IRP, Ameren explained that it scored the scenario with the Grain Belt Express project slightly lower than its preferred plan because of regulatory uncertainty.¹³ Regulatory uncertainty around the project would change because Illinois has granted a certificate for the Project. Since Ameren's 2020 IRP, Illinois has granted Grain Belt Express a certificate to own, build and operate the line through that state.¹⁴ Illinois' approval of the line should further reduce the risk related to certainty of the line being built. Furthermore, the phasing of the Project that Grain Belt Express has proposed in this docket¹⁵ improves the risk of regulatory certainty by allowing Missouri to move

¹¹ Exh. 600, Goggin RTTY at 23.

¹² See CGA Initial Brief at 14 – 20 and 22-23, *explaining* how the project is economically feasible and how the project reduces ratepayer's energy and capacity costs.

¹³ Exh. 600, Goggin RTTY at 24.

¹⁴ Exh. 102, Rebuttal Testimony of Claire M. Eubanks, PE at 4.

¹⁵ Initial Brief of Grain Belt Express at 33-36.

forward and not being delayed by Project development through Illinois¹⁶.

Evergy's comments, in its IRP, confirm that the Grain Belt Express Project is essential for it to access high-quality SPP renewable resources. In its IRP, Evergy stated the following:

With regards to renewable resources in the southwest Kansas region, it is known that the total current firm transmission service requests to SPP exceed the total transmission service availability which will be provided by transmission construction projects. **Until large scale investments in transmission upgrades are made, the timing of future renewable resource additions in that region will be difficult to determine with certainty.** This could lead to output and/or delivery limitations on future renewable resource additions in the southwest Kansas region.¹⁷ (*emphasis added*)

Finally, if the wind and solar resources delivered by the Project are not the lowest cost option to meet Ameren and Evergy's forecasted demand for renewable resources, Missouri ratepayers will not be harmed. If Grain Belt Express cannot secure full financing for each respective phase of the Project then it cannot be built.¹⁸ This condition protects the ratepayer in the event wind and solar resources in Kansas are not as competitive as the PA Consulting Report forecasts.

For the foregoing reasons, the Commission should rely upon Mr. Goggin's testimony when determining that the Project is needed.

3. The Grain Belt Express Project Fosters Electricity Market Competition that Reduces Prices

MLA challenges CGA witness Michael Goggin's testimony that the Project would

¹⁶ See Exh. 20, Surrebuttal Testimony of Kevin Chandler and accompanying Schedules KC-6 through KC-7, at 4-6, *explaining* benefits of splitting the Project into two phases.

¹⁷ Exh. 600, Goggin RTTY at 24-25.

¹⁸ Application to Amend Existing Certificate of Public Convenience and Necessity ("Application"), ¶86 (8/24/2022); Exh. 19, Chandler DTTY at 18:11 to 19:18.

foster electric market competition that reduces price.¹⁹ This aspect of Mr. Goggin's testimony supports the Commission finding the Project being economically feasible, or in the alternative, in the public interest.²⁰ MLA asserts that CGA witness Goggin should have done his own economic or market analysis based on updated costs of energy for the Project.²¹

An expert witness can have an opinion that is informative on the economics of a project without performing an economic analysis. Mr. Goggin is an expert witness with a wealth of experience. He has testified in dozens of regulatory cases, and has nineteen years in the industry.²² Mr. Goggin's credibility was not challenged or impugned in the case. Experts form and present opinions based on sufficient facts or data and reliable principles and methods.²³ Mr. Goggin's opinion is informed by the Synapse Report, which explains that wind delivered via transmission can save money for the typical electric customer. Wind can provide such savings because its costs are not subject to fuel price volatility. Wind projects prices, therefore, are relatively stable for the life of the wind resource.²⁴ This is a generally accepted principle in transmission planning. In applying these principles to the facts of this case he formed an expert opinion that augments Grain Belt Express testimony.²⁵ Mr. Goggin's testimony is therefore not limited to performing a market analysis.

Moreover, the testimony of Grain Belt Express witness Repsher, of PA Consulting, and his analysis were consistent with Mr. Goggin's expert opinion -- that the Project

¹⁹ MLA IB at 37; *citing* Exh. 600 at 27:540-46 and n. 34.

²⁰ *See* CGA IB at 17 and 22-23.

²¹ MLA IB at 37.

²² Exh. 600, Goggin RTTY, Sched. MG-1.

²³ *See* 490.065 RSMO.

²⁴ Exh. 600, Goggin RTTY at 27.

²⁵ *Id.*

would foster electric market competition that reduces price.²⁶ PA Consulting Report relied on a standard wholesale market modeling tool, the Aurora model, which is widely used by a wide number of electric industry stakeholders. The model calculates the cost of electricity by simulating the dispatch of electric generation across the Eastern Interconnection.²⁷ That report's findings clearly indicate a benefit for Missouri, and for electric customers in MISO and PJM -- \$17.6 billion in energy and capacity savings in Missouri, alone.

Mr. Goggin's testimony regarding the benefits of wind delivered across regions augments the PA Consulting Report's findings. His testimony explains, beyond what the PA Consulting Report addresses, why the Project yields a net benefit for Missouri, MISO and PJM. Mr. Goggin explained that the energy delivered from Kansas via the Project increases competition in Missouri because

the Project (1) delivers electricity that has a lower cost, including both marginal production cost and long-term Power Purchase Agreement prices, than the electricity in the area to which it is interconnecting; (2) serves as a hedge against volatile fuel prices; (3) reduces prices in MISO's voluntary capacity market; and (4) reduces the potential for generators to exercise market power.²⁸

Thus, while Mr. Goggin's testimony is not an economic analysis similar to what PA Consulting performed, it supplements the Grain Belt Express testimony on the Project's economic feasibility and public interest by going beyond simply calculating the dollar benefits and by qualitatively explaining how the market would benefit from the Grain Belt Express Project.

²⁶ Exh. 600, Goggin RTTY at 25-29.

²⁷ Aurora is further described in CGA IB at 16-17.

²⁸ Exh. 600, Goggin RTTY at 25, see 25-29 for explanation of the four factors.

4. The Grain Belt Express Project Increases Electric Reliability and Resilience in Missouri and Across MISO and SPP

MLA challenges CGA witness Michael Goggin's testimony that the Project would increase reliability and resilience in Missouri and across MISO and SPP.²⁹ MLA references Staff witness Eubanks testimony as its reason for opposing Mr. Goggin's reliability and resilience testimony. Ms. Eubanks disagrees with the Guidehouse Report and the estimated savings calculated therein. She states that the Guidehouse study's estimate of reliability/resilience savings to Missouri is based on the Project providing bidirectional flows, and her concern is that Grain Belt Express has not requested permission to provide bidirectional service nor has it undertaken the investment needed to allow for bi-directional operation.³⁰

Grain Belt Express has addressed this issue in its Initial Brief in paragraph 58. Briefly, Grain Belt Express explains that bidirectional power flow is inherent to the selected technology type and the contract between Grain Belt Express and Siemens (the converter station supplier) provides for delivery of bidirectional converter stations. It is a service the line can provide, that needs to be requested by a customer. That customer needs to define the level of service and seek RTO approval of that service. The RTO analyzes the request, allocates the rights or assigns the requestor upgrades to make the request feasible.³¹ Therefore, it is a capability of the line that should be considered in approving the Amended Project.

Therefore, the Commission should rely upon Mr. Goggin's testimony when

²⁹ MLA IB at 37, *citing* Exh. 600 Goggin RTTY at 31:624-34.

³⁰ Exh. 102, Rebuttal Testimony of Claire M. Eubanks, PE at 12-13.

³¹ Initial Brief of Grain Belt Express at ¶58, *citing* Exh. 10, Surrebuttal Testimony of Aaron White on behalf of Grain Belt Express LLC at 4-5; Exh. 8, Surrebuttal Testimony of Carlos Rodriguez on behalf of Grain Belt Express LLC at 11; Tr. Vol 9 at 490:5-16.

deciding that the Project is in the public interest because it has the capability of providing such service and it increases reliability and resilience in Missouri and across MISO and SPP.

5. The Grain Belt Express is in the Public Interest because it Reduces Pollution and Facilitates Compliance with Environmental Regulations

MLA challenges CGA witness Michael Goggin's testimony that the Project is in the public interest because it would reduce pollution and facilitate compliance with environmental regulations.³² MLA asserts that CGA witness Goggin did not evaluate the emissions reduction of other transmission projects designed to deliver renewable energy to Missouri in lieu of the Grain Belt Express Project.³³

There are no other alternative projects to analyze. No other party presented alternatives to the line that Mr. Goggin should have considered and therefore modeled. Therefore, the Commission should rely upon Mr. Goggin's testimony on emissions benefits when determining whether the Project is in the public interest.

This area intentionally left blank.

³² MLA IB at 37-38, *citing* Exh. 600, Goggin RTTY at 32:652-54.

³³ MLA IB at 38.

IV. CONCLUSION AND REQUESTED RELIEF

The Project is needed to meet multiple and significant demands for clean energy in Missouri, MISO, and PJM. The Project is needed to meet MEC's contracted energy requirements. Demand for wind and solar energy is evident from utility integrated resources plans, from corporate green or sustainable power goals, and the transition of the generation fleet across MISO and PJM as old uneconomic plants retire.

The PA Consulting Report and Mr. Goggin's analysis indicate that the Project is economically feasible. Because the wind and solar plants in Kansas can produce more power at approximately the same cost as similar plants in Missouri and MISO, the energy delivered via the Project will be lower cost than what is available in Missouri, MISO, and PJM. This indicates the Projects would be economically feasible. To protect the ratepayer, the Project cannot be built unless Grain Belt Express meets the Financing Condition of the certificate approved in case no. EA-2016-0358.

The Project is in the public interest because it has the capability of reducing Missouri ratepayer energy and capacity costs, it has the capability of providing reliability and resilience to meet bolster a stressed MISO transmission system and increasing extreme weather events, it provides local economic benefits and jobs³⁴, and it meets regional demand for low-cost energy and low-cost renewable energy in MISO, PJM, and TVA.

Wherefore, Clean Grid Alliance respectfully requests that the Commission find that the Grain Belt Express Project [1] is needed, [2] is economically feasible, and [3] is in the public interest, and requests the Commission amend or update Grain Belt Express's

³⁴ There are no alternative transmission lines to compare this to, therefore, it generates new full-time equivalent employment and indirect investment in the Missouri counties in which it is routed.

certificate of convenience and necessity to construct, own, control, manage, operate and maintain the Project through Missouri.

Respectfully submitted,

/s/ Sean R. Brady

Sean R. Brady
(IL Bar # 6271134)

Senior Counsel and Director of
Regulatory Advocacy

Clean Grid Alliance
P.O. Box 4072
Wheaton, IL 60189-4072
Telephone: 651-968-6240
Email:
sbrady@cleangridalliance.org

Attorney for Clean Grid Alliance

/s/ Judith Anne Willis

Judith Anne Willis
(MO Bar # 63327)

Judith Anne (Annie) Willis

The Law Office of Judith Anne Willis
P.O. Box 106088
Jefferson City, MO 65110
Telephone: 573-301-8082
Email: jaw@anniewillislaw.com

Attorney for Clean Grid Alliance

July 14, 2023

CERTIFICATE OF SERVICE

The undersigned certifies that this Brief was electronically served upon all parties to this case on July 14, 2023.

/s/ Sean R. Brady

Attorney for Clean Grid Alliance