

**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)	Case No. EA-2016-0358
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 345 kV transmission)	
Line.)	

BRIEF OF AMICUS CURIAE ENERGY FOR GENERATIONS, LLC

Concurrently with this brief, Energy for Generations, LLC (“Energy for Generations” or “E4G”) filed a petition for leave to appear and file brief as an *amicus curiae*. As noted in its petition for leave to file an *amicus* brief, Energy for Generations is a Tulsa, Oklahoma based limited liability company engaged in the business of developing, and encouraging the development of, state-of-the-art wind power projects intended to generate, export, and sell renewable energy at prices lower than locally generated energy. Because E4G is a potential customer of the energy transmission services for which Grain Belt Express Clean Line LLC (“Grain Belt”) seeks authority in this matter, E4G requested this opportunity to express its firm support of Grain Belt’s application.

Grain Belt Project

1. Grain Belt has applied for a Certificate of Convenience and Necessity from the Missouri Public Service Commission that authorizes Grain Belt to (1) construct, own, operate, control, manage, and maintain an approximately 206-mile high voltage, direct current (“HVDC”) transmission line that will traverse the state of Missouri from Kansas into Illinois and Indiana,

and (2) an associated converter station in Ralls County, Missouri and alternating current (“AC”) interconnecting facilities, including an AC switching station and related AC transmission lines (hereafter, collectively, the “Project”).

2. The HVDC transmission line and converter station facilities are an inter-regional transmission project that will span the footprints of three regional transmission organizations: Southwest Power Pool, Inc. (“SPP”), Midcontinent Independent System Operator, Inc. (“MISO”), and PJM Interconnection, LLC (“PJM”). The Grain Belt Express transmission line will provide economic and reliability benefits by delivering low-cost, wind-generated energy from western Kansas to load and populations centers in Missouri and other states in the region.¹ Consistent with the guidance provided by the Commission², Grain Belt filed its Application in light of new and additional facts³ that demonstrate that there is a need for the Project, and that it is both economically feasible and in the public interest.

3. On March 7, 2017, the Staff of the Missouri Public Service Commission filed a list of issues and witnesses for this docket, framing the issues as follows:

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?

¹ See, Grain Belt August 30, 2016 Application at p. 2.

² July 1, 2015 Report and Order in Case No. EA-2014-0207, in which Grain Belt’s initial application was denied by a 3-2 Commission vote.

³ See, Grain Belt August 30, 2016 Application at pp. 2-5 for a comprehensive list of new and additional facts, most notably a 225 MW Transmission Service Agreement between the Missouri Joint Municipal Electric Utility Commission (“MJMEUC”) and Grain Belt.

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.?

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

4. For purposes of this *amicus* brief, Energy for Generations provides support for Issue 2, asserting that granting Grain Belt’s request for approval of the transmission line and associated facilities is necessary and in the public interest and should therefore be approved by the Commission.

Standards for Approval

5. The Project clearly meets the statutory standard for Commission approval set forth in Section 393.170, which gives the Commission the power to authorize the construction of electric infrastructure in Missouri that is “necessary or convenient for the public service.” In assessing whether a proposed project is necessary or convenient for the public service, the Commission evaluates the application in light of the five criteria known as the *Tartan* factors.⁴ The *Tartan* factors are as follows: (1) there must be a need for the service the applicant proposes to provide; (2) the applicant’s proposal must be economically feasible; (3) the applicant must have the financial ability to provide the service; (4) the applicant must be qualified to provide the proposed service; and (5) the proposed service must be in the public interest.

6. As previously noted for the purposes of this brief, Energy for Generations will focus on the “need for the service” and the “public interest.”

⁴ *In re Entergy Arkansas, Inc.* No. EA-2-12-0321, Order Granting Certificate of Convenience and Necessity at 2 (July 11, 2012), citing *In re Tartan Energy Co.*, 3 Mo. P.S.C.3d 173, 1994 WL 762882, No. GA-94-127 (1994). See also *State ex rel. Intercon Gas, Inc. v. PSC*, 848 S.W.2d 593, 597-98 (Mo. App. W. D. 1993.)

Need for the Project

7. Grain Belt witness Mr. David Berry provided testimony⁵ discussing the strong demand for transmission service to Missouri, based in part on the fifteen requests for transmission service Grain Belt has received. Of these fifteen requests, fourteen are from wind energy generators who require new transmission infrastructure to deliver low-cost wind energy from projects under development in and around western Kansas to Missouri, Illinois, and Indiana customers. During the evidentiary hearing, Mr. Berry elaborated and stated that Grain Belt initiated an open solicitation as a means of gauging interest in potential subscribers for the line. Mr. Berry noted that the solicitation offered a price that was approximately 30% higher than the price to Missouri, and Grain Belt received six-and-a-half times as many bids as there was capacity at that price.⁶ Clearly, there is a demand from wind producers for the Grain Belt Project, which in turn supports Grain Belt's assertions that there is a demonstrated need for the project, that will include economically beneficial energy sales to Missouri customers.

8. Further, Matt Langley, Vice President, Finance and Origination for Infinity Wind Power, agrees with Mr. Berry and states:

As a wind developer in Kansas, Infinity believes that the Grain Belt Express project satisfies a missing link in modernizing the nation's electric power infrastructure. The project will enable Infinity and companies like Infinity to export inexpensive power to the benefit of others in load centers outside of Kansas. As was true a couple of years ago, wind energy is still the least expensive form of new build energy in the U.S. This is true because we are siting the wind farms in areas that are very windy, thus making the farms quite productive. The challenge is developing the means to deliver this very cheap power to load, where it can help provide stable prices to businesses and consumers. The Grain Belt Express Project is the solution to that very real delivery problem, as is evidenced by the recent contract that Infinity was able to broker with the Missouri Joint Municipal Electric Utility Commission ("MJMEUC")⁷.

⁵ Direct Testimony of David A. Berry, August 30, 2016, at pp 24-25.

⁶ March 22, 2017 Tr. Vol. 14 at pp. 940-941.

⁷ Rebuttal Testimony of Matt Langley, January 24, 2017, at p. 4.

9. Mr. Langley further illustrates the need for the Grain Belt project by clearly explaining how and why there are no other economically feasible ways to export the energy, and that the Grain Belt project is the most efficient way to export large amounts of power due to the technology being used. He states:

In order to export power today, a generator in Kansas must work with multiple utilities and transmission operators in order to acquire the rights to export. This is really due to the design of the grid, and its lack of modernization. Many of those agreements are short in term, and very expensive, and in looking at these alternatives to export power, it is clear that there is no existing project or combination of projects that can yield similar results as the Grain Belt Express Project.⁸

10. The demonstrable need for the project was similarly acknowledged by Michael Goggin, Director of Research for the American Wind Energy Association, who submitted testimony on behalf of Wind on the Wires and the Wind Coalition. Mr. Goggin notes his agreement with the testimony of Grain Belt witnesses who discussed multiple factors that are driving the need for wind energy, including: (1) compliance with state renewable energy standards; (2) use of wind energy as a cost effective replacement of generating plants that are retiring; (3) increasing demand for wind energy from corporate purchasers; (4) use of renewable energy for compliance with carbon regulations; (5) the need for energy that lowers wholesale electric prices; (6) need for energy that lowers retail electric rates; and (7) the need to diversity the portfolio of current electric generation.⁹ Mr. Goggin concludes that the Grain Belt project gives Missouri, and the states in MISO and PJM, the necessary transmission access to low cost wind energy from Kansas that can meet each of the enumerated goals above.¹⁰

⁸ Id. at pp. 4-5.

⁹ Rebuttal Testimony of Michael Goggin, January 24, 2017, at p. 11.

¹⁰ Id. at pp. 33-34.

11. Grain Belt and the other proponents of the Grain Belt Express Project have demonstrated the unmistakable need for the project on both the state and regional levels. As such, the *Tartan* criteria pertaining to the “need for the service” has been fulfilled.

Public Interest

12. In addition to fulfilling the standard to demonstrate the need for the project, Energy for Generations concurs with Grain Belt’s application and supporting testimony that the project will serve the public interest of Missouri in numerous and diverse ways. The project provides the necessary transmission infrastructure to deliver low-cost wind energy to customers in Missouri, as well as others in the MISO and PJM markets.¹¹ Further, the 225 MW Transmission Service Agreement between the Missouri Joint Municipal Electric Utility Commission (“MJMEUC”) and Grain Belt is expected to result in savings to MJMEUC’s members, and, ultimately, end-users, of \$10 million annually. This Transmission Service Agreement provides MJMEUC’s 67 members with an economically advantageous¹² supply of electricity, thereby reducing costs for MJMEUC customers and expanding its resource mix.¹³

13. Further, the substantial economic benefits accruing to the State of Missouri as a result of the project also weigh heavily in favor of a Commission determination that the project supports the public interest. The construction of the Grain Belt Express Project will utilize Missouri companies and resident workers,¹⁴ create over 1,500 new jobs in Missouri during the construction phase, with an estimated \$246 million in new personal income and \$476 million in new gross domestic product.¹⁵ During its first year of operation, the Project will support over 90

¹¹ Grain Belt Application at pp. 15-16.

¹² See, Rebuttal Testimony of John Grotzinger, January 24, 2017, for a comprehensive discussion of the substantial cost savings to MJMEUC’s members as a result of the Project.

¹³ Grain Belt Application at pp. 10-11.

¹⁴ See, e.g., Direct Testimony of Michael P. Skelly, August 30, 2016, at pp. 6; March 20, 2017 Tr. Vol. 10 at p. 147.

¹⁵ See, Direct Testimony of Mark Lawlor, August 30, 2016, at p. 15.

jobs, which is expected to produce \$17.9 million in new personal income and \$9.1 million in new gross domestic product. Moreover, the estimated \$7.2 million increase in annual property taxes for the eight counties the Project will traverse will provide significant benefits to school districts, fire districts, public libraries, and health and ambulance services.¹⁶

Conclusion

Energy for Generations supports Grain Belt's application without equivocation and urges the Commission to expeditiously approve its request for a certificate of convenience and necessity for the Grain Belt Express Project. The evidence set forth in this proceeding is more than compelling and clearly demonstrates both the substantial need for the project and the promotion of the public interest that will occur if the Project is approved. Though not discussed in this brief, a review of the full evidentiary record illustrates that the remaining *Tartan* criteria have all been fully satisfied by Grain Belt.

The portion of the Grain Belt Express project traversing the state of Missouri is an integral link in connecting cost-effective wind energy to areas of high demand further to the east, including Missouri. Without this necessary transmission infrastructure, the ability to move clean and affordable wind energy to Missouri is significantly and unnecessarily impeded. By approving Grain Belt's application, the Commission endorses the opportunity to reduce electricity prices in the state of Missouri, provide considerable benefits to Missouri, its tax base, and its citizenry, bolster reliability within the state, and facilitate the advancement of renewable energy within the state.

The considerable, sustainable, and meaningful benefits that the Project will provide to the State of Missouri, both economic and environmental, should not be disregarded, and Energy For Generations urges the Commission to grant Grain Belt's pending application.

¹⁶ Id.

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Certificate of Service

I hereby certify that a true and copy of the above and foregoing document was sent via electronic mail on this 10th day of April, 2017 to all parties on the Commission's official service list in this proceeding.

/s/ Anne E. Callenbach