

**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, 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 )

Case No. EA-2016-0358  
ON REMAND

**REPLY BRIEF OF CLEAN GRID ALLIANCE AND THE WIND COALITION  
IN THE CASE ON REMAND**

Sean R. Brady (IL Bar No. 6271134)  
Senior Counsel & Regional Policy  
Manager

Clean Grid Alliance  
P.O. Box 4072  
Wheaton, IL 60189-4072  
Telephone: 312-867-0609  
Email: [sbrady@cleangridalliance.org](mailto:sbrady@cleangridalliance.org)

*Attorney for Clean Grid Alliance and  
The Wind Coalition*

Deirdre Kay Hirner (MO Bar # 66724)

Hirner Associates LLC  
2603 Huntleigh Place  
Jefferson City, MO 65109  
Telephone: 217-414-8138  
Email: [dkhirner@gmail.com](mailto:dkhirner@gmail.com)

*Attorney for Clean Grid Alliance and  
The Wind Coalition*

DATED: January 16, 2019

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Clean Grid Alliance (formerly “Wind on the Wires”) and The Wind Coalition (jointly referred to as “CGA-TWC”), by and through its attorney, pursuant to Section 240-2.140 of the Commission’s Rule of Practice (4 CSR 240-2.140) and upon the schedule agreed upon by the parties, respectfully submits its Reply Brief in the above captioned matter.

Herein, CGA-TWC replies to arguments presented by Missouri Landowners Alliance (MLA) *et al.*<sup>1</sup> regarding the need for project (“Grain Belt Express Project” or “GBE Project”), and its economic feasibility.

**I. INTRODUCTION AND STATEMENT OF POSITION**

CGA-TWC is responding to Missouri Landowners Alliance *et al.* arguments that the GBE Project does not meet two of the Tartan Criteria (*see infra*) – need and economic feasibility. MLAs arguments are misplaced. The GBE Project is **needed**. It is needed by

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<sup>1</sup> “Initial Post-Hearing Brief on Remand of The Missouri Landowners Alliance, Show Me Concerned Landowners, Charles and Robyn Henke, R. Kenneth Hutchinson, Randall and Roseanne Meyer, and Matthew and Christina Reichert” (MLA IB on Remand).

Missouri Joint Municipal Electric Utility Commission (MJMEUC) to deliver low cost energy and capacity that will replace a power contract ending in 2021. It is also needed to deliver renewable energy to utilities in MISO, PJM and Missouri for use in compliance with state renewable portfolio standards and federal clean air requirements. Finally, the GBE Project is the most effective pathway for delivering low cost renewable energy from Kansas into MISO and PJM, no similar transmission line is currently being proposed.

The line is **economically feasible** because it delivers wind energy into Missouri, MISO and PJM at prices equal to or lower than what is currently available. The GBE Project provides numerous other benefits that will inspire customer investment into the line: it would improve electric market efficiency across a large area of Missouri; it would reduce wholesale electric prices in MISO, PJM and Missouri; it can be used as a cost effective replacement of energy lost due to the retirement of generating plants in the next 10-15 years; it would minimize electricity price volatility due to changes in fossil fuel prices; it would deliver renewable energy that can diversify a utility's existing renewable generation portfolio; and it can help large energy customers meet their goals in corporate renewable energy and sustainability plans.<sup>2</sup> Overall, the GBE Project has the unique ability to improve electric market efficiency across most of the Eastern Interconnect because it delivers clean energy at rock bottom market prices for the markets to which the energy is being delivered.

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<sup>2</sup> For detailed discussion of these benefits, see Initial Brief of Clean Grid Alliance and The Wind Coalition in the Case on Remand (CGA-TWC IB on Remand), at 16-25.

## II. STANDARD FOR CERTIFICATE OF CONVENIENCE AND NECESSITY

The key legal standard for granting the Certificate of Convenience and Necessity (“CCN”) is captured within Section 393.170.1 (Mo. Rev. Stat. §393.170.1 (2016)). The Commission has traditionally used five factors to determine whether to grant a certificate of convenience and necessity: (1) there must be a need for the service the applicant proposes to provide; (2) the applicant must be qualified to provide the proposed service; (3) the applicant’s proposal must be economically feasible; (4) the applicant must have the financial ability to provide the service; and (5) the proposed service must promote the public interest. *In re Entergy Arkansas, Inc.*, Order Granting Certificate of Convenience and Necessity, No. EA-2012-0321 (Mo. P.S.C. 2012); *In re Tartan Energy Co.*, 3 Mo. P.S.C. 173, 177 (1994).

## III. REPLY ARGUMENTS

### 1. The GBE Project is Needed By MJMEUC

MLA argues that the GBE Project is not needed. As support for this position MLA points to the fact that Grain Belt has not signed any new customers.<sup>3</sup> This argument is a red herring. As noted by GBE witness Skelly, Grain Belt Clean Line did not spend a lot of time marketing capacity on the line while certificate of need approvals were still needed to be approved.<sup>4</sup> The reason they did not spend a lot of time continuing to market the line is that few if any potential customers are going to put the time, money and effort into evaluating the opportunity to use the GBE Project until the regulatory uncertainty is

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<sup>3</sup> MLA IB on Remand, at 15.

<sup>4</sup> TR, Vol. 22 1859:6-9.

decided.<sup>5</sup> That is a reasonable business decision and makes perfect sense. Moreover, the price is low and will attract customers once regulatory certainty is provided. MLAs argument is unpersuasive.

## 2. Economic Feasibility of the Project

MLA challenges the economic feasibility of the GBE Project. MLA asserts that the GBE Project will not provide value to Missouri.<sup>6</sup> That is wrong. It benefits Missouri and the MJMEUC contracts directly reflect that. The CGA-TWC initial brief on remand explains the benefits the GBE Project will provide Missouri.<sup>7</sup> In addition, the forecasted price of energy the GBE Project would deliver is low relative to the MISO and PJM markets and will be attractive to any number of customers when there is sufficient certainty the GBE Project will go forward.<sup>8</sup>

MLA uses a lot of ink to describe the status of Grain Belt's applications at the Illinois Commerce Commission and Kansas Corporation Commission<sup>9</sup>, but these issues are not on point. Approval by state regulatory commissions are not economic feasibility issues and not relevant to this criterion. To the extent it is relevant, Invenenergy has the ability to re-apply with the Illinois Commerce Commission for authority to build the line in Illinois, and expressed its intent to re-apply<sup>10</sup>, and Grain Belt Clean Line is actively managing its status before the Kansas Corporation Commission<sup>11</sup>.

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<sup>5</sup> See TR. Vol. 22 1877:19-22.

<sup>6</sup> MLA IB on Remand at 30.

<sup>7</sup> CGA-TWC IB on Remand, at 5-10.

<sup>8</sup> CGA-TWC IB on Remand, at 13-25.

<sup>9</sup> MLA IB on Remand, at 23-27.

<sup>10</sup> TR. 2034:23-2035:5

<sup>11</sup> TR. 1966:9-1967:6 and 2043:4-22.

**IV. CONCLUSION AND REQUESTED RELIEF**

Wherefore, CGA-TWC 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 request the Commission grant Grain Belt Express a certificate of convenience and necessity to construct, own, control, manage, operate and maintain a high voltage, direct current transmission line in Missouri and an associated converter station providing an interconnection on the Maywood 345 kV transmission line.

/s/ Sean R. Brady

Sean R. Brady (IL Bar No. 6271134)  
Senior Counsel & Regional Policy  
Manager

Clean Grid Alliance  
P.O. Box 4072  
Wheaton, IL 60189-4072  
Telephone: 312-867-0609  
Email: [sbrady@cleangridalliance.org](mailto:sbrady@cleangridalliance.org)

*Attorney for Clean Grid Alliance and  
The Wind Coalition*

/S/ Deirdre K. Hirner

Deirdre Kay Hirner (MO Bar # 66724)

Hirner Associates LLC  
2603 Huntleigh Place  
Jefferson City, MO 65109  
Telephone: 217-414-8138  
Email: [dkhirner@gmail.com](mailto:dkhirner@gmail.com)

*Attorney for Clean Grid Alliance and  
The Wind Coalition*

January 16, 2019

CERTIFICATE OF SERVICE

The undersigned certifies that this Notice was electronically served upon all parties to this case on January 16, 2019.

/s/ Sean R. Brady

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Attorney for Clean Grid Alliance and  
The Wind Coalition