

Exhibit No. 142
Issues: Tartan Factors; Conditions
Witness: David A. Berry
Sponsoring Party: Grain Belt Express Clean Line LLC
Type: Supplemental Direct Testimony
Case No. EA-2016-0358
Date Testimony Prepared: November 12, 2018

MISSOURI PUBLIC SERVICE COMMISSION

CASE NO. EA-2016-0358

SUPPLEMENTAL DIRECT TESTIMONY OF

DAVID A. BERRY

ON BEHALF OF

GRAIN BELT EXPRESS CLEAN LINE LLC

November 12, 2018

Grain Belt Exhibit No. 142
Date 12-18-18 Reporter TUC
File No. EA-2016-0358

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1 I. INTRODUCTION

2 Q. Please state your name and business address.

3 A. My name is David Berry. My business address is 1001 McKinney Street, Suite 700,
4 Houston, Texas 77002.

5 Q. What is your relationship with the applicant Grain Belt Express Clean Line LLC
6 (“Grain Belt Express” or “Company”) and its ultimate parent company, Clean Line
7 Energy Partners LLC (“Clean Line”)?

8 A. I was previously the Chief Financial Officer and Executive Vice President of Clean Line,
9 and I am authorized by Clean Line’s Board of Directors to continue to provide key
10 support on financial and strategic issues regarding the Company and Clean Line. I am
11 also the Chief Financial Officer and Head of Strategy at ConnectGen LLC
12 (“ConnectGen”), a renewable energy company located in Houston.

13 Q. Have you previously submitted testimony in this proceeding?

14 A. Yes, I submitted both direct testimony and surrebuttal testimony.

15 Q. What is the purpose of this supplemental direct testimony?

16 A. The purpose of my supplemental direct testimony is to report any material changes to my
17 previously submitted testimony. Like my prior testimony, my supplemental direct
18 testimony supports the Company’s request for a certificate of convenience and necessity
19 (“CCN”) to operate in Missouri. The Grain Belt Express Clean Line transmission line
20 (“Grain Belt Express Project” or “Project”) is a major infrastructure expansion that brings
21 economic, market, policy and environmental benefits to Missouri and the surrounding
22 region. By installing a converter station in Missouri, the Project will allow Missouri

1 electric purchasers the opportunity to access the lowest-cost renewable energy in the
2 country without an increase in the rates paid by retail electric consumers.

3 As I previously testified, the Missouri Public Service Commission
4 (“Commission”) uses five criteria, known as the Tartan factors, to evaluate applications
5 for a CCN. Those criteria are: (1) there must be a need for the service; (2) the
6 applicant’s proposal must be economically feasible; (3) the applicant must have the
7 financial ability to provide the service; (4) the applicant must be qualified to provide the
8 proposed service, and (5) the proposed service must promote the public interest. The
9 facts of this case continue to show that Grain Belt Express satisfies each of those criteria.

10 **Q. Are there any changes to the Introduction section of your previously submitted**
11 **testimony?**

12 **A.** Although I am now employed by ConnectGen, I remain actively involved in the business
13 of Clean Line and Grain Belt Express.

14 **Q. How is your supplemental direct testimony organized?**

15 **A.** My testimony is organized into four sections, as was my direct testimony.

- 16 • **Section II** relates to the nature of the service that the Company proposes to provide.
- 17 • **Section III** describes certain material changes to my prior testimony regarding the
18 financial ability of Grain Belt Express and Clean Line to provide service on the
19 Project.
- 20 • **Section IV** describes certain material changes to my prior direct testimony as to how
21 the Project is economically feasible, why the Project is needed, and why it serves the
22 public interest. The Project provides Missouri with a new source of affordable, clean
23 energy that can reduce costs for Missouri end-users of electricity, including the

1 customers of the Missouri Joint Municipal Electric Utility Commission (“MJMEUC”)
2 which has agreed to purchase up to 200 megawatts (“MW”) of transmission service
3 for Grain Belt Express to deliver power to Missouri, with an option to purchase an
4 additional 50 MW to deliver power to PJM. This contract remains in place.

5 **Section IV Section V** reaffirms the commitment of Grain Belt Express to the
6 conditions that it agreed to earlier in this case.

7 **II. NATURE OF SERVICE**

8 **Q. Are there any material changes to your prior direct testimony on the nature of the**
9 **service to be provided by Grain Belt Express?**

10 **A.** No, there are none.

11 **III. FINANCING PLAN**

12 **Q. Have there been any significant changes to Clean Line’s financing plan or financing**
13 **capabilities?**

14 **A.** Yes. On November 9, 2018, Grain Belt Express Holding LLC entered into a
15 Membership Interest Purchase Agreement (“MIPA”) with Invenergy Transmission LLC
16 (“Invenergy Transmission”), which is a subsidiary of Invenergy, LLC (“Invenergy”) for
17 the sale of Grain Belt Express Clean Line LLC. The MIPA is attached as a schedule to
18 the Supplemental Direct Testimony of Invenergy Senior Vice President Kris Zadlo.
19 Once it has purchased the Project, Invenergy Transmission will be responsible for
20 securing the financing required to construct and operate the Grain Belt Express Project.

21 Additionally, on November 9, 2018, Grain Belt Express Holding LLC and
22 Invenergy Transmission also entered into a Development Management Agreement to
23 provide development funding through the projected closing date of the MIPA. The

1 Development Management Agreement is attached as a schedule to Mr. Zadlo's
2 Supplemental Direct Testimony.

3 **Q. Will Grain Belt Express be sponsoring supplemental direct testimony from**
4 **Invenergy regarding its financial capabilities and support for the Project, as**
5 **National Grid USA did earlier in this case?**

6 A. Yes. Kris Zadlo, Invenergy's Senior Vice President, Commercial Analytics, Regulatory
7 Affairs, and Transmission, as well as Andrea Hoffman, Invenergy's Senior Vice
8 President, Financial Operations, will provide such testimony.

9 **Q. Please describe how Grain Belt Express will now fund the development and**
10 **construction of the Project.**

11 A. Invenergy will fund the development costs of the Project until the closing date of the
12 MIPA through the Development Management Agreement. Following the closing of the
13 transaction, Invenergy will fund the development costs of the Project as its owner. At the
14 end of the development phase of the Project, I expect that Invenergy will use project
15 financing to construct the Project. I discussed this established method of financing in
16 detail in Section III of my Direct Testimony (Ex. 104) at pages 11-23.

17 **Q. What is your level of confidence in Invenergy Transmission's plans and ability to**
18 **finance the Project?**

19 A. My confidence level is high based upon Invenergy's extensive experience in developing,
20 building, and financing electric utility infrastructure.

21 **Q. Are Invenergy's financial resources and capabilities in this regard as strong and**
22 **comprehensive as what the Commission previously considered in your prior**
23 **testimony?**

1 A. Yes. As described by its Senior Vice President Andrea Hoffman, Invenergy's track
2 record of raising over \$30 billion to support energy projects presents a financial
3 foundation as strong or stronger as presented by Clean Line earlier in this proceeding.

4 **Q. Were Clean Line's financial resources and capabilities challenged by other parties**
5 **earlier in this proceeding?**

6 A. No, they were not.

7 **IV. ECONOMIC FEASIBILITY, NEED, AND PUBLIC INTEREST**

8 a. Description of Western Kansas Wind Resource

9 **Q. Do you have any material changes for this topic?**

10 A. There are no material changes, as western Kansas wind remains a superior energy
11 resource.

12 b. Cost Comparison of the Project's Delivered Wind Energy to Other Alternatives

13 **Q. Do you have any material changes for this topic?**

14 A. There are no material changes. My levelized cost of energy ("LCOE") analysis to
15 compare the Project's delivered cost of wind energy to Missouri with other alternatives
16 remains valid.

17 Although recent trends do not change the conclusions of my prior testimony, I
18 would note that the cost of wind power generation continues to fall. In my prior
19 testimony the latest government data showed that wind farms in the interior region of the
20 United States, which includes Kansas, cost an average of \$1.64 million per MW
21 (Schedule DAB-5). The most recent government data from the same source and the same
22 region show an average cost of \$1.55 million per MW.¹

¹ U.S. Dep't of Energy, 2017 Wind Technologies Market Report, p. 52 Available at https://emp.lbl.gov/sites/default/files/2017_wind_technologies_market_report.pdf (last accessed Nov. 11, 2018).

1 c. Demand for Renewable Energy Delivered by Grain Belt Express

2 **Q. Do you have any material changes for this topic?**

3 A. No. There continues to be strong demand for renewable energy in MISO and PJM. If
4 anything, the demand has increased, particularly from corporate, commercial and
5 industrial customers. Already in 2018, the industry has set a new record in terms of
6 renewable power purchased by corporate customers - almost 5.0 GW.²

7 **Q. Is the transmission services agreement between the Missouri Joint Municipal**
8 **Electric Utility Commission (“MJMEUC”) and Grain Belt Express still fully in**
9 **place?**

10 A. Yes, although we recently amended Grain Belt Express’s MJMEUC Transmission
11 Services Agreement (“TSA”). The agreement now provides for the same rate on all 200
12 MW of Kansas-Missouri transmission service. The original agreement provided for a
13 high rate for the second 100 MW of service. The discount provides increased benefits
14 and savings to MJMEUC and its customers.

15 c. Other Benefits of Grain Belt Express

16 **Q. Are there any material changes regarding the benefits provided by the Project, as**
17 **described in your direct testimony and its reference to the testimony of other**
18 **witnesses?**

19 A. No. My testimony remains materially accurate today. The direct testimony provided by
20 the Company’s witnesses Suedeen Kelly, J. Neil Copeland, and Edward Pfeiffer also
21 remains materially accurate, as I affirmed in my Direct Testimony at pages 44-45.

² Rocky Mountain Institute, Corporate Deal Tracker. Available at <http://businessrenewables.org/corporate-transactions/> (last accessed Nov. 11, 2018).

1

V. CONDITIONS ON CERTIFICATE

2 **Q. Is Grain Belt Express willing to agree to the conditions previously agreed to with**
3 **Staff in this proceeding?**

4 **A. Yes.** Grain Belt Express continues to agree to the conditions set forth in Staff Exhibit
5 206, as well as to the agreements reflected in Staff Exhibit 205 relating to Rockies
6 Express Pipeline LLC.

7 **Q. Does this conclude your supplemental direct testimony?**

8 **A. Yes.**

**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,) Case No. EA-2016-0358
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)

AFFIDAVIT OF DAVID A. BERRY

STATE OF TEXAS)
) ss
COUNTY OF HARRIS)

David A. Berry, being first duly sworn upon his oath, states:

1. My name is David A. Berry. I was previously the Chief Financial Officer and Executive Vice President of Clean Line Energy Partners LLC. I am an authorized representative of Grain Belt Express Clean Line LLC ("Grain Belt Express").

2. Attached hereto and made a part hereof for all purposes is my Supplemental Direct Testimony on behalf of Grain Belt Express, having been prepared in written form for introduction into evidence in this proceeding.

3. I have knowledge of the matters set forth herein. I hereby swear and affirm that my answers contained in the attached testimony to the questions therein propounded, including any attachments thereto, are true and accurate to the best of my knowledge, information and belief.



David A. Berry

Subscribed and sworn before me this 2 day of November 2018.



Notary Public

