

**BEFORE THE PUBLIC SERVICE COMMISSION
OF THE STATE OF MISSOURI**

In the Matter of Union Electric Company d/b/a)
Ameren Missouri’s 2023 Utility Resource Filing) File No. EO-2024-0020
Pursuant to 20 CSR 4240-Chapter 22.)

**GRAIN BELT EXPRESS LLC’S CROSS-ANSWERING
RESPONSE TO INTERVENOR COMMENTS**

COMES NOW, Grain Belt Express, LLC (“Grain Belt Express”) and hereby files its response to the comments filed on February 28, 2024 by the Natural Resources Defense Council (“NRDC”), the Council for New Energy Economics (“NEE”), Renew Missouri Advocates d/b/a Renew Missouri (“Renew Missouri”), and Sierra Club (collectively, the “Intervenors”) regarding Union Electric Company d/b/a Ameren Missouri’s (“Ameren Missouri’s”) 2023 Integrated Resource Plan filing in the above captioned proceeding (“2023 IRP”). Grain Belt Express has reviewed the Intervenors’ filed comments and respectfully submits the following response in accordance with 20 CSR 4240-22.080(10) (“Response”).¹ Grain Belt Express submits that Ameren Missouri should model the Grain Belt Express Project (the “Project”) and associated renewable energy resources in accordance with its recommendations in Paragraph 23 below. In support of its Response, Grain Belt Express states as follows:

I. Introduction

1. On February 28, 2024, Grain Belt Express, along with the NRDC, NEE, Sierra Club, and Renew Missouri submitted comments arguing that Ameren Missouri in its 2023 IRP

¹ 20 CSR 4240-22.080 provides: “If full agreement on remedying deficiencies or concerns is not reached, then, within sixty (60) days from the date on which the staff, public counsel, or any intervenor submitted a report or comments relating to the electric utility’s triennial compliance filing, the electric utility may file a response and the staff, public counsel, **and any intervenor may file comments in response to each other.**” (Emphasis added).

should have modeled the Grain Belt Express Project and associated renewable energy resources.

The NRDC, NEE, Sierra Club, and Renew Missouri stated the following:

- The **NRDC** states Ameren Missouri should “[e]valuate the Grain Belt Express project alongside supply side sources.”² Further, “Ameren should work with project developers in a collaborative manner to ensure that all benefits from the Grain Belt Express project are reflected in the modeling.”³
- **NEE** states, “Ameren should work in coordination with [the] Grain Belt project developers to model Grain Belt as a candidate resource option in its next IRP Annual Update.”⁴ Further, “NEE encourages the Commission to review Grain Belt Express, LLC’s comments in this proceeding for a more in-depth review of the benefits Grain Belt may provide to Ameren’s operations.”⁵
- **Sierra Club** states that “At a minimum, Ameren Missouri should model purchasing a substantial portion of wind energy as a PPA from the Grain Belt line.”⁶
- **Renew Missouri** states that Ameren Missouri “should consider new wind resources with a higher capacity factor, especially if the Company continues to consider wind projects located in Kansas (as they have historically).”⁷

2. These comments are consistent with one another and with Grain Belt Express’ initial comments.

² NRDC Comments, at 5.

³ NRDC Comments, at 5–6.

⁴ NEE Comments, at 22–23.

⁵ NEE Comments, at 23.

⁶ Sierra Club Comments, at 29.

⁷ Renew Missouri Comments, at 4.

3. Despite Grain Belt Express and the Intervenors' consensus that Ameren Missouri should model the Project and associated renewable energy resources and Grain Belt Express' attempts to work with Ameren Missouri to remedy the deficiency in accordance with 20 CSR 4240-22.080(9),⁸ Ameren Missouri has chosen not to remedy the deficiency. The overwhelming support for modeling the Project and associated renewable energy resources is discussed below.

II. Consolidated Comments of Intervenors and Grain Belt Express Regarding Ameren Missouri's Failure to Model the Grain Belt Express Project and Associated Renewable Energy Resources

A. Natural Resource Defense Council Initial Comments

4. The NRDC identified Ameren Missouri's failure to "[e]valuate the Grain Belt Express project alongside supply side sources" as a deficiency.⁹ In its discussion of Grain Belt Express, the NRDC cited the Project's notable absence from the 2023 IRP after its inclusion in the 2020 IRP.¹⁰ The NRDC also highlighted the inconsistency in Ameren Missouri's statement in the 2023 IRP that "[a]nother important factor to ensure long-term system reliability and resiliency is to pursue a geographically diverse portfolio of renewable energy resources" and Ameren Missouri's failure to model Kansas renewable resources, which may have "diversity benefits offered from renewable resources located in geographic regions with higher capacity factors."¹¹

⁸ 20 CSR 4240-22.080(9) provides: "**If the staff, public counsel, or any intervenor finds deficiencies in or concerns with a triennial compliance filing, it shall work with the electric utility** and the other parties to reach, within sixty (60) days of the date that the report or comments were submitted, a joint agreement on a plan to remedy the identified deficiencies and concerns. If full agreement cannot be reached, this should be reported to the commission through a joint filing as soon as possible but no later than sixty (60) days after the date on which the report or comments were submitted. The joint filing should set out in a brief narrative description those areas on which agreement cannot be reached. The resolution of any deficiencies and concerns shall also be noted in the joint filing." (Emphasis added).

⁹ NRDC Comments, at 5.

¹⁰ NRDC Comments, at 16.

¹¹ See NRDC Comments, at 16.

5. The NRDC noted that Ameren Missouri’s repeated justification for excluding Grain Belt Express and associated renewable energy resources is that “Ameren Missouri makes generic assumptions in its IRP and rarely does it model specific projects.” However, the NRDC highlighted the hypocrisy of this justification, as Ameren Missouri modelled “other site specific resources such as gas replacement at its Sioux and Labadie sites.”¹²

B. The Council for the New Energy Economics (“NEE”) Initial Comments

6. NEE similarly identified Ameren Missouri’s elimination of Grain Belt Express from its analysis of candidate supply-side resource options as a deficiency in the 2023 IRP after its inclusion in the 2020 IRP.¹³

7. Additionally, NEE cited the requirement in 20 CSR 4240-22.040.1 that utilities shall evaluate all existing supply-side resources, including renewable energy resources acquired through purchased power from bilateral agreements.¹⁴ As a result, given the evidentiary record and Commission’s Order in File No. EA-2023-0017, the Project is a potential supply-side resource from which Ameren Missouri could reasonably expect to acquire additional renewable energy.¹⁵ Thus, it is “particularly reasonable for Ameren to provide an updated, complete analysis of Grain Belt as a candidate resource option” given its inclusion in the 2020 IRP.¹⁶

8. NEE further argued that the Project is particularly reasonable because “the expected operational dates for the first phase of the Grain Belt project coincide with Ameren Missouri’s

¹² NRDC Comments, at 16.

¹³ NEE Comments, at 20–21.

¹⁴ See NEE Comments, at 20.

¹⁵ NEE Comments, at 20–21.

¹⁶ NEE Comments, at 21–22.

planned emissions reductions and renewable additions milestones” and the “increased regulatory certainty and project progression Grain Belt has achieved since Ameren’s last triennial IRP.”¹⁷

9. Finally, NEE highlighted the inconsistency between Ameren Missouri’s failure to model Grain Belt Express and associated renewable energy resources and Ameren Missouri’s expressed concerns about its aging coal fleet, low-cost and emission-free energy, reliability and resilience, the risk of inaction, and the availability of significant tax credits, and access to geographically diverse renewable resources with higher capacity factors.¹⁸ Then, NEE described the significant amount of information in the evidentiary record in File No. EA-2023-0017 that demonstrates the Project’s ability to address those categories of concern and the MPSC’s conclusion that the Project can deliver additional reliability and resilience benefits to Missouri, especially in circumstances of extreme weather.¹⁹

C. Sierra Club Initial Comments

10. Sierra Club identified Ameren Missouri’s failure to consider the Grain Belt Express transmission line in its modeling as a deficiency.²⁰ Sierra Club noted that the Project will bring 2,500 MW of high-capacity value wind and solar into Missouri’s MISO zone, the cost effectiveness of such a purchase, the value of a resource that has a different production profile than local Missouri wind, and that the Project would better serve the policy goals of the IRP to provide effective and reasonable rates for ratepayers.²¹

¹⁷ NEE Comments, at 22.

¹⁸ NEE Comments, at 22.

¹⁹ See NEE Comments, at 22.

²⁰ Sierra Club Comments, at 29.

²¹ See Sierra Club Comments, at 29–30.

D. Renew Missouri Initial Comments

11. In its discussion of Ameren Missouri’s 2023 IRP, while not mentioning Grain Belt Express by name, Renew Missouri called for Ameren Missouri to consider new wind resources with a higher capacity factor, such as those that Grain Belt Express will connect.²² Renew Missouri noted the conservative capacity factor percentages relied upon by Ameren Missouri is consistent with existing wind energy resources in Missouri (42%) but is not consistent with capacity factors of wind projects in Kansas (52%).²³

12. Renew Missouri also expressed concern over Ameren Missouri’s plan to produce 2,400 MW of “clean, dispatchable resources” in the 2040s “while exposing ratepayers both to vulnerabilities and avoidable costs through its heavy reliance on new natural gas.”²⁴ Renew Missouri argues that instead of scaling back solar investments and focusing on carbon capture usage and storage, Ameren Missouri “should commit to greater investment in . . . new renewable facilities (i.e., solar and wind) . . . to maximize what can be achieved prior to costly investments in new fossil fuel-burning generation plants.”²⁵

E. Grain Belt Express Initial Comments

13. Grain Belt Express views the comments of the NRDC, NEE, Sierra Club, and Renew Missouri set forth above as consistent with the deficiencies identified by Grain Belt Express. Grain Belt Express identified the following deficiencies, among others, with the 2023 IRP:

²² Renew Missouri Comments, at 4.

²³ Renew Missouri Comments, at 4.

²⁴ Renew Missouri Comments, at 1.

²⁵ Renew Missouri Comments, at 1, 11-12.

- It fails to model the Project and associated renewable energy resources in accordance with its stated goals and 20 CSR 4240-22.040.²⁶
- It fails to collect generic cost and performance information on supply-side resources outside of MISO to fairly analyze the benefits of geographic diversity or compare the Project against other supply-side resource options.²⁷
- It fails to consider siting and permitting costs, and costs associated with generator interconnections and system upgrades associated with MISO generation (20 CSR 4240-22.060).²⁸

i. Ameren Missouri failed to model the Project and associated renewable energy resources in accordance with its stated goals and 20 CSR 4240-22.040

14. Like the Intervenors’ comments described above, Grain Belt Express highlighted regulatory requirements to evaluate and identify “a variety of potential supply-side resource options which the utility can reasonably expect to use, develop, implement, or acquire, and for purposes of integrated resource planning, *all* such supply-side resources shall be considered as potential supply side-resource options.”²⁹ Grain Belt Express noted the failure to model the Project in the 2023 IRP was inconsistent with Ameren Missouri’s stated goals³⁰ and that the 2023 IRP specifically outlines a need for the type of supply-side resource(s) the Project will provide.³¹ Yet, despite acquiring all remaining regulatory approvals for its current configuration and significantly advancing interconnection requests and land acquisition since the 2020 IRP, and being the only project on the market that serves Ameren Missouri’s stated goals on the timeline Ameren Missouri

²⁶ Grain Belt Express Comments, at 9–12.

²⁷ Grain Belt Express Comments, at 12–13.

²⁸ Grain Belt Express Comments, at 14-16.

²⁹ Grain Belt Express Comments, at 9 (*quoting* 20 CSR 4240-22.040.1 (emphasis added)).

³⁰ Grain Belt Express Comments, at 9–10.

³¹ Grain Belt Express Comments, at 10.

needs them, the 2023 IRP fails to evaluate or identify the Project and the unique generation it will interconnect.³²

- ii. **Ameren Missouri failed to collect generic cost and performance information on supply-side resources outside of MISO to fairly analyze the benefits of geographic diversity or compare the Project against other supply-side resource options**

15. Grain Belt Express highlighted Ameren Missouri's failure to collect generic cost information on resources in Kansas, despite a shovel-ready project capable of directly interconnecting such resources into Ameren Missouri's transmission system³³ and noted that the Project effectively expands the geographic footprint of MISO Zone 5 to include western Kansas and the significant renewable energy development potential in that region.³⁴

16. Grain Belt Express also explained why failing to incorporate the appropriate assumptions about the Project and its interconnected generating resources in southwest Kansas into its IRP modeling process means that the model will not suggest those resources as a part of the preferred plan or an alternative resource portfolio³⁵ because the renewable energy resources associated with the Project have different energy production, availability and pricing characteristics compared to generic MISO resources.³⁶ In other words, generic MISO resources cannot be stand-ins for Kansas resources because there are significant, unique benefits associated with Kansas resources that are entirely absent from the 2023 IRP.

17. Grain Belt Express also explained that access to resource-rich southwest Kansas materially increases generation and capacity capabilities in MISO and in Ameren Missouri's

³² Grain Belt Express Comments, at 8–11.

³³ Grain Belt Express Comments, at 12.

³⁴ Grain Belt Express Comments, at 6.

³⁵ Grain Belt Express Comments, at 11.

³⁶ Grain Belt Express Comments, at 11.

service territory.³⁷ Beyond providing direct access to a greater volume of renewable resources, the resources that are made accessible by the Project are a better fit to local capacity needs than local solar resources.³⁸ The Project can deliver wind from Kansas which is uncorrelated to solar production within MISO and time-shifted solar in Kansas provides superior load carrying capacity than local solar because it better aligns with system peak.³⁹ During summer peak times (4:00 to 6:00 p.m.), for example, the wind/solar portfolio provided through the Project offers on average a 67% capacity factor during those hours.⁴⁰

18. Additionally, Grain Belt Express criticized Ameren Missouri for only analyzing wind and solar resources in Missouri and MISO.⁴¹ Grain Belt Express argues that this deficiency is a serious flaw and indicates that Ameren Missouri is not seeking geographic diversity in a meaningful way.⁴²

19. In sum, by failing to model Grain Belt Express and associated renewable energy resources, Ameren Missouri did not 1) evaluate and identify all supply-side resources that Ameren Missouri could reasonably expect to use; or 2) collect generic cost and performance information sufficient to fairly analyze and compare the Project and associated renewable energy resources. As the Project and associated renewable energy resources in southwest Kansas are supply-side resources, Ameren Missouri's failure to evaluate, identify, consider, or analyze them is a deficiency.

³⁷ Grain Belt Express Comments, at 6.

³⁸ Grain Belt Express Comments, at 7.

³⁹ Grain Belt Express Comments, at 7.

⁴⁰ Grain Belt Express Comments, at 7.

⁴¹ Grain Belt Express Comments, at 12.

⁴² Grain Belt Express Comments, at 12.

iii. Ameren Missouri did not consider siting and permitting costs, and costs associated with generator interconnections and system upgrades associated with MISO generation (20 CSR 4240-22.060)

20. Grain Belt Express also noted that Ameren Missouri failed to consider siting and permitting costs for new generation and generation-related transmission in violation of 20 CSR 4240-22.060. Although Ameren Missouri obtained waivers from certain provisions of 20 CSR 4240-22.060 in Case No. EE-2023-0021, the Commission should revisit such waivers going forward. The justification for the waivers is based on an inappropriate assumption that Ameren Missouri will only evaluate supply-side resources within the MISO footprint, such that “any uncertainty of project costs or schedules for a regional transmission organization would be common across all alternative resource plans.”⁴³ This justification fails to account for the availability of supply-side resources outside of MISO, such as those deliverable through the Grain Belt Express Project.

21. Further, Ameren Missouri’s recognition of uncertainty in project costs and schedules associated with all MISO-based resources underscores one of the significant benefits of the resources delivered through Grain Belt Express—namely, that such resources are not subject to the same interconnection backlog and affected system impact costs that can undermine the economic viability of MISO-based resources.

III. The Project and Associated Renewable Energy Resources Should be Modeled Consistent with the Recommendations in Paragraph 23 and the View of the Majority of the Parties in this Proceeding

22. Given that the majority of the parties in this proceeding have independently concluded that Ameren’s modeling should have included the Project and associated renewable

⁴³ Case No. EE-2023-0021, *Request for Variance Pursuant to Certain Provisions of 20 CSR 4240 Chapter 22*, Attachment A, pp. 3, 5-6.

energy resources in its 2023 IRP, Ameren's decision to not provide a remedy that models the Project and the associated renewable energy resources is striking and concerning.

23. To correct this deficiency, Ameren Missouri should run its IRP model with Kansas wind and solar included as a supply-side resource using data for generic Kansas wind and solar resources plus a delivery cost based on discussions between Ameren Missouri and Grain Belt Express. The estimated delivery cost for Kansas supply-side resources should reflect the same temporal and inflation assumptions as the estimated delivery cost of MISO supply-side resources. Further, the estimated delivery cost of MISO supply-side resources should include realistic assumptions regarding generation tie line costs and affected system costs.

WHEREFORE, Grain Belt Express respectfully submits its responses to the comments of NRDC, NEE, Renew Missouri, and Sierra Club and respectfully requests that Ameren Missouri remodel the 2023 IRP based upon the recommendations made in Paragraph 23 of this Response.

Respectfully submitted,

/s/ Andrew O. Schulte

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CERTIFICATE OF SERVICE

I hereby certify that a copy of the foregoing document was served upon the parties listed on the official service list by email, this 11th day of June 2024.

/s/ Andrew O. Schulte
Attorney for Grain Belt Express