

Exhibit No. 1
Issues: Financial Capabilities
Witness: Hans Detweiler
Type: Direct Testimony
Sponsoring Party: Grain Belt Express Clean Line LLC
Case No. EM-2019-0150
Date Testimony Prepared: February 1, 2019

MISSOURI PUBLIC SERVICE COMMISSION
CASE NO. EM-2019-0150
DIRECT TESTIMONY OF HANS DETWEILER
LEAD DEVELOPER, GRAIN BELT EXPRESS CLEAN LINE LLC
ON BEHALF OF JOINT APPLICANTS

FEBRUARY 1, 2019

Exhibit No. 1
Date 4-23-19 Reporter NT
File No. EM-2019-0150

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1 **I. INTRODUCTION AND PURPOSE**

2 **Q. Please state your name and business address.**

3 **A.** My name is Hans Detweiler. I am the lead developer of the Grain Belt Express Project¹
4 (“GBE Project” or “Project”) for Clean Line Energy Partners LLC (“Clean Line”). I am
5 based in Chicago, Illinois, but my business address is 1001 McKinney Street, Suite 700,
6 Houston, Texas 77002.

7 **Q. Please describe your educational background and professional experience in the**
8 **energy and utility industries.**

9 **A.** Since joining Clean Line, I have led or advised on the development on all of Clean Line’s
10 electric transmission projects. In this role, I have been responsible for permitting, land
11 acquisition, routing, and numerous other project development activities. Regarding the
12 Project, I have provided strategic guidance regarding the Certificate of Public
13 Convenience and Necessity (“CPCN”) proceedings at the Illinois Commerce
14 Commission, and participated in several of the public meetings as part of the public
15 outreach regarding the development of the route in Illinois. I negotiated the Project’s
16 Agricultural Impact Mitigation Agreement with the Illinois Department of Agriculture,
17 and have continuously handled the Project’s negotiations with organized labor. Prior to
18 joining Clean Line, I was Director of State Policy for the American Wind Energy
19 Association (“AWEA”) where I supervised all of AWEA’s direct state legislative
20 campaigns and state regulatory efforts, and served as primary liaison to AWEA’s
21 regional partners. Previously, I was Deputy Director of the Illinois Department of

¹ The Grain Belt Express Project referred to herein is the multi-terminal ±600 kilovolt (“kV”) high voltage direct current (“HVDC”) transmission line, and an HVDC converter station and associated transmission facilities, running from near the Spearville 345 kV substation in Ford County, Kansas, to a delivery point near the Sullivan 765 kV substation in Sullivan County, Indiana. The line is sited to traverse through Buchanan, Clinton, Caldwell, Carroll, Chariton, Randolph, Monroe and Ralls Counties, Missouri.

1 Commerce and Economic Opportunity. I have also worked in a variety of policy and
2 advocacy roles with organized labor and other non-profit organizations. I received a
3 Bachelor of Arts degree in political science from Grinnell College, Grinnell, Iowa.

4 **Q. What is the purpose of your Testimony?**

5 **A.** The purpose of my testimony is to provide a brief background on Grain Belt Express
6 Clean Line LLC (“GBE”), an overview of the proposed acquisition of GBE by Invenergy
7 Transmission LLC (“Invenergy Transmission”) (the “Transaction”), a description of the
8 witnesses and the subject of their testimony, and a status update on the Project.
9 Collectively, I refer to Invenergy Transmission and its affiliates, Invenergy LLC and
10 Invenergy Investment LLC (“Invenergy Investment”), as “Invenergy.” The corporate
11 structure of Invenergy is discussed in the Direct Testimony of Kris Zadlo, Senior Vice
12 President of Invenergy LLC.

13 **Q. Have you previously testified before any regulatory commissions?**

14 **A.** Yes. I testified in support of Rock Island Clean Line LLC for a CPCN before the Illinois
15 Commerce Commission in Docket No. 12-0560. I also testified in support of the
16 application of Mesa Canyons Wind LLC for approval of the location of the Mesa
17 Canyons Wind Project before the New Mexico Public Regulation Commission in Case
18 No. 17-00221-UT. I also testified before the Missouri Public Service Commission
19 (“MPSC” or “Commission”) in support of Grain Belt Express Clean Line LLC, for
20 approval of a Certificate of Convenience and Necessity (“CCN”) for the GBE Project, in
21 Case No. EA-2016-0358. Most recently, in Kansas Corporation Commission Docket No.
22 19-GBEE-253-ACQ, I provided testimony in support of the acquisition of GBE by
23 Invenergy.

1 **Q. Are you sponsoring any exhibits as part of your Testimony?**

2 **A. No.**

3 **II. WITNESSES AND BACKGROUND**

4 **Q. Please identify the witnesses filing testimony in this matter.**

5 **A. In addition to myself, the other witnesses filing testimony in this matter are as follows:**

Witness	Primary Testimony Topics
Kris Zadlo (Invenergy)	<p>Introduction to Invenergy, including its history, organization, business model, and asset ownership and operating philosophy.</p> <p>Description of Invenergy Transmission’s pending acquisition of GBE.</p> <p>Discussion of the technical and managerial qualifications of Invenergy to acquire, own, and operate the Project.</p> <p>Explanation as to how the proposed Transaction is not detrimental to the public interest.</p>
Andrea Hoffman (Invenergy)	<p>Explanation of Invenergy’s financial abilities to provide service in connection to Invenergy Transmission’s pending acquisition of GBE.</p> <p>Provide an overview of Invenergy’s extensive experience and success in financing large energy projects.</p> <p>Describe the financial considerations particular to the GBE Project.</p>

6 **Q. Please provide an overview of GBE.**

7 **A. GBE is a wholly-owned direct subsidiary of Grain Belt Express Holding LLC (“GBE**
 8 **Holding”), which in turn is a wholly-owned direct subsidiary of Clean Line Energy**
 9 **Partners LLC, as identified previously. GBE is an independent, transmission-only**
 10 **limited liability company organized under Indiana law and based in Houston, Texas.**

1 GBE was formed by Clean Line for the purpose of the development and construction of
2 the GBE Project. As footnoted above, the Project is a multi-terminal ± 600 kV HVDC
3 transmission line, and an HVDC converter station and associated transmission facilities,
4 running from near the Spearville 345 kV substation in Ford County, Kansas, to delivery
5 points in the eastern load centers of Missouri, Illinois, Indiana, and states farther east.

6 **Q. Is GBE a certificated public utility in the State of Missouri?**

7 **A.** No. GBE is awaiting a Commission Order granting a CCN. GBE applied for a CCN
8 pursuant to Section 393.170.1² on August 30, 2016 in Case No. EA-2016-0358,
9 authorizing it to construct, own, operate, control, manage, and maintain the Missouri
10 portion of the Project (the "CCN Proceeding"). As noted in greater detail in the Joint
11 Application filed simultaneously herewith, the Commission initially determined that it
12 could not lawfully issue a CCN to GBE because it had not obtained the necessary county
13 assents under Section 229.100. The Court of Appeals for the Eastern District found that
14 the PSC erred in that determination and transferred the case to the Supreme Court under
15 Rule 83.02 because of the general interest and importance of the question.³ The Supreme
16 Court likewise held that the Commission erroneously concluded that it could not grant a
17 line CCN to the Company without it first obtaining consents from the affected counties.⁴
18 The Supreme Court remanded the case to the PSC to determine whether the Grain Belt
19 Express Project is necessary or convenient for the public service.⁵

20 **Q. What is the current status of the CCN proceeding?**

² All citations are to the Missouri Revised Statutes (2016), as amended, unless otherwise noted.

³ *Grain Belt Express Clean Line LLC v. PSC*, No. ED 105932, slip op. at 10 (Feb. 27, 2018).

⁴ *Grain Belt Express Clean Line LLC v. PSC*, 555 S.W.3d 469, 470, 474 (Mo. en banc 2018).

⁵ *Id.* at 474.

1 A. On December 18-19, 2018, the MPSC completed a limited evidentiary hearing on remand
2 in the GBE CCN Proceeding. There is no statutory deadline for an order in that matter,
3 but GBE hopes to receive an order during the first quarter of 2019. Notably, in an
4 opinion issued in August 2017, four of the five MPSC Commissioners found that there
5 was “a demonstrable need for the service” offered by the Project, that there was “a solid
6 indication of economic feasibility,” and that the Project was in the public interest because
7 it would create “both short-term and long-term benefits to ratepayers and all the citizens
8 of the state.”⁶ However, the MPSC concluded as a matter of law that it must deny the
9 line CCN application based upon a recent decision of the Missouri Court of Appeals, *In*
10 *re Ameren Trans. Co. of Illinois*, 523 S.W.3d 21 (Mo. App. W.D. 2017) (“ATXI”).⁷ The
11 ATXI decision denied a CCN to an unrelated transmission project where the applicant
12 had failed to obtain county road-crossing assents before the case was submitted to the
13 MPSC for decision.⁸ GBE promptly appealed the MPSC decision, arguing that the ATXI
14 decision was contrary to Missouri law. In a unanimous *per curiam* decision issued July
15 17, 2018, the Missouri Supreme Court agreed, declaring that the Commission’s reliance
16 on ATXI was in error and that “it should not be followed.”⁹ The Court held that GBE
17 was not required to obtain county consents before the MPSC could issue a line CCN, and
18 that the Missouri county road-crossing statute did not give counties the authority to stand
19 in the shoes of the Commission to determine whether a proposed utility project is in the

⁶ *In re Grain Belt Express Clean Line LLC*, Concurring Opin. at 4-7, No. EA-2016-0358 (Aug. 16, 2017).

⁷ *In re Grain Belt Express Clean Line LLC*, Report and Order at 11-15, No. EA-2014-0207 (July 1, 2015).

⁸ *Id.*

⁹ *Grain Belt Express Clean Line LLC v. Public Serv. Comm'n*, 2018 WL 3432778, No. SC 96993 (Mo. en banc, July 17, 2018).

1 public interest or should be granted a CCN. The Court remanded the case to the MPSC to
2 determine whether the Project is necessary or convenient for the public service.¹⁰

3 GBE, Invenergy, and proponents of the Project in Missouri are confident that the
4 additional evidence submitted to the Commission during the limited remand proceedings
5 is sufficient to support a finding in favor of the requested line CCN. As part of the
6 remand proceedings, the Joint Applicants informed the Commission of the pending
7 Transaction and provided evidence of Invenergy's technical and financial ability to
8 manage the Project going forward. The record for the CCN Proceeding is now closed
9 and GBE is awaiting the Commission's order.

10 **III. OVERVIEW OF PROPOSED TRANSACTION**

11 **Q. Please provide an overview of the proposed Transaction.**

12 **A.** As discussed in greater detail by Invenergy witnesses Mr. Zadlo and Ms. Hoffman, on
13 November 9, 2018, GBE Holding entered into a Membership Interest Purchase
14 Agreement ("MIPA") with Invenergy Transmission, which is a wholly-owned direct
15 subsidiary of Invenergy Investment, for the sale of GBE. The MIPA is attached to the
16 Application as **Exhibit B**. Additionally, on November 9, 2018, GBE Holding and
17 Invenergy Transmission also entered into a Development Management Agreement
18 ("DMA") to provide for ongoing Project development funding through the projected
19 closing date of the MIPA. The DMA is attached to the Application as **Exhibit C**. Mr.
20 Zadlo and Ms. Hoffman will discuss those documents and Invenergy's plans with regard
21 to funding the development costs of the Project provided that the Commission approves
22 the proposed Transaction.

¹⁰ *Id.*

1 **Q. Is the proposed Transaction not detrimental to the public interest?**

2 **A.** Yes. The Transaction is not detrimental to the public interest because, as discussed
3 below in greater detail, and in the testimonies of Mr. Zadlo and Ms. Hoffman, the
4 Transaction will help ensure the Project reaches completion, which will result in the
5 realization of all of the benefits to the State of Missouri that are discussed extensively in
6 the record in the CCN proceeding.

7 **Q. What are some of the benefits associated with the Project?**

8 **A.** The many benefits expected to accrue to the State of Missouri include the creation of
9 approximately 1,500 jobs during the three to four years of construction; a continuing
10 source of property tax revenues to the political subdivisions where the facilities are
11 located; access via an HVDC system to low-cost, high-capacity-factor Kansas wind
12 resources to fulfill the growing demand for renewable energy in Missouri; and an
13 estimated \$9.5-\$11 million in savings for customers if Missouri Joint Municipal Electric
14 Utility Commission ("MJMEUC"), which will receive up to 250 MW of capacity from
15 the Project pursuant to an existing Transmission Service Agreement.

16 **IV. STATUS OF REGULATORY PROCESS IN OTHER STATES**

17 **Q. What is the status of the regulatory process in Kansas?**

18 **A.** On December 28, 2018, Joint Applicants filed a Joint Application for Transaction
19 Approval and Expedited Treatment in Kansas, requesting approval by the Kansas
20 Commission of a transaction involving a change in the upstream ownership of GBE.
21 That application was docketed as 19-GBEE-253-ACQ, and discovery is just beginning in
22 that proceeding. Previously, in 2011 the Kansas Corporation Commission ("KCC")
23 approved Grain Belt Express's application (No. 11-GBEE-624-COC) to conduct business

1 as a public utility in Kansas, determining the Project is in the public interest. See CCN
2 Proceeding, Skelly Direct, Ex. 100 at 9. On November 7, 2013 the KCC approved the
3 Company's siting application (No. 13-GBEE-803-MIS) and granted a siting permit to
4 construct the 370-mile Kansas portion of the Project which required construction to begin
5 within five years. Given the delays in Missouri and Illinois, as well as the Company's
6 agreement to be purchased by Invenergy Transmission, the KCC granted requests by
7 Grain Belt Express to extend the sunset term of the siting permit to December 2, 2019 to
8 consider issues related to this transaction. See CCN Proceeding, Ex. 148 (Order
9 Canceling Procedural Schedule and Granting Limited Extension of Sunset Provisions);
10 CCN Proceeding, Tr. 1966-68 (Detweiler).

11 **Q. What is the status of the regulatory process in Illinois?**

12 **A.** On November 12, 2015 the Illinois Commerce Commission ("ICC") granted the
13 Company a certificate of public convenience and necessity ("CPCN"), and authorized
14 GBE to construct the Illinois portion of the line. Pursuant to a decision of the Illinois
15 Appellate Court, the order of the ICC that granted the Company a CPCN was reversed on
16 procedural grounds. In Concerned Citizens & Property Owners v Illinois Commerce
17 Comm'n, ___ N.E.3d ___, 2018 IL App. (5th) 150551, 2018 WL 1858128 (Ill. App.,
18 Apr. 17, 2018) the court held that while Grain Belt Express owned an option to purchase
19 property to be used for the transmission of electricity, it was required under Illinois law to
20 "own, control, operate, or manage" utility infrastructure "at the time of application"
21 before it could qualify as a "public utility."¹¹ The court remanded the case to the ICC,

¹¹ 2018 IL App (5th) 150551, ¶22-25.

1 which subsequently, and without objection from GBE, dismissed GBE's application.¹²

2 The court specifically noted that applicants like GBE "may seek recognition as a public
3 utility while, at the same time, applying for a certificate of public convenience and
4 necessity ... as long as they have obtained the ownership, management, or control of
5 utility-related property or equipment at the time of the application."¹³ After the CCN is
6 obtained from the MPSC, and the necessary approvals relating to the Transaction are
7 obtained from this Commission, plant, equipment or property can be acquired in Illinois
8 that will permit the filing of a new application with the ICC.

9 **Q. What is the status of the regulatory process in Indiana?**

10 **A.** The Indiana Utility Regulatory Commission granted Grain Belt Express public utility
11 status on May 22, 2013 in Cause No. 44264, authorizing the Company to construct and
12 operate the Project in Indiana. Joint Applicants plan to file an application with the
13 Indiana Utility Regulatory Commission seeking approval of the proposed acquisition of
14 GBE by Invenergy Transmission.

15 **V. CONCLUSION**

16 **Q. Do you have any final comments with regard to the Transaction?**

17 **A.** Yes. Clean Line was founded with an ambitious vision to undertake an innovative
18 transmission project that would revolutionize the transmission grid. The GBE Project
19 was conceived because Clean Line recognized the inadequacies of the existing
20 transmission grid to efficiently and economically export wind inter-regionally. The
21 Commission's Concurring Opinion of August 16, 2017 in the CCN Proceeding
22 recognized the significance of the Project and the benefits that it can provide the State of

¹² *Id.* at ¶ 27-28. The ICC's Order on remand was issued on August 28, 2018.

¹³ *Id.* at ¶ 19.

1 Missouri and its electricity customers. While the development of the Project has
2 encountered significant regulatory delays in other states, the Project is now on the cusp of
3 coming to fruition. My hope is that the Commission will support the Project and approve
4 the proposed Transaction to allow Missouri and its citizens to reap the benefits of the
5 Project.

6 **Q. Does this conclude your Testimony?**

7 **A. Yes, it does.**

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

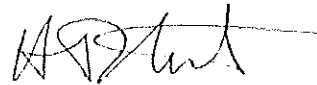
In the Matter of the Joint Application of)
Invenergy Transmission LLC, Invenergy)
Investment Company LLC, Grain Belt)
Express Clean Line LLC and Grain Belt) Case No. EM-2019-0150
Express Holding LLC for an Order)
Approving the Acquisition by Invenergy)
Transmission LLC of Grain Belt Express)
Clean Line LLC)

AFFIDAVIT OF HANS DETWEILER

STATE OF Illinois)
COUNTY OF Cook)^{ss}

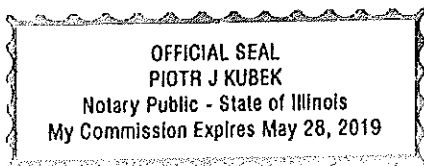
Hans Detweiler, being first duly sworn upon his oath, states:

1. My name is Hans Detweiler. I am the lead developer of the Grain Belt Express Project.
2. Attached hereto and made a part hereof for all purposes is my Direct Testimony on behalf of Joint Applicants, 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.



Hans Detweiler

Subscribed and sworn before me this 1st day of February, 2019.





Notary Public