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Stemme – Exhibit 950 Patricia Stemme Rebuttal Testimony File No. EA-2023-0017

Exhibit No.:

Issue(s): Project purpose, economic impacts, Reasonable conditions, eminent domain

Witness: Patricia Stemme

Type of Exhibit: Intervenor Rebuttal Testimony

Sponsoring Party: Intervenors-Patricia

and David Stemme File No.: EA-2023-0017

Date Testimony Prepared: March 21, 2023

MISSOURI PUBLIC SERVICE COMMISSION

FILE NO.

EA-2023-0017

INTERVENOR REBUTTAL TESTIMONY

OF

PATRICIA STEMME

ON

BEHALF OF

INTERVENORS-PATRICIA AND DAVID STEMME

April 18, 2023

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1		I. <u>INTRODUCTION</u>
2	Q.	Please state your name, address, and interest in this case.
3	A.	My name is Patricia Stemme. My address is 12601 E. Remie Road,
4	Centralia, I	Missouri 65240. I, along with my husband David, are Intervenors in this
5	matter. My	husband and I own 2,260 acres of productive farmland located in Audrain
6	County and	l Callaway County. We have received notice that the Grain Belt Express
7	project will	cross a portion of our property. We are concerned about the loss of use of
8	our proper	ty, decreased property values, and aesthetic impacts of the Grain Belt Express
9	project.	
10	Q.	What is the purpose of your testimony?
11	A.	The purpose of my testimony is to show, based on the prior statements
12	made by In	venergy, LLC, Grain Belt Express, LLC, and their consultants (collectively
13	"Invenergy	, LLC"), that the Grain Belt Express project is an "economic development"
14	project.	
15	II.	THE PRIMARY PURPOSE FOF THE GRAIN BELT EXPRESS PROJECT
16	IS "EC	ONOMIC DEVELOPMENT," AS DEFINED IN SECTION 523.271, RSMO.
17	Q.	How is the term "economic development" defined in section 523.271,
18	RSMo?	
19	A.	Section 523.271, RSMo defines the term "economic development" as "a use
20	of a specifi	c piece of property or properties which would provide an increase in the tax
21	base, tax re	evenues, employment, and general economic health, and does not include the

elimination of blighted, substandard, or unsanitary conditions, or conditions rendering the property or its surrounding area a conservation area as defined in section 99.805."

- Q. In its filings in Filing EA-2023-0017, has Invenergy, LLC stated the primary purpose for the Grain Belt Express project?
- A. Yes. The "primary objective" of the Grain Belt Express project is "to transport clean, reliable, low-cost electricity from renewable generation to be built in southwestern Kansas, which has potential for abundant, high-capacity factor wind and solar resources, to the electricity markets in Missouri and Illinois and other states located within or adjacent to the MISO and PJM grids." *Direct Testimony of Shashank Sane, page* 7, *lines* 14 18.1
- Q. In its filings in Filing EA-2023-0017, has Invenergy, LLC stated the Grain Belt Express project is needed for economic reasons?
- 34 A. Yes. Invenergy, LLC stated,

- III. THE AMENDED PROJECT IS NEEDED ON AN ECONOMIC BASIS
- Q. Please explain why the requested amendments to the
 Certificated Project are necessary on an economic basis.
 - A. Just as with the Certificated Project, the Amended Project will:

 (a) allow large amounts of renewable energy from southwestern Kansas to access the MISO markets and compete to serve customer load; (b) support development of wind and solar facilities where the resources are such that

¹ Shashank Sane, Executive Vice President of Transmission, Invenergy LLC, One South Wacker Drive, Suite 1800, Chicago, Illinois 60606.

42	electricity can be generated at significantly lower cost than are currently
43	available in Missouri; (c) enable low-cost renewable energy to access the
44	Missouri electricity markets and reduce wholesale and retail electric prices;
45	and (d) help customers in Missouri and surrounding states meet their
46	various renewable energy and carbon reduction standards
47	Direct Testimony of Shashank Sane, page 10, lines 8 - 17.

- Direct Testimony of Shashank Sane, page 10, lines 8 17.
- In its filings in Filing EA-2023-0017, has Invenergy, LLC stated that Ο. major businesses, industries, and municipalities in Missouri have expressed interested in buying electricity from the Grain Belt Express project?
 - A. Yes. Invenergy, LLC has stated,

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There are a number of businesses operating in Missouri that have 52 53 expressed interest in buying renewable power. As a non-exhaustive list, the following companies with Missouri footprints are members of the Clean 54 Energy Buyers Association and have made certain commitments to use 55 56 renewable energy: 3M, Anheuser-Busch Companies, LLC, Burns & 57 McDonnell, The Boeing Company, Cargill, Emerson, Dow, General Mills, Google LLC, GM, Ikea, Meta Platforms, Inc., Nestlé USA, Proctor & Gamble, 58 59 T-Mobile, Occidental Petroleum Corporation, Unilever and Walmart, among others. A number of Missouri municipal governments, including 60 Kansas City, St. Louis City, Columbia and University City, have also made 61 62 pledges to increase use of renewable energy in city facilities.

Direct Testimony of Shashank Sane, page 15, lines 6 - 14.

- Q. In its filings in Filing EA-2023-0017, has Invenergy, LLC identified its mission?
- A. Yes. Invenergy, LLC stated, "Invenergy Transmission's mission is to construct and operate high voltage transmission lines and associated facilities for the purpose of connecting the best renewable resources in the U.S. and delivering their output to load and population centers that have an increasing demand for electricity produced from renewable resources." *Direct Testimony of Aaron White*, page 8, lines 8 11.²
- Q. In its filings in Filing EA-2023-0017, has Invenergy, LLC provided statistics purportedly showing the employment impacts of construction jobs for each county affected by the Grain Belt Express project?
 - A. Yes. Invenergy, LLC stated,

The construction job figures are significant, totaling 247 for Audrain County, 318 for Buchanan County, 243 for Caldwell County, 66 for Callaway County, 303 for Carroll County, 362 for Chariton County, 226 for Clinton County, 804 for Monroe County, 356 for Ralls County, and 284 for Randolph County. The statewide construction job figure for Missouri is estimated at 5,747. In addition to the jobs during construction, the Project will also support permanent positions. The long-term jobs supported are estimated to be 10.6 for Audrain County, 3.8 for Buchanan County, 1.9 for

² Aaron White. Senior Transmission Engineering Manager. Invenergy LLC, One South Wacker Drive, Suite 1800, Chicago, IL 60606.

84	Caldwell County, .3 for Callaway County, 3.2 for Carroll County, 4.1 for
85	Chariton County, 1.4 for Clinton County, 16.2 for Monroe County, 2.0 for
86	Ralls County, and 2.6 for Randolph County. The total long-term Project
87	related job figure for Missouri is 104.4.

Direct Testimony of Dr. David Loomis, page 7, line 22 - page 8, line 8.3

- Q. In its filings in Filing EA-2023-0017, has Invenergy, LLC provided information relating to the purported earning impact and income taxes generated from wages paid during construction of the Grain Belt Express project?
- A. Yes. Invenergy, LLC stated, "The total earning impact from the Project for Missouri is \$586,118,331 for construction and \$8,113,077 for operations. The State will also benefit from increased income tax generation from wages paid during construction in Missouri and during the operation phase of the Project." *Direct Testimony of Dr. David Loomis*, page 8, lines 10 13.
- Q. In its filings in Filing EA-2023-0017, has Invenergy, LLC provided information relating to the purported property taxes to be paid from the Grain Belt Express project?
- 100 A. Yes. Invenergy, LLC stated, "First full-year property taxes of \$13.9 million 101 and \$183.2 million during the first 20 years of operation." *Direct Testimony of Dr. David Loomis, Schedule DL-2, page 6.*

³ Dr. David G. Loomis, Ph.D., President, Strategic Economic Research, LLC, Professor of Economics at Illinois State University, Co-Founder of the Center for Renewable Energy, and Executive Director of the Institute for Regulatory Policy Studies, 2705 Kolby Court, Bloomington, IL 61704.

	Q.	In its filings in Filing EA-2023-0017, has Invenergy, LLC provided
infor	mation	relating to the purported overall economic impacts for each county
affec	ted by	the Grain Belt Express project?

A. Yes. Invenergy, LLC stated,

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The new local output during construction total over \$40 million for Audrain County, over \$51.8 million for Buchanan County, over \$42.1 million for Caldwell County, over \$11.3 million for Callaway County, over \$50.2 million for Carroll County, over \$59.9 million for Chariton County, over \$38.1 million for Clinton County, over \$145 million for Monroe County, over \$57.3 million for Ralls County, over \$47.4 million for Randolph County, and over \$986 million for the State of Missouri. The new local long term earnings total over \$678 thousand for Audrain County, over \$817 thousand for Buchanan County, over \$372 thousand for Caldwell County, over \$24.6 thousand for Callaway County, over \$751 thousand for Carroll County, over \$797 thousand for Chariton County, over \$190 thousand for Clinton County, over \$3.5 million for Monroe County, over \$151 thousand for Ralls County, over \$655 thousand for Randolph County, and over \$15.8 million for the State of Missouri. Direct Testimony of Dr. David Loomis, Schedule DL-2, page 18.

- Q. Has Invenergy, LLC made any other statements showing the purpose of the Grain Belt Express project is economic development?
 - A. Yes. The Grain Belt Express website states, inter alia,

125	"\$20 BILLION In new energy infrastructure investment enabled;"
126	"22,300 DIRECT JOBS Created during construction of the line and enabled
127	generation;"
128	"Beyond delivering billions of dollars in energy cost savings, Grain Belt
129	Express will generate billions more in economic activity regionally, create thousands of
130	jobs and provide millions of dollars in new, local tax revenue for communities along the
131	route;"
132	"\$1.3 BILLION In economic activity during construction for Missouri;"
133	"This transmission line is one of the largest economic development projects
134	in the entire state and will help power our towns, while saving every family and business
135	in our communities a total of more than \$12.8 million annually on our electric bills.
136	Missouri Public Utilities Alliance;"
137	"Grain Belt Express's additional commitment to deliver more power to
138	Missouri could not have come at a better time for businesses in our region who are
139	facing increased risk for outages and higher energy bills due to more demand and less
140	energy production. Ray McCarty, Associated Industries of Missouri;" and
141	"In Chariton County alone, the Grain Belt Express project will add \$1.3
142	million in sales and property taxes during construction and \$8.7 million in property
143	taxes It will benefit citizens and promote a brighter future for our students and the
144	students of all the school districts that stand to benefit in counties along the route.
145	Joshua Shoemaker, Keytesville, MO Superintendent."

Source: https://grainbeltexpress.com/state-updates/missouri-2/ (accessed March 22, 2023).

147	Q.	Based on its filings in Filing EA-2023-2017 and statements posted on	
148	the Grain Belt Express website, has Invenergy, LLC provided information		
149	concerning the impacts of the Grain Belt Express project on "the tax base, tax		
150	revenues, employment, and general economic health?"		
151	A.	Yes. As shown by the foregoing referenced statements, Invenergy, LLC has	
152	provided in	formation addressing the effects of the Grain Belt Express project on the tax	
153	base, tax re	venues, employment, and general economic health in the counties impacted	
154	by the proje	ect and for the State of Missouri.	
155	1	II. The Agricultural Property Owned by Intervenors-Patricia	
156	and 1	David Stemme is "Farmland" as Defined by Section 523.286, RSMo	
157	Q.	In any of its filings in Filing EA-2023-0017, has Invenergy, LLC	
158	provided a	ny information relating to "the elimination of blighted, substandard, or	
159	unsanitary	conditions?"	
160	A.	No, based on my review of the filings in this matter no such information	
161	has been pr	ovided.	
162	Q.	In any of its filings in Filing EA-2023-0017, has Invenergy, LLC	
163	provided a	ny information relating to "the elimination of conditions rendering	
164	the propert	y or its surrounding area a conservation area as defined in section	

No, based on my review of the filings in this matter no such information 166 A. has been provided. 167

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99.805."

How is "farmland" defined in section 523.286, RSMo? Q.

- A. "Farmland" is defined as "all real property classified as forest cropland or all real property used for agricultural purposes and devoted primarily to the raising and harvesting of crops; to the feeding, breeding, and management of livestock which shall include breeding and boarding of horses; to dairy operations, or to any combination thereof; and buildings and structures customarily associated with farming, agricultural, and horticultural uses. 'Farmland' shall also include land devoted to and qualifying for payments or other compensation under a soil conservation or agricultural assistance program under an agreement with an agency of the federal government."
- Q. Is your agricultural property located in Audrain and Callaway County considered "farmland" as defined in section 523.286, RSMo?
- 179 A. Yes.

180 IV. <u>CONCLUSION</u>

- Q. If Grain Belt Express, LLC has the authority to exercise eminent domain, what is your understanding whether such eminent domain authority extends to projects: (i) whose primary purpose is primarily economic development, or (ii) affects "farmland?"
- A. It is my understanding that sections 523.271 and 523.286, RSMo, when read together, prohibit any condemning authority from using eminent domain to acquire private property for economic development purposes unless there is a finding that the

property is blighted, substandard, or unsanitary, and that "farmland" cannot be considered to be blighted.⁴

- Q. Are you requesting the Public Service Commission to take any action?
- A. Yes. We are asking the PSC to deny the application to amend the previous Certificate of Convenience and Necessity, but if such application is granted, then consider imposing a condition in any amended Certificate of Convenience and Necessity that may be issued for this project.
 - Q. What is the proposed condition you are requesting?
- A. That Grain Belt Express, LLC is required to comply with section 523.271,
 RSMo in connection with the routing, property acquisition, and construction of the
 project.

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⁴ See Dale A. Whitman, *Eminent Domain Reform in Missouri: A Legislative Memoir*, 71 Mo. L. Rev. 721, 765 (Summer 2006) ("Aside from barring use of eminent domain for exclusively economic development purposes - a result on which there was very wide consensus - the General Assembly left it largely to the local political process to distinguish between legitimate and illegitimate takings. This may well be the best place for such decisions, at least in the sense that when a taking is authorized that offends local sensibilities broadly, the political repercussions on the decision-makers are apt to be most immediate and direct").

BEFORE THE PUBLIC SERVICE COMMISSION OF THE STATE OF MISSOURI

Express LLC for Convenience Construct, Ow Maintain a His	of the Application of Grain Belt for an Amendment to its Certificate ce and Necessity Authorizing it to wn, Operate, Control, Manage, and igh Voltage, Direct Current Line and Associated Converter)))))	File No. EA-2023-0017	
	AFFIDAVIT OF PATRIC	CIA STEMM	<u>E</u>	
1.	My name is Patricia Stemme. I am	an Interven	or in this matter. My	
address is 12	601 E. Remie Road, Centralia, Misso	uri 65240.		
2.	2. I have read my testimony and the statements contained therein are			
true and corr	ect to the best of my information, k	nowledge,	and belief.	
3.	3. Under penalty of perjury, I declare that the foregoing is true and correct to			
the best of my knowledge and belief. Jahuna Stemme Patricia Stemme				
State of Missouri) County of Audrain)				
Before me, the undersigned Notary Public, on this A day of March 2023, personally appeared Patricia Stemme, a person known to me, who acknowledged under oath that the foregoing was true and correct to the best of her personal knowledge and belief.				
	<u>(</u>	Notary Publi	la a. Bleiker	

CHELSEA A. BAKER
Notary Public - Notary Seal
STATE OF MISSOURI
Audrain County
My Commission Expires: Sept. 7, 2026
Commission # 14629943