

Exhibit No.: 7.0
Issue(s): Economic Analysis
Witness: David Loomis
Type of Exhibit: Direct Testimony
Sponsoring Party: NextEra Energy
Transmission
Southwest, LLC
File No.: EA-2022-0234
Date Testimony Prepared: July 7, 2022

MISSOURI PUBLIC SERVICE COMMISSION

FILE NO.

EA-2022-0234

DIRECT TESTIMONY

OF

**DAVID G. LOOMIS, Ph.D.,
PRESIDENT, STRATEGIC ECONOMIC RESEARCH, LLC**

ON

BEHALF OF

NEXTERA ENERGY TRANSMISSION SOUTHWEST, LLC

JULY 7, 2022

CONTENTS

I. Introduction..... 3

II. Overview and Summary of Economic Analysis..... 5

III. Conclusion 6

1 **I. INTRODUCTION**

2 **Q. Please state your name, business address, and present position.**

3 A. My name is David G. Loomis. I am President of Strategic Economic Research,
4 LLC, Professor of Economics at Illinois State University, Executive Director of the Institute of
5 Regulatory Policy Studies, and Co-Founder of the Center for Renewable Energy. My business
6 address is 2705 Kolby Court, Bloomington, IL 61704.

7 **Q. Please describe your educational background and employment experience.**

8 A. I received a Bachelor of Arts degree in economics and mathematics and a Doctor
9 of Philosophy degree in economics from Temple University. I achieved the rank of full Professor
10 at Illinois State University in 2010.

11 As part of my duties as Professor of Economics at Illinois State University, I teach and
12 oversee the course sequence in Electricity, Natural Gas and Telecommunications Economics
13 within the Applied Economics Master's Degree Program. I have been teaching classes that cover
14 transmission markets, cost allocation and pricing for over 26 years, including Economics of
15 Regulation and Antitrust, Economics of Energy, and Industry Studies in Electricity, Natural Gas
16 and Telecommunications Economics. I was part of the team of three faculty members that created
17 a unique undergraduate degree program in renewable energy at Illinois State University. I have
18 authored or co-authored 38 publications in peer-reviewed publications such as *Energy Policy*,
19 *Energy Economics*, *Electricity Journal*, and *Applied Energy*. I have received numerous
20 professional awards including the 2016 Outstanding Cross-Disciplinary Team Research Award,
21 the 2011 Midwestern Regional Wind Advocacy Award from the U.S. Department of Energy's
22 Wind Powering America, the 2009 Economics Department Scott M. Elliott Faculty Excellence
23 Award, the Illinois State University Million Dollar Club in 2009 (awarded to faculty who received

1 over \$1 million in grants), and the 2008 Outstanding State Wind Working Group Award. My full
2 curriculum vitae is provided in Schedule DL-1 to this testimony.

3 **Q. Have you previously provided testimony before the Missouri Public Service**
4 **Commission?**

5 A. Yes. I previously provided testimony to the Commission on behalf of Grain Belt
6 Express Clean Line LLC in Case No. EA-2014-0207. I testified to the economic impacts that
7 would come to the State of Missouri as a result of the construction and operation of the Grain Belt
8 Express Transmission Line.

9 **Q. What is the purpose of your testimony?**

10 A. I am testifying on behalf of NextEra Energy Transmission Southwest, LLC (“NEET
11 Southwest” or the “Applicant”) in support of NEET Southwest’s request in this proceeding to be
12 issued a Certificate of Public Convenience and Necessity (“CCN”) to construct, own, operate, and
13 maintain the Wolf Creek to Blackberry 345 kV Transmission Line (the “Project” or “Wolf Creek-
14 Blackberry Project”). My testimony addresses the economic impact of the proposed Project on
15 the Missouri economy and concludes that the Project will be beneficial on an overall basis to state
16 and local communities in the area of the Project. I performed a study to estimate the economic
17 impact of the Project. The report of the study that I performed is attached as Schedule DL-2 to my
18 Direct Testimony. In summary, within the State of Missouri, during construction the Project is
19 expected to support approximately 200 new jobs, over \$11.1 million in new worker earnings, and
20 over \$29.4 million in new economic output. The Project will lead to additional long-term
21 economic benefits in Missouri, as well, as detailed in my report.

1 **Q. Are you sponsoring any schedules or exhibits as part of your direct testimony?**

2 A. Yes, I am sponsoring Schedules DL-1 and DL-2, both of which have been prepared
3 under my direct supervision and direction.

4 **II. OVERVIEW AND SUMMARY OF ECONOMIC ANALYSIS**

5 **Q. Are you familiar with the Commission’s *Tartan* Factors?**

6 A. Yes. While I am not an attorney, I am generally familiar with the Commission’s
7 *Tartan* Factors, adopted in Case No. GA-94-127.¹ In particular, I am familiar with the
8 Commission’s requirement for an applicant for a CCN to demonstrate that the proposed service
9 must be in the public interest.

10 **Q. Have you evaluated whether the Project would meet this standard?**

11 A. Yes. My study estimated the economic impacts of the Project, including the
12 economic impact of the construction itself, as well as the economic impact of the Project’s ongoing
13 operations and maintenance (“O&M”).

14 **Q. Please describe how you conducted your economic analysis?**

15 A. I estimated the impacts of construction and operation of the Project using the
16 IMPLAN model. IMPLAN is one of the leading vendors of input-output modeling software that
17 is used for this type of analysis. The specific impacts that were analyzed include direct, indirect,
18 and induced effects on employment, labor income, and economic output for Missouri and Kansas.

¹ *In re Tartan Energy Company, L.C. dba Southern Missouri Gas Company*, Case No. GA-94-127 (Sept. 1994).

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

In the Matter of the Application of NextEra)	
Energy Transmission Southwest, LLC for a)	
Certificate of Public Convenience and)	
Necessity to Construct, Install, Own, Operate,)	
Maintain, and Otherwise Control and Manage)	File No. EA-2022-0234
a 345 kV Transmission Line and associated)	
facilities in Barton and Jasper Counties,)	
Missouri)	

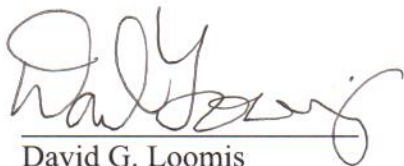
Affidavit of Dr. David G. Loomis

1. My name is Dr. David G. Loomis. I am President of Strategic Economic Research, LLC, Professor of Economics at Illinois State University, Executive Director of the Institute of Regulatory Policy Studies, and Co-Founder of the Center for Renewable Energy. My business address is 2705 Kolby Court, Bloomington, IL 61704.

2. I have read the above and foregoing Direct Testimony and the statements contained therein are true and correct to the best of my information, knowledge, and belief.

3. I am authorized to make this statement on behalf of NextEra Energy Transmission Southwest, LLC.

4. Under penalty of perjury, I declare that the foregoing is true and correct to the best of my knowledge and belief.



David G. Loomis
President
Strategic Economic Research, LLC

Date: 6/26/22