

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

In the Matter of the Application of Grain Belt)	
Express LLC for an Amendment to its Certificate)	
Of Convenience and Necessity Authorizing it to)	File No. EA-2023-0017
Construct, Own, Operate, Control, Manage, and)	
Maintain a High Voltage, Direct Current)	
Transmission Line and Associated Converter)	
Station)	

SIERRA CLUB’S REPLY BRIEF

Sierra Club respectfully requests that the Commission approve the Grain Belt Express transmission project. The majority of parties in this case support the approval and construction of Grain Belt Express, including the only parties that directly represent specific customer interests in Missouri.¹ Both Staff of the Missouri Public Service Commission (“Staff”) and the Missouri Landowners Alliance (“MLA”) express concerns about the project. Staff generally expresses the concern that there may not be sufficient demand for the project in the MISO and PJM states. MLA argues that too much of the line’s power is intended for Missouri and, at other points in the same brief, that not enough power is going to Missouri.² Ultimately, the concerns raised by Staff or MLA do not outweigh the overwhelming evidence provided by other parties that the Grain Belt Express line will deliver significant economic, resilience, and reliability benefits to the state of

¹ Initial Post-Hearing Brief of Missouri Joint Municipal Electric Utility Commission d/b/a Missouri Electric Commission and Initial Brief of the Associated Industries of Missouri. Staff represents the generalized public interest of the State.

² See MLA Initial Brief at 5-6 (asserting that Grain Belt has not demonstrated a need for the additional 2000 MW of capacity in Missouri); MLA Initial Brief at 11 (asserting a concern with the fact that some Grain Belt power could be delivered to any MISO state, including Arkansas, Louisiana and Texas).

Missouri.³ The Commission should grant its approval of the revised project that brings even more benefits to Missouri than the previous project that the Commission approved.⁴

First, while “Staff does not oppose Grain Belt Express’ request to relocate and increase the capacity of the Missouri converter station,”⁵ subject to certain conditions, Staff expresses its concern that allowing Grain Belt to build the line in phases creates a “chance that Phase II is never constructed.”⁶ Staff believes it is notable that interconnection agreements with MISO and PJM are absent from the record.⁷ Staff has expressed the inchoate concern that Grain Belt Express may not build the second phase. As the history of this line makes clear, building a multi-state transmission project is a difficult and lengthy endeavor. But Grain Belt Express has stated clearly and repeatedly that it intends to build the second phase,⁸ and the Company has been held up by the lack of necessary state government approvals. Staff’s insistence on no phasing will delay the project further, thereby harming Missouri customers’ interest in low-cost power and, potentially, the resilience of the grid. As Sierra Club witness Michael Milligan testified, the absence of interconnection agreements is not relevant to the ability of the Grain Belt Express to help prevent blackouts in Missouri:

[E]ven without [injection agreements in place] if Missouri is in the middle of a big storm and there is a risk to losing power, it’s going to be all hands on deck. We don’t care if

³ See, e.g., generally Sierra Club’s Post-Hearing Brief, Initial Brief of Grain Belt Express, Initial Brief of Clean Grid Alliance, Post-Hearing Brief of Renew Missouri Advocates, Initial Brief of Associated Industries of Missouri, and Missouri Joint Municipal Utility Commission Post-Hearing Brief, all filed on July 7, 2023.

⁴ In this Reply, Sierra Club does not respond to each of the points made by Staff or MLA. Sierra Club’s choice not to respond to a particular argument should not be taken as agreement with Staff or MLA.

⁵ Staff Initial Brief at 4.

⁶ Staff Initial Brief at

⁷ Staff Initial Brief at 8.

⁸ Transcript Vol. IX, pg. 391, ln. 19-25 and pg. 392, ln. 1; *Id.*, pg. 412, ln. 18-24.

there's an agreement. We don't want the grid to go down. So you would have imports to the extent that they're physically possible regardless of whether you've got some sort of a power purchase agreement from the other side or something like that. You know, we saw that with the previous storms when power was flowing from SPP to MISO or to PJM or back again kind of depending on where the storm goes.⁹

Further, Staff's statement that allowing phasing might "sacrifice[e] the economic feasibility"¹⁰ is simply unsupported by evidence. Staff appears to be criticizing Grain Belt for delivering *more* benefits to Missouri, and less to Illinois and beyond. But Illinois has a significant need for wind energy, in particular, and there is very likely to be a market for phase II of this project. Illinois recently enacted a climate law, meaning that state needs significant clean energy resources to meet its goals.¹¹ Further, the Illinois Commerce Commission ("ICC") recently approved its part of the Grain Belt line in Illinois. The ICC found that:

"[] the project is necessary to provide adequate, reliable, and efficient service, will promote the development and effectively competitive electricity market."¹²

And:

That the project "will promote an effectively competitive electricity market by, at a minimum, injecting low-cost renewable energy into the MISO and PJM markets and exerting downward pressure on electricity and [renewable energy credit] prices."¹³

Given that the ICC has approved the line, that Illinois state law requires utilities in that state to purchase non-carbon energy, and that the Grain Belt Express developer has a strong economic incentive to build phase II, there is no sound reason for this Commission to dictate a different approach to construction than the one currently proposed by the Grain Belt Express.

⁹ Transcript Vol XII, June 8, 2023, page 1037, line 20 to page 1038, line 5.

¹⁰ Staff Initial Brief at 9.

¹¹ See Illinois Climate Equitable Jobs Act of 2021, Illinois Public Act 102-0662.

¹² Illinois Commerce Commission, Docket 22-0499, Final Order, March 8, 2023, p. 36.

¹³ *Id.*

Finally, as Staff’s attorney conceded during opening statements upon being questioned by Commission Chair Rupp, the bulk of the benefits accrues to Missourians *through Phase I*.¹⁴ This information is more than sufficient for the Commission to grant the CCN. Moreover, the hypothetical harm to Missourians that Staff is concerned about apparently necessitates that Phase II is not built *and* that the line is not fully subscribed.¹⁵ It is unclear, then, why Staff would want to place additional hurdles before the Grain Belt Express that would only increase the chances of that purported harm coming into fruition. Furthermore, as Mr. Milligan made clear, connecting SPP and MISO (i.e., the first phase of the project) is one of the highest value and therefore needed transmission connections in the U.S.:

And so my statement is stating that the Grain Belt Express would connect the plains, read that as SPP, with the Midwest, read that as MISO. The highest value pair of regions to connect means that primarily from congestion but also by being able to deliver more economic energy and alleviate some of the price differentials that are already in Missouri today, I think in particular southeast Missouri, this would be an example of a line that would have the highest benefit to build. Now, whether it’s Grain Belt Express or another similar line, it sort of doesn’t matter as far as what the DOE is saying. They’re saying that a line or a network of lines that connects these areas would be among the most important lines to build in the country.¹⁶

In other words, phase I of the Grain Belt project would be, standing alone, one of the highest value, and therefore needed, transmission lines in the country.

Second, MLA observes that Sierra Club witness Michael Milligan “never quantified” the specific benefits of the Grain Belt Express for Missouri.¹⁷ But, while acknowledging that Mr. Milligan was likely “the foremost expert in this case” on MISO transmission planning,¹⁸ MLA

¹⁴ Transcript Vol. VII, June 5, 2023, page 137, line 2 to line 14.

¹⁵ *Id.* at page 137, line 15 to page 138, line 10.

¹⁶ Transcript Vol XII, June 8, 2023, page 1043, line 12 to page 1044, line 1.

¹⁷ MLA Initial Brief at 33.

¹⁸ MLA Initial Brief at 16.

failed to note that Mr. Milligan testified that it was very likely the Grain Belt Express would deliver significant benefits to Missouri:

I did look at MISO's recent benefit-cost analysis of transmission and they found the benefit-cost ratio ranging from 2.6 to 3.8, which wouldn't directly be Grain Belt Express's benefit-cost ratio, but the Grain Belt Express checks off all the same types of boxes and the DOE study confirms that. It connects two or more regions. It does alleviate some congestion and it reduces the costs that we have today. So you know, I can't speak to whether every single dollar is included in those benefit-cost ratios, but they're an extremely strong indicator that yes, there are costs, of course, but those costs are significantly outweighed by the benefits.¹⁹

In other words, while Mr. Milligan did not specifically quantify the cost-benefits of building the Grain Belt Express, it is his expert judgment that there are "extremely strong indicators" that costs are "significantly outweighed" by the benefits to Missouri.²⁰

Third, MLA suggests that Grain Belt Express' interest in a U.S. Department of Energy loan to help reduce the costs of the project calls into question whether this is a "merchant project."²¹ MLA cites no authority for this position. And if it were true that receipt of federal incentives converted a "merchant project" to a regulated-customer funded one, there would likely be no merchant projects in the country, as merchant developers generally are able to build projects with the support of federal energy incentives. If Grain Belt Express were to receive a federal loan, that money could only benefit Missouri as it would reduce financing costs for the project.

Fourth, the MLA Brief contains assertions that lack evidentiary support. For example, the MLA Brief states that if Ameren and Evergy "view the amended Grain Belt project as even a potential option for meeting their emission reduction goals, one would certainly have expected

¹⁹ Transcript Vol XII, June 8, 2023, page 1020, Line 4 to Line 16.

²⁰ *Id.*

²¹ MLA Initial Brief at 4.

them to voice their support in this case for the new Project.”²² To the extent that this assertion is relevant to the case at all, the Commission should disregard it as lacking evidentiary support. In short, the Commission should not take the absence of evidence on this issue as evidence that Ameren and Evergy are in fact opposed to procuring power from this line.

* * *

In sum, and as stated in our Initial Post-Hearing Brief and in the testimony of Sierra Club expert Michael Milligan, Sierra Club respectfully asks that the Commission approve the revised Grain Belt project.

Respectfully submitted,

Date: July 14, 2023

/s/ Sarah Rubenstein

Sarah Rubenstein

Ethan Thompson

Great Rivers Environmental Law Center

319 N. 4th Street, Suite 800

St. Louis, MO 63102

Tel: (314) 231-4181

Fax: (314) 231-4184

srubenstein@greatriverslaw.org

ethompson@greatriverslaw.org

Attorneys for Sierra Club

²² MLA Initial Brief at 8-9.

CERTIFICATE OF SERVICE

The undersigned hereby certifies that the foregoing Sierra Club's Reply Brief was electronically filed on this date via the Missouri PSC's electronic filing system. Notice of this filing will be served upon all parties of record who have registered through this electronic filing system.

Date: July 14, 2023

/s/ Sarah Rubenstein

Sarah Rubenstein