BEFORE THE PUBLIC SERVICE COMMISSION OF THE STATE OF MISSOURI

In the Matter of the Application of)
Grain Belt Express Clean Line LLC for a)
Certificate of Convenience and Necessity)
Authorizing It to Construct, Own, Operate,)
Control, Manage and Maintain a High)
Voltage, Direct Current Transmission Line)
and an Associated Converter Station)
Providing an Interconnection on the)
Maywood-Montgomery 345 kV)
Transmission Line.)

Case No. EA-2016-0358

MISSOURI JOINT MUNICIPAL ELECTRIC UTILITY COMMISSION'S POSITION STATEMENT

The Missouri Joint Municipal Electric Utility Commission ("MJMEUC") respectfully

submits its position on each of the four Issues identified by Staff in its Lists of Issues and

Witnesses filed in this matter on March 7, 2017.

Issue 1 – Does the evidence establish that the Commission may lawfully issue to Grain Belt Express Clean Line LLC ("Grain Belt") the certificate of convenience and necessity ("CCN") it is seeking for the high-voltage direct current transmission line and converter station with an associated AC switching station and other AC interconnecting facilities?

MJMEUC Position on Issue 1:

Pursuant to Missouri law, specifically §§393.170 and 229.100 Revised Statutes of

Missouri, 4 CSR 240-3.105, applicable case law, and the Commission's July 1, 2015 Report and

Order issued in EA-2014-0207, it is MJMEUC's position that the Commission may in this matter

lawfully issue the requested CCN to Grain Belt. The Commission previously found in EA-2014-

0207 that Grain Belt has the financial ability to provide the service and that Grain Belt is

qualified to provide the service. MJMEUC states that there is a need for the service and that the

service is in the interest of the public MJMEUC represents – the hundreds of thousands of

residents of the MoPEP cities, Centralia, Columbia, Hannibal, and Kirkwood, who desire low-

cost renewable energy,. MJMEUC states further that the Grain Belt project is economically feasible for its members because it provides an opportunity for MJMEUC to provide renewable energy to its members at an extremely competitive rate.

Issue 2 – Does the evidence establish that the high-voltage direct current transmission line and converter station for which Grain Belt is seeking a CCN are "necessary or convenient for the public service" within the meaning of that phrase in section 393.170, RSMo.?

MJMEUC Position on Issue 2:

MJMEUC supports Grain Belt's application for a CCN because the project is necessary and convenient for service to the public for whose benefit MJMEUC intervened in this matter.¹ MJMEUC is a joint action agency that allows non-profit utilities, such as municipal utilities, to work together to achieve economies of scale in purchasing power and providing services. MJMEUC appears in this matter on behalf of its 68 Missouri municipal members and its advisory member, Citizens Electric Corporation, a rural electric cooperative with more than 21,000 customers. Together, MJMEUC's members serve some 347,000 retail customers in Missouri and their combined peak load is approximately 2,600 MW.

While MJMEUC owns coal and natural gas generation that supplies most of its members' energy needs, MJMEUC has primarily used purchase power agreements ("PPAs") to provide additional energy, including renewable energy, to its members. Renewable energy, while in demand by the customers' of MJMEUC's members, is often not cost competitive, and is often located in high congestion areas in the SPP and MISO RTOs. The TSA that MJMEUC has executed with Grain Belt is quite affordable and will allow predictable, small cost increases in

¹ The "public interest" of concern to the Public Service Commission includes "the public served by the utility [which] is interested in the service rendered by the utility and the price charged therefore; [and the] investing public [which] is interested in the value and stability of the securities issued by the utility." *State ex rel. St. Louis v. Public Service Commission*, 73 S.W.2d 393, 399 (Mo. 1934).

transmission over the life of the TSA, unlike RTO transmission costs which are expected to continue to rise, as well as delivering energy to a low congestion point within MISO. The corresponding energy contract that MJMEUC has with Infinity Wind will allow low cost wind energy to flow across the Grain Belt transmission path and into MISO, where MJMEUC's power pool and individual MJMEUC members can deliver the low-cost renewable energy to their customers.

The Grain Belt project, when coupled with other MoPEP resources, is the lowest cost alternative for energy that is available to MoPEP. These contracts will form the cornerstone of the resource mix to replace the energy and capacity currently addressed by a contract MJMEUC has for 100 MW of fossil-fueled energy that will expire in 2021. The Grain Belt project provides a rare opportunity for MJMEUC to provide renewable energy to its MISO members at an extremely competitive rate. When compared to other options for MoPEP, MoPEP will see substantial savings of approximately \$10 million per year for MoPEP's wholesale customers. These savings do not reflect the savings of MJMEUC members Columbia, Kirkwood, Hannibal and Centralia who also plan on taking advantage of the opportunities afforded by the Grain Belt Express transmission project.

Issue 3 – *If the Commission grants the CCN, what conditions, if any, should the Commission impose?*

MJMEUC Position on Issue 3:

MJMEUC respectfully acknowledges the Commission's authority, under §393.170 Revised Statutes of Missouri, to issue a CCN in this matter without any conditions, or to issue a CCN with such condition or conditions as the Commission may deem reasonable and necessary. MJMEUC takes no further position on Issue 3.

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Issue 4 – If the Commission grants the CCN, should the Commission exempt Grain Belt from complying with the reporting requirements of Commission Rules 4 CSR 240-3.145, 4 CSR 240-3.165, 4 CSR 240-3.175 and 4 CSR 240-3.190(1), (2) and (3)(A)-(D)?

MJMEUC Position on Issue 4:

MJMEUC takes no position on Issue 4.

Respectfully Submitted,

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CERTIFICATE OF SERVICE

I hereby certify that the foregoing Missouri Joint Municipal Electric Utility Commission's Position Statement was served by electronically filing with EFIS and emailing a copy to the following interested persons on this 13th day of March, 2017:

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