### BEFORE THE PUBLIC SERVICE COMMISSION STATE OF MISSOURI

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In the Matter of the Application of Ameren Transmission Company of Illinois for Other Relief, or, in the Alternative, a Certificate of Public Convenience and Necessity Authorizing it to Construct, Install, Own, Operate, Maintain and Otherwise Control and Manage a 345,000-volt Electric Transmission Line in from Palmyra, Missouri to the Iowa Border and Associated Substation near Kirksville, Missouri.

No. EA-2015-0146

### INITIAL BRIEF BY THE MIDCONTINENT INDEPENDENT SYSTEM OPERATOR, INC.

# I. INTRODUCTION

The Midcontinent Independent System Operator, Inc. ("MISO") supports approval of Ameren Transmission Company of Illinois' ("ATXI's") planned transmission project, referred to in the Application and testimony as the Mark Twain Project (or the "Project"). The testimony and exhibits of record submitted to the Public Service Commission of Missouri ("Commission") at the hearing that commenced on January 25, 2016 supports approval of ATXI's Application that seeks a Certificate of Public Convenience and Necessity ("CCN") for the Mark Twain Project under Section 393.170 RSMo. The Mark Twain Project includes 95 miles of high voltage electric transmission lines and related facilities. The Project generally contains the following elements: high voltage 345 kV transmission facilities running generally from Palmyra, Missouri and extending westward to a new substation located near Kirksville, Missouri as well as a 345-kV transmission line running from the new substation north to the Iowa border.<sup>1</sup>

<sup>&</sup>lt;sup>1</sup> See, e.g., Ex. 1 at 3 (ATXI's Borkowski Direct).

MISO is a regional transmission organization ("RTO"), under the supervision of the Federal Energy Regulatory Commission ("FERC") and other federal authorities,<sup>2</sup> that (among other matters) is responsible for ensuring that the regional transmission system is reliably planned to provide for existing and expected use of that system.<sup>3</sup> MISO performs collaborative planning functions for the transmission system with its member transmission owners and other stakeholders while independently assessing regional transmission needs.<sup>4</sup> Those planning functions resulted in identification of the Project as an important link that is needed to support public policy requirements and ensure the continued reliability of the transmission system in Missouri as well as the surrounding region.<sup>5</sup>

The Project is an important part of MISO's Multi-Value Project ("MVP") portfolio of transmission upgrades that is comprised of a 345 kV electric transmission line and related facilities in an area extending across Northeastern Missouri and linking up with 345 kV facilities located in Iowa and eastern Missouri (and continuing on to MVP facilities in Illinois).<sup>6</sup> The MVP portfolio is a group of transmission projects distributed across the transmission system

<sup>&</sup>lt;sup>2</sup> Ex 35 at 2-3 (MISO's Smith Surrebuttal); Ex. 1 at 6 (ATXI's Borkowski Direct) ("MISO's FERC-approved Tariff"). MISO is a not-for-profit regional transmission organization that provides reliability and market services over a region that stretches from the Ohio-Indiana border to Eastern Montana and south to New Orleans. Ex. 1 at 2 (ATXI's Borkowski Direct); Ex. 3 at 6 (ATXI's Kramer Direct). A footprint map for MISO is shown in Schedule DDK-01 to the Kramer Direct Testimony.

<sup>&</sup>lt;sup>3</sup> Ex. 35 at 4 (MISO's Smith Surrebuttal); Ex. 3 at 6 (ATXI's Kramer Direct).

<sup>&</sup>lt;sup>4</sup> Ex. 35 at 4 (MISO's Smith Surrebuttal); Ex. 3 at 7 (ATXI's Kramer Direct). Mr. Kramer's Direct Testimony described MISO's "bottom up" (*i.e.* transmission owner provided information), "top down" (*i.e.* MISO review and independent analysis and coordination) transmission planning process. *Id.* 

<sup>&</sup>lt;sup>5</sup> Ex. 35 at 8 (MISO's Smith Surrebuttal); Ex. 3 at 10 (ATXI's Kramer Direct).

<sup>&</sup>lt;sup>6</sup> Ex. 35 at 7 (MISO's Smith Surrebuttal); Ex. 3 at 13 (ATXI's Kramer Direct) (reference to links to Iowa and Illinois at Lines 21-22).

whose expansion is overseen by MISO.<sup>7</sup> The MVP portfolio provides for net economic benefits by increasing market efficiency (reducing production and operating reserve costs), deferring generation investment, and providing other benefits related to capital investments;<sup>8</sup> enables the satisfaction of renewable portfolio standards;<sup>9</sup> and helps ensure the future reliability of the local and regional transmission systems.<sup>10</sup> After an extensive, multi-year, collaborative planning effort that included information provided by transmission owners, state regulatory personnel, and other stakeholders, the MVP portfolio was approved as part of the MISO Transmission Expansion Plan ("MTEP") for 2011.<sup>11</sup> Each MVP Project is a necessary component of the portfolio that provides benefits that broadly span the MISO footprint.<sup>12</sup>

The timely construction of the Project is important to deliver the benefits of the Project in particular, and the benefits of the MVP portfolio in general, to Missouri and the region, which will help ensure the continued reliable operation of the local and regional transmission system. Such timely construction is important to provide Missouri with the economic benefits provided by completion of the MVP portfolio of transmission projects. The benefits will be lost during

<sup>&</sup>lt;sup>7</sup> Ex. 35 at 8 (MISO's Smith Surrebuttal); Ex. 1 at 5 (ATXI's Borkowski Direct).

 <sup>&</sup>lt;sup>8</sup> Ex. 35, Schedule JTS-1 at page 052 (MISO's Smith Surrebuttal) (page 49 of the report, followed by explanations in Section 8 of the report).
<sup>9</sup> Ex. 25, ± 10 (MISO) = 5, ±1, 5, ..., 1, ±1, 1)

<sup>&</sup>lt;sup>9</sup> Ex. 35 at 10 (MISO's Smith Surrebuttal).

<sup>&</sup>lt;sup>10</sup> Ex. 35 at 9 and 14 (MISO's Smith Surrebuttal); Ex. 3 at 9-10 (ATXI's Kramer Direct) (renewable standards and economic benefits) and 14 (reliability benefits).

<sup>&</sup>lt;sup>11</sup> Ex. 35 at 11-12 (MISO's Smith Surrebuttal); Ex. 1 at 5 (ATXI's Borkowski Direct); Ex. 3 at 10 (ATXI's Kramer Direct). The extensive stakeholder involvement in MVP planning is partly reflected in the MVP Project Portfolio Report that is part of filed testimony. *See* Ex. 35, Schedule JTS-1 at page 024 (MISO's Smith Surrebuttal) (page 21 of the report, Section 4.5, "Stakeholder Involvement").

<sup>&</sup>lt;sup>12</sup> Ex. 35 at 15 (MISO's Smith Surrebuttal); Ex. 3 at 7 (ATXI's Kramer Direct) ("component of a portfolio of projects whose benefits are spread across the MISO footprint"). "MISO footprint," in the Smith Surrebuttal Testimony and in this Initial Brief, refers to the transmission system under MISO's functional control in 2011. Ex. 35 at 8 (MISO's Smith Surrebuttal).

any delay to the construction of the Project.<sup>13</sup> The eventual result of not constructing the Project would be higher prices for generation in Missouri<sup>14</sup> and the increased cost of dealing with the electrical consequences of improved 345 kV connections on either side of the Mark Twain Project.<sup>15</sup> The Project will help develop wind resources and other zero or low emission sources of generating electricity<sup>16</sup> and will result in additional jobs for northern Missouri.<sup>17</sup>

# II. REQUIREMENTS FOR A CERTIFICATE OF PUBLIC OF PUBLIC CONVENICNECE AND NECESSITY AND OVERVIEW

ATXI's Application for the Project satisfies the requirements of Section 393.170 RSMo for a CCN and the criteria stated by the Commission to evaluate the construction and operation of additional electric plant. The Project is 1) needed, 2) ATXI is qualified to provide the proposed project, 3) ATXI has the financial ability to provide the service, 4) the proposal is economically feasible, and 5) the service provided by the Project promotes the public interest.<sup>18</sup> The Missouri Public Service Commission ("Commission") should issue an order finding a need for the facilities and authorizing the construction of the proposed high voltage transmission facilities. Supporting information was provided by ATXI through testimony and exhibits sponsored by multiple ATXI witnesses as well as in the Application filed with the Commission.<sup>19</sup> MISO's witness supported approval of the Project, especially adding perspective

<sup>&</sup>lt;sup>13</sup> Tr. Vol. 5 at 193 (ATXI's Kramer, responding to a question by Chairman Hall).

<sup>&</sup>lt;sup>14</sup> Tr. Vol. 9 at 588:15-22 (MISO's Smith).

<sup>&</sup>lt;sup>15</sup> Tr. Vol. 5 at 200:1-25 (ATXI's Kramer).

<sup>&</sup>lt;sup>16</sup> Ex. 35 at 12, 14, and 19-20 (MISO's Smith Surrebuttal); Ex. 3 at 12-13 (ATXI's Kramer Direct)

<sup>&</sup>lt;sup>17</sup> Ex. 23 at 4 (ATXI's Hewings Direct) ("impacts in Missouri over the life of the Project would be a total of 1,880 jobyears").

<sup>&</sup>lt;sup>18</sup> See, e.g., In re Tartan Energy Company, 3 Mo. P.S.C. 173, 177 (1994).

<sup>&</sup>lt;sup>19</sup> ATXI requested certain exemptions from Missouri requirements. ATXI Application at 8.

to MISO's transmission planning process.<sup>20</sup> The Commission Staff added its conditional support for the Project.<sup>21</sup>

ATXI has demonstrated that, based upon its Application and the evidentiary record, the Project is needed and addresses the multiple elements stated in the Commission's implementation of Section 393.170 RSMo. As more fully delineated below regarding the overall public interest that is served by the proposed facilities, the record demonstrates that the Project is necessary to provide adequate, reliable, and efficient transmission service, supports important policy objectives, is the least-cost means of satisfying these needs, and promotes the development of an effectively competitive electricity market that operates efficiently.

# III. THE PROJECT IS NEEDED AND PROMOTES THE PUBLIC INTEREST

Timely construction of the Mark Twain MVP is needed to provide the State of Missouri and the region the benefits of MISO's MVP portfolio of transmission projects.<sup>22</sup> The need for the Project was determined through a deliberate, collaborative stakeholder process, which included the design and planning of transmission projects through a structured, multi-year planning process:<sup>23</sup>

MISO undertook a multi-year planning process aimed at addressing the regional transmission plans necessary to enable RPS mandates to be met at the lowest delivered wholesale energy cost. This effort was known as the Regional Generation Outlet Study ("RGOS"), and was conducted between 2008 and

<sup>&</sup>lt;sup>20</sup> Ex. 35 at 2-3 and 6-7 (MISO's Smith Surrebuttal) (planning studies), at 8-9 (studies), and at 9-10 ("purpose of the MVP analysis").

<sup>&</sup>lt;sup>21</sup> See, e.g., Ex. 25 at 6 (Staff's Beck Rebuttal).

<sup>&</sup>lt;sup>22</sup> Ex. 3 at 9-10 and 13 (ATXI's Kramer Direct); see also, e.g., Tr. Vol. 5 at 193 (ATXI's Kramer).

 <sup>&</sup>lt;sup>23</sup> Ex. 35 at 11-12 (MISO's Smith Surrebuttal), footnote indicated in brackets to "MISO's Regional Generation Outlet Study, publicly available at: <a href="https://www.misoenergy.org/Planning/Pages/RegionalGenerationOutletStudy.aspx">https://www.misoenergy.org/Planning/Pages/RegionalGenerationOutletStudy.aspx</a>." *Id.* at 11. *See also* Ex. 3 at 9 (ATXI's Kramer Direct) ("Ameren Services participated in the MISO RGOS and MVP studies") and 13 ("identified known reliability concerns").

2010[footnote to publicly available RGOS]. The RGOS identified energy production zones in which mandated (renewable) energy production could locate, and indicative transmission options that would provide sufficient transmission capacity needed for the efficient and reliable delivery of new generation capacity to meet the combined renewable portfolio standards of the MISO region while providing value across the MISO footprint.

Zone selection involved MISO staff and extensive stakeholder interaction, including discussions with various state and regulatory agencies within the MISO footprint. These included the Midwest Governors Association, the Organization of MISO States, and the Upper Midwest Transmission Development Initiative. The indicative plans were further consolidated into a candidate MVP portfolio and evaluated for effectiveness in meeting the RGOS objectives. The analysis balanced relative wind capacities with distances from natural gas pipelines and interconnection with the existing transmission infrastructure.

The process involved the identification of candidate transmission projects, identification of alternatives, and completion of reliability analyses of identified projects and alternatives, stakeholder vetting, and multiple studies that consider various options and alternatives to designing and structuring needed transmission facilities.<sup>24</sup>

Upon the completion of MISO planning process, MISO (the Regional Transmission Organization) determined that the Project is necessary to meet local load serving needs of the system in the area,<sup>25</sup> to promote the development of a reliable and efficient competitive electric market,<sup>26</sup> and to ensure that renewable portfolio standards of all states in the MISO footprint can be met<sup>27</sup> while distributing economic benefits from reduced congestion and production costs within the region.<sup>28</sup> The Mark Twain MVP was included in the MVP portfolio that was

<sup>&</sup>lt;sup>24</sup> Ex. 35 at 11-12 and 17 (MISO's Smith Surrebuttal); Ex. 3 at 7 (ATXI's Kramer Direct).

<sup>&</sup>lt;sup>25</sup> Ex. 35 at 9 and 14 (Smith Surrebuttal); Ex. 3 at 14 (ATXI's Kramer Direct).

<sup>&</sup>lt;sup>26</sup> Ex. 35 at 9 and 11 (Smith Surrebuttal); Ex. 3 at 10 (ATXI's Kramer Direct).

<sup>&</sup>lt;sup>27</sup> Ex. 35 at 10 (Smith Surrebuttal); Ex. 3 at 9 (ATXI's Kramer Direct).

<sup>&</sup>lt;sup>28</sup> Ex. 35 at 10 and 14 (Smith Surrebuttal); Ex. 35, Schedule JTS-1 at page 052 (MISO's Smith Surrebuttal) (page 49 of the report, followed by explanations in Section 8 of the report); Ex. 3 at 10 (ATXI's Kramer Direct).

approved by MISO's Board of Directors in December 2011 as part of MISO's MTEP11.<sup>29</sup>

MISO witness Smith testified to the "broad benefits that will result from construction and

operation of the Mark Twain Project"<sup>30</sup>

MISO's witness Smith summarized MISO's findings regarding the benefits provided to

Missouri by the MVP portfolio:<sup>31</sup>

MISO's Triennial Review identified benefits of \$21,451-\$66,816 million associated with the cost of \$8,303-\$17,192 million for the MVP portfolio (page 25, 2014 constant dollars, [Ex. 35, Schedule JTS-2, page 026]). The majority of the benefits are found in reducing congestion-driven production costs, providing for more efficient dispatch of generators by using lowest cost generation throughout the MISO footprint. The Mark Twain project provides Missouri access to the regional, zero production cost of the renewable energy, and takes advantage of the efficiencies of participation in the multi-state energy trading construct

Additionally, the increase of transfer capability between states allows for Missouri residents to benefit from a broader resource pool for resource adequacy, reducing the need for investment in future generating resources through the management of resource reserve targets and reductions in losses on the system. The optionality produced by the MVP portfolio provides for balancing the cost of renewable resource investment by allowing states to develop resources locally or take advantage of higher capacity factor regions that reduce the capital investment necessary to meet the energy requirements of most renewable policy regulations, such as those in Missouri.

The MVP portfolio also allows for the deferral of other transmission investments such as those suggested by [Neighbors United witness] Mr. Powers that would be required for the reliability of the system in the absence of the Mark Twain and other MVP projects. In all, the MVP portfolio creates benefit to cost ratios of 1.8 to 3.0 as identified under MTEP 2011 assumptions, and 2.6 to 3.9 as identified under Triennial Review assumptions. The Missouri ratios are 2.0 to 2.9 and 2.3 to 3.3, respectively.

<sup>&</sup>lt;sup>29</sup> Ex. 35 at 8 (MISO's Smith Surrebuttal).

<sup>&</sup>lt;sup>30</sup> *Id.* at 20 (MISO's Smith Surrebuttal).

<sup>&</sup>lt;sup>31</sup> *Id.* at 15-16 (MISO's Smith Surrebuttal).

MISO's Tariff required the analysis contained in the Triennial Review, Schedule JTS-2 to the Smith Surrebuttal Testimony, that provides a full economic review of the MVP portfolio benefits on a triennial basis.<sup>32</sup>

Commission Staff witness Beck summarized Staff's conditional support for the Project, concluding "that with the appropriate conditions, the Application is sufficient to address the [Commission's *Tartan*] criteria."<sup>33</sup> Mr. Beck looked beyond the supportive numbers for the Project, stating that "[g]iven the current ties with other states, it is no surprise that a regional approach to meeting the CPP [*i.e.* the federal Clean Power Plan] is being discussed in Missouri. While the result of that discussion cannot be fully know {*sic*} for at least a year and likely closer to three (3) years, a transmission line that would strengthen ties to other states provides for additional flexibility to meet the requirements of the CPP."<sup>34</sup> The testimony of MISO witness Smith discussed compliance with the CPP, especially the need to address uncertainty in generation supply options through the development of a robust transmission system that could serve multiple future conditions.<sup>35</sup> In the event that the CPP is implemented or other carbon constraints are imposed, the absence of the MVP projects would result in "starting back from

<sup>&</sup>lt;sup>32</sup> *Id.* at 8-9 (MISO's Smith Surrebuttal).

<sup>&</sup>lt;sup>33</sup> Ex. 25 at 6 (Staff's Beck Rebuttal).

<sup>&</sup>lt;sup>34</sup> Id. at 9. Missouri has taken a dual track to deal with the CPP, planning for implementation while joining other states to challenge the authority of the U.S. Environmental Protection Agency to issue the rules. See, e.g., West Virginia v. EPA, Order in Pending Case 15A773 (February 9, 2016) (staying U.S. EPA "Carbon Pollution Emission Guidelines for Existing Stationary Sources: Electric Utility Generating Units").

<sup>&</sup>lt;sup>35</sup> Ex. 35 at 20 (MISO's Smith Rebuttal) ("The MVP portfolio, including the Mark Twain project, provides a robust transmission supply that will be available to provide needed support to maintain reliable service under changing needs."). See also Tr. Vol. 9 at 600:1-25 through 601:1-13 (MISO's Smith) (dealing with a carbon-constrained world).

2008 numbers, not 2015 numbers, and that's a big difference on where [states] need to go for compliance."<sup>36</sup>

In response to criticism regarding the need for the overall Project, MISO witness Smith explained MISO's extensive planning and selection process and explained that the Project is part of a larger effort to provide a "holistic solution for delivering transmission improvements considering generation, transmission, and other factors under a range of future conditions."<sup>37</sup> Projects were studied to evaluate the expansion of transmission facilities to effectively meet multiple needs, including renewable portfolio standards, local and regional reliability, and economic benefits.<sup>38</sup>

Neighbors United witness Powers questioned the need for the Project based on his view that generation from wind would not be the renewable source in the future.<sup>39</sup> Mr. Powers did not conduct any studies of the Mark Twain Project or the MVP portfolio of projects, but merely "compared solar and wind pricing."<sup>40</sup> The *sole* point of criticism by Mr. Powers that MISO's analyses are "obsolete" is the place held by wind power as the renewable source in the future.<sup>41</sup> The prefiled testimony of MISO witness Smith demonstrates that most of the benefits that will accrue to Missouri are based upon reduced generation costs based upon construction of the MVP

<sup>&</sup>lt;sup>36</sup> Tr. Vol. 9 at 601:11-13 (MISO's Smith). Benefits could greatly increase above those stated for MISO's business case if carbon constrained policies move forward. Ex. 35, Schedule JTS-1 at page 072 (MISO's Smith Surrebuttal) (Figure 8.13, "Benefit-cost variation due to business case assumptions").

<sup>&</sup>lt;sup>37</sup> Ex. 35 at 15 (MISO's Smith Surrebuttal).

<sup>&</sup>lt;sup>38</sup> *Id.* at 15-16.

<sup>&</sup>lt;sup>39</sup> *See, e.g.*, Ex. 35 at 9 (MISO's Smith Rebuttal summarizing Section V of Ex. 42, Neighbors United's Powers Rebuttal).

<sup>&</sup>lt;sup>40</sup> Tr. Vol. 7 at 354:13-14 (Neighbors United's Powers).

<sup>&</sup>lt;sup>41</sup> *Id.* at 354:22-355:9.

portfolio.<sup>42</sup> Mr. Smith stated that "[w]hether Missouri has an RES [*i.e.* Renewable Energy Standard] or not, whether Missouri builds locally or not, the MVP lines, especially the Mark Twain line . . . [and] the MVP lines in the portfolio associated with it provide access to that regional economic generation. \*\*\* [I]t is going to impact the production costs across the system, and it should lower that wholesale energy cost."<sup>43</sup>

Even on the matter of comparing wind and solar power, Neighbors United witness Powers was revealed at the hearing as a solar power advocate rather than an unbiased energy evaluator. MISO witness Smith testified that Mr. Powers "mixes reports from different sources and different years" to cobble together a preference for solar power.<sup>44</sup> The current state of MISO's interconnection queue shows heavy reliance on wind power among renewables.<sup>45</sup> Using a source used by Mr. Powers (*i.e.* U.S. Energy Information Administration's Assumptions to the Annual Energy Outlook 2015) that "includes both a wind and solar capital cost," MISO witness Smith noted that the "overnight construction costs in 2013 dollars for wind and photovoltaic are \$1,980/kW and \$3,279/kW, respectively."<sup>46</sup> Mr. Powers is not a transmission planner, and his recent "classroom"<sup>47</sup> experience opposing another MVP project before the Wisconsin Public

<sup>&</sup>lt;sup>42</sup> Ex. 35, Schedule JTS-1 at page 052 (MISO's Smith Surrebuttal) (page 49 of the Multi Value Project Portfolio Report, Figure 8.1 and Section 8.1).

<sup>&</sup>lt;sup>43</sup> Tr. Vol. 9 at 594:9-16 (MISO's Smith).

<sup>&</sup>lt;sup>44</sup> Ex. 35 at 17 (MISO's Smith Surrebuttal).

<sup>&</sup>lt;sup>45</sup> *Id.* at 18-19 ("ratio of wind to solar . . . as of October 2015 [2015] was 17 to 1").

 <sup>&</sup>lt;sup>46</sup> Id. at 18, referring to attached pages of the U.S. EIA report in Schedule JTS-3 to the Smith Surrebuttal. At hearing, the weakness of Mr. Powers' comparisons was made clear by a number of exhibits, including Ex. 70 showing the EIA's comparison of the levelized cost of electricity for years 2020 (Table 1) and 2040 (Table A5). Both show a cost advantage for wind power, even after an investment tax credit for solar technologies is considered.

<sup>&</sup>lt;sup>47</sup> Tr. Vol. 7 at 432:10-25 through 432:1-4.

Service Commission resulted in the rejection of his advocacy and approval of the MVP

transmission project.48

It is important that the Mark Twain MVP be completed as proposed. MISO witness Smith addressed the negative impact, both in Missouri and elsewhere, that would result from not constructing the Mark Twain MVP as part of the MVP portfolio as planned:<sup>49</sup>

The MTEP designs a complex system that will serve both short- and long-term needs of the bulk electrical grid in a coordinated manner. The inability to construct a key element of the regional expansion plan, especially a "backbone" element such as the one proposed in the Application that is designed for both reliability and its economic attributes, will result in the loss of the economic benefits provided by the project and the need to develop less optimal solutions to reliability concerns.

ATXI witness Kramer testified regarding the reliability concerns, stating that the "addition of the

Mark Twain Project will provide a new 345-kV source to the northeastern Missouri area that will

maintain adequate system voltages for the identified NERC Category C contingencies and

prevent loss of customer loads."50 Resolving these concerns separately is less optimal than

<sup>&</sup>lt;sup>48</sup> Joint Application of American Transmission Company LLC and Northern States Power Company-Wisconsin, as Electric Public Utilities, for Authority to Construct and Operate a New Badger-Coulee 345 kV Transmission Line from the La Crosse Area, in La Cross County, to the Greater Madison Area in Dane County, Wisconsin, Final Decision, Case 5-CE-142 (May 23, 2015). Mr. Powers testified on behalf of Citizens Energy Task Force and Save Our Unique Lands, but the Wisconsin commission concluded that the MVP project "addresses the need to improve the reliability of the transmission grid . . . , provides economic benefits in the transmission of electricity in the MISO region, and provides improvements in the ability of the transmission grid to access renewable-based generation to the west of Wisconsin." Final Decision at 8. Any required state-level siting approvals needed for MVP projects have largely been granted. Ex. 82 ("State Regulatory Status"), *explained by* Tr. Vol. 9 at 624:7-25 through 625:1-8 (MISO's Smith).

<sup>&</sup>lt;sup>49</sup> Ex. 35 at 13 (MISO's Smith Surrebuttal).

<sup>&</sup>lt;sup>50</sup> Ex. 3 at 14 (ATXI's Kramer Direct)

constructing the Mark Twain Project; the Project carries with it large benefits in addition to resolving reliability concerns.<sup>51</sup>

The result of not constructing the Mark Twain Project would have effects on Missouri in addition to an increase in wholesale electricity prices,<sup>52</sup> requiring not only resources to address existing reliability concerns but also to deal with the impact of 161 kV system improvements elsewhere. ATXI witness Kramer testified:<sup>53</sup>

So they're going to be connecting wind and bringing it to our borders . . . and it's going to cause problems on the Ameren Missouri system as the wind tries to push on to our lower voltage 161 kV system. The difficulty it puts Ameren in is as these additional lines are being built and as wind hits our border and overloads our system, we have to take what I would call stopgap measures.

The Mark Twain MVP is a necessary component of the MVP portfolio of transmission projects, providing a "holistic solution for delivering transmission improvements"<sup>54</sup> that will provide benefits in Missouri and across the MISO region.

#### **IV. CONCLUSION**

MISO respectfully requests that the Commission grant a Certificate of Public Convenience and Necessity to ATXI and issue an order that authorizes construction of the Mark Twain MVP Project. The Application should be approved, as submitted and as adjusted by the efforts of ATXI in this proceeding. The timely construction of the Project is important to the ability of the transmission system in Missouri to continue reliable service and to deliver the economic benefits of the MVP portfolio of transmission projects to the State.

<sup>&</sup>lt;sup>51</sup> Ex. 35 at 15 (MISO's Smith Surrebuttal) ("narrow focus on reliability does not recognize the MVP benefits obtained from the portfolio").

<sup>&</sup>lt;sup>52</sup> Tr. Vol. 9 at 588:15-22 (MISO's Smith) ("What you would see is the market cost for energy would start to separate from the rest of the footprint.").

<sup>&</sup>lt;sup>53</sup> Tr. Vol. 5 at 200:10-17 (ATXI's Kramer).

<sup>&</sup>lt;sup>54</sup> Ex. 35 at 15 (MISO's Smith Surrebuttal).

Respectfully submitted,

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# **CERTIFICATE OF SERVICE**

I hereby certify that a true and correct copy of the foregoing was e-mailed on this 4<sup>th</sup> day of March 2016 to the persons on the Commission's service list in this case.

<u>/s/ Joshua Harden</u> Attorney for Midcontinent Independent System Operator, Inc.