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Issues: County Assents, Economic Benefits, Public Outreach, Property Rights

Public Outreach, Property Rights
Witness: Mark Lawlor

Type: Surrebuttal Testimony

Sponsoring Party: Grain Belt Express Clean Line LLC

Case No.: EA-2016-0358

Date Testimony Prepared: February 21, 2017

MISSOURI PUBLIC SERVICE COMMISSION CASE NO. EA-2016-0358

SURREBUTTAL TESTIMONY OF MARK O. LAWLOR ON BEHALF OF GRAIN BELT EXPRESS CLEAN LINE LLC

GB Exhibit No. 116

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File No. EA-2016-0358

February 21, 2017

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1		I. <u>INTRODUCTION AND PURPOSE OF TESTIMONY</u>
2	Q.	Please state your name, present position, and business address.
3	A.	My name is Mark O. Lawlor. I am Director of Development for Clean Line Energy
4		Partners LLC ("Clean Line"). Clean Line is the ultimate parent company of Grain Belt
5		Express Clean Line LLC ("Grain Belt Express" or "Company"), the Applicant in this
6		proceeding. I am based in the Kansas City metropolitan area, but my business address is
7		1001 McKinney Street, Suite 700; Houston, TX 77002.
8	Q.	Have you previously submitted prepared testimony in this proceeding?
9	A.	Yes, I submitted direct testimony on August 29, 2016.
10	Q.	What is the subject matter of this surrebuttal testimony?
11	A.	I am responding to the rebuttal testimony of certain witnesses who address subject matter
12		in my direct testimony, as well as certain conditions proposed by Public Service
13		Commission ("PSC") Staff.
14		II. <u>RESPONSE TO PSC STAFF</u>
15	Q.	What is your response on the Staff's position that Grain Belt Express must have
16		county assents before the Commission can issue the certificate?
17	A.	Staff's position would give county commissions a de facto veto power over policy
18		decisions that the Missouri legislature clearly granted to the Missouri Public Service
19		Commission. The commission rejected this position in the ATXI case. The Commission
20		should follow its own precedent in rejecting this position.
21	Q.	Mr. Stahlman "cautions the Commission in its consideration of this [employment
22		and tax revenue] information as a basis to approve or reject Grain Belt's
23		application" on page 41 of Staff's Rebuttal Report. Can economic data be relied on

¹ Report and Order, Docket No. EA-2015-0146, p. 38.

1	by the Commission in weighing the impacts to the public interest and economic
2	feasibility of the Project?

A. Yes. Missouri agencies, legislators and policy makers have relied on similar economic data for many years in crafting public policy.

Missouri Department of Economic Development ("DED") witness Alan Spell concluded, "[t]he construction and operation of the Project is expected to have positive economic impacts to the state of Missouri with regard to jobs, income, gross domestic product, and tax revenues." This conclusion was based on the use of a detailed industry-standard model that produces reliable estimates of economic benefits. In the rebuttal testimony of Alan Spell, on page 5, he explains:

The REMI model has been used by DED for over fifteen years to estimate the impacts of business activities. REMI is a popular model with over 250 organizations, universities, and consulting firms using the system, including governmental agencies in 40 states. Many organizations use models like REMI as a tool in analyzing the potential economic benefits and costs associated with a business activity while recognizing that it is one part of a decision-making process.

Q.

A.

Staff witness Michael Stahlman on pages 41-42 of Staff's Rebuttal Report expresses concern about viewing increased employment and tax revenue as an economic benefit of the Project because of possible "opportunity costs." What are the opportunity costs for the Missouri economy if the Grain Belt Express Project is built?

Opportunity costs are those economic activities that did not happen because a project went forward. Here, there are no opportunity costs in the Missouri economy for building the Project. If the same capital that will be used to build the Grain Belt Express Project is deployed to another project, it is highly unlikely that such investment will be in Missouri

1	or that any of the alternative project's benefits will accrue to Missouri residents. Staff
2	does not justify its concern with opportunity cost with any specific evidence or analysis,
3	because there is none.

Q. Has Grain Belt Express presented evidence that clearly rebuts Staff's concerns regarding the economic benefits of the Project to the State of Missouri?

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- 6 Yes. The Grain Belt Express Project will directly cause manufacturing opportunities in Α. Missouri that would not occur without the Project. For example, Hubbell Power Systems 7 will invest over \$9 million in its Centralia, Missouri plant if allowed to commence work 8 supplying the Grain Belt Express Project with component parts. The partnership between 9 Grain Belt Express and Hubbell will create an estimated 52 additional jobs at the 10 Centralia facility for two to three years. These jobs will only be created if the Project can 11 proceed. See Schedule MOL-8 attached to my direct testimony and Schedule MOL-12 12 to my surrebuttal. 13
 - Q. On page 42 of his testimony, Staff witness Michael Stahlman states that wages and taxes are part of the Project's cost, not benefits, since these expenditures increase the rate for the service, reducing the marginal benefit to Missouri customers of taking service on the Project. What is your response to this?
- A. Mr. Stahlman's position may be applicable to a cost-of-service rate-regulated utility
 seeking to recover the cost to construct a project in Missouri. However, Grain Belt
 Express has not asked the Commission to set a rate based on the cost to serve Missouri
 rate-payers. Rather, the market will determine the negotiated rate and Clean Line's
 investors will bear the risk and the cost to construct the Project. and recover that
 investment from subscribers to the line.

Further, the vast majority of the service will be paid for by non-Missourians under negotiated rates. Therefore, wages and taxes paid in Missouri are a direct benefit to Missourians, and while they are a cost of the Project, these costs are spread over all the customers in all states and recovered under negotiated rates.

Mr. Stahlman appears to suggest on page 42 that the economic benefits analysis should also include the follow-on effect of the Project on Missouri electric rates. There are no Project costs directly recovered from Missouri rate-payers, but there will be net benefits from subscribing to the Project or buying the Project's delivered energy. For example, the Missouri Joint Municipal Electric Utility Commission (MJMEUC) has estimated \$10 million in annual savings to MJMEUC members through utilizing 200 MW of capacity from Grain Belt Express (See page 5 of the Rebuttal testimony of John Grotzinger).

III. PUBLIC COMMENTS

- Q. Staff witness Robert Shallenberg, on page 62 Staff's Rebuttal Report, states that some "individuals assert they did not submit or authorize the submittal" of public comments. What is your response to this observation?
- A. In cases where Grain Belt Express collected and uploaded letters of support to the

 Commission's EFIS public comment portal, those letters were submitted with the

 knowledge and permission of the individual commenter. Each letter of support contains a

 section where the signatory granted the Company the authority to submit the letter on his

 or her behalf.

IV. <u>CONDITIONS RECOMMENDED BY STAFF</u>
TY. CONDITIONS NECOMMENDED DI STATI

2	Q.	Which of the conditions proposed in the Staff Rebuttal Report do you accept?
3	A.	A list of conditions recommended by Staff is included in Schedule DAB-9, attached to
4		the surrebuttal testimony of witness David Berry. The conditions referenced in this
5		section are numbered in accordance with that schedule. Grain Belt Express accepts
6		conditions 1 through 5, and 8 through 14, in Section V (Construction and Clearing)
7		without modification. Grain Belt Express accepts conditions 1, 2, 4, 5, and 6 in Section
8		VI (Maintenance and Repair).
9	Q.	Which of the conditions proposed in the PSC Staff Rebuttal Report do you accept
10		with modifications?
11	A.	Grain Belt Express recommends that Condition 6 in Section V (Construction and
12		Clearing) in Schedule DAB-9 which states:
13		Unless otherwise directed by the landowner, stumps will be treated to
14		prevent regrowth.
15		be modified to state:
16		Stumps will be treated to prevent regrowth consistent with industry best
17		practices. Vegetation treatments will consider vegetation types, site-
18		specific land uses and any environmental sensitivities. Grain Belt Express
19		will notify all landowners of the Transmission Vegetation Management
20		Policy ("TVMP") and of the specific vegetation treatments for each
21		landowner's property.
22		This modification better reflects the unique needs of each parcel as it relates to land
23		types, use, environmental sensitivities, and ownership. For example, there may exist

better methods of preventing regrowth from stumps than chemical treatment.

Additionally, there may be state or federal laws and regulations that impact the use of chemical treatment in certain circumstances.

Grain Belt Express requests the removal of Condition 3 in Section V (Construction and Clearing) in Schedule DAB-9 on the grounds that it is not reasonable to require a foreman to be a certified arborist. This practice is unnecessary and likely impossible to comply with. While the Company will utilize certified arborists in the development of the TVMP, it is not reasonable to require a foreman to be a certified arborist. The spirit of this recommendation can be met through the TVMP, which will address right-of-way maintenance in a comprehensive manner.

Grain Belt Express recommends that Condition 7 in Section V (Construction and Clearing) in Schedule DAB-9, which states:

Unless the landowner does not want the area seeded, disturbed areas will be reseeded with a blend of K31 fescue, perennial rye, and wheat grasses, fertilized, and mulched with straw.

be modified to state:

Unless the landowner does not want the area seeded, disturbed areas will be reseeded consistent with reclamation best practices in consultation with landowners, restoration specialists, and government agencies.

This modification is needed because, while the use of the suggested seed mix may be common along roads and highways, it may not be appropriate in all sections of the Project's right-of-way. Reseeding and other reclamation procedures will be addressed in the post-construction Restoration Plan. The Company will coordinate with landowners,

restoration specialists, state and federal agencies, and others on the appropriate reclamation practices that best fit the specific conditions of each parcel on the right-of-way.

Grain Belt Express recommends Condition 7 in Section VI (Maintenance and Repair) in Schedule DAB-9, which states:

Prior to commencing any vegetation management on the right-of-way, Grain Belt will meet personally with all landowners to discuss Grain Belt's vegetation management program and plans for their property, and to determine if the landowner does or does not want herbicides used on their property. If the landowner does not want herbicides used, they will not be used.

be modified to state:

Prior to commencing construction, Grain Belt Express will notify all landowners in writing of the Transmission Vegetation Management Plan and of the specific vegetation treatments for each landowner's property. The Company will personally meet with each landowner who requests such a meeting to determine if the landowner does or does not want herbicides used on their property. If the landowner does not want herbicides used, they will not be used.

This modification is necessary to avoid ambiguity regarding if and when such a meeting is to take place, and allows compliance even if a landowner does not want to meet in person. It also provides for flexibility to follow and apply the Transmission Vegetation Management Plan.

V.	RESPONSE TO	WITNESSES	JASKULSKI.	SHAW.	AND	JUSTIS
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Q.

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Joseph Jaskulski, Donald Shaw, and Paul Justis criticize the Transmission Service Agreement ("TSA") between Grain Belt Express and MJMEUC as having "no real economic value" because it is "an option contract." How do you respond to this? First, MJMEUC has a specific need for this Project and has fully incorporated the agreement into their future power supply. This is supported by the large number of municipal utilities participating in the TSA (see rebuttal testimony of Duncan Kincheloe on page 4 starting at line 12) because the alternatives to the TSA are significantly more costly.

Second, the Power Purchase Agreement ("PPA") MJMEUC signed with Infinity is in fact a binding contract (See Schedule JG-4 to Mr. Grotzinger's rebuttal testimony). When construction of the Grain Belt Express is complete, MJMEUC will be contractually obligated to take delivery of the energy under the PPA. So, while the TSA provides MJMEUC with optionality, MJMEUC has already acted to take advantage of those options by securing low-cost wind energy from Infinity.

Third, flexibility under the TSA is necessary because, until Grain Belt Express receives approval in this docket, its schedule and viability remain uncertain. Even after receiving approval by this Commission, flexibility will be necessary for both parties, as is the case with all large-scale infrastructure projects. Without provisions that allow for this, parties could be locked into an agreement in which they are physically and legally prohibited from performing if regulatory approvals are not granted.

The notion that the TSA has no real economic value ignores the tremendous savings MJMEUC members will realize once the Project is in operation. When

MJEMEUC announced the execution of the TSA in June 2016, they publicized the fact that the TSA will save their members approximately \$10 million annually. The testimony and schedules of MJMEUC witness John Grotzinger confirm and detail the extraordinary economic benefits that MJMEUC and its members will receive under the TSA with Grain Belt Express.

Q.

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VI. RESPONSE TO HIBBARD

Q. On page 4 of his testimony, Wiley Hibbard raises concerns regarding notification of the public meeting in Monroe City. What efforts did Grain Belt Express make regarding the location and notification of public meetings to Ralls County landowners and community members along the route?

As I discuss in Section III of my direct testimony, Grain Belt Express mailed all landowners invitations to the open house meetings. On July 31, 2013, there were 113 members of the public in attendance at the Monroe City open house, one of the highest attendance levels of the open house meetings held by Grain Belt Express across the Project area. The meetings were also advertised in local papers with county-wide distribution starting two weeks prior to the actual meetings.

VII. RESPONSE TO GARVIN

In his rebuttal testimony, Mr. Garvin raised routing concerns with the proposed Chariton —I reroute presented at the June 2016 public meetings and described in Schedule JGP-2. What did Grain Belt Express do in response to those concerns? After discussing these concerns with Mr. Garvin at the public meeting, the reroute was further adjusted to accommodate for Mr. Garvin's concerns. The route was moved to avoid potential cemeteries, to avoid his daughter's future home site, and to be farther

1	from Mr. Garvin's home. The route was adjusted in such a way that utilizes the terrain
2	and existing trees to further limit the visual impact to Mr. Garvin.

Q.

A.

- Q. Mr. Garvin cited concerns that the location of the proposed route would result in forested habitat loss due to the removal of timber. What actions were taken in siting the route to minimize habitat loss and impacts to protected species?
- A. Minimizing impacts on sensitive habitats and protected species was an important criteria for routing the project. The routing team ultimately identified a route with the least amount of potential habitat within the right of way. See the Missouri Route Selection Study, Schedule JPG-1 to Jay Puckett's direct testimony.

VIII. RESPONSE TO LOWENSTEIN

MLA witness Donald Lowenstein challenges the estimated property tax payments referenced in your direct testimony. Do you agree with Mr. Lowenstein's analysis?

No. While Mr. Lowenstein acknowledges on page 8 of his rebuttal testimony that he is not an expert on property tax and "will not be rendering any opinion here as a tax expert," he proceeds with over 20 pages of testimony attacking the formula used to estimate these taxes, which were calculated with the aid and consultation of the Missouri State Tax Commission ("MSTC").

Mr. Lowenstein's description of how the MSTC will value the line is nothing more than a statement that the MSTC will follow state law in its valuation. (Lowenstein Rebuttal, page 12.) Mr. Lowenstein offers no argument that the methodology employed by Grain Belt Express in consultation with the MSTC is inaccurate or flawed.

1	Q.	Mr. Lowenstein questions the approach that was used to calculate these tax
2		revenues. Why was the cost-approach method chosen to estimate the tax revenues in
3		the first year of the Project's operation?

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- As Mr. Tregnago states in his surrebuttal testimony, it is common practice in Missouri to use the cost-approach method, as it provides a reasonable estimate in calculating future property tax revenues. Grain Belt Express worked with the MSTC to develop these estimates. The MSTC reviewed and advised the tax estimates for the Project, just as they have done for other infrastructure projects in the state for many years.
- Q. 9 Mr. Lowenstein suggests that there are other approaches and factors that will 10 change the overall assessed value of the Project over time, (pg. 13 lines 6-22). He also states "It's hard to speculate what trends exactly will affect GBE's value in the 11 future," (pg. 13, line 12), and "it is impossible to predict future property taxes to the 12 13 counties after the line is energized." (DL – pg. 17, lines 3-4). How do you respond to this?
 - Grain Belt Express has never suggested that it is providing precise property tax numbers to be paid during the multi-decade useful life of the Project. Instead, we used a simple and reliable approach to estimate property tax payments in the Project's first year of operation. Mr. Lowenstein is correct in stating that the MSTC may look at other criteria to determine Grain Belt Express' property taxes going forward. However, he lacks any data or evidence supporting his claims that additional information will result in lower market value for the Project.

The MSTC can also use an income approach and market approach to determine the fair market value of the Project. I believe these additional approaches are likely to

1		increase the fair market value of the Project rather than decrease it, thus increasing the tax
2		revenue contributed to local communities.
3	Q.	On pg. 16 of Mr. Lowenstein's rebuttal testimony, he claims different school
4		districts on or near the line receive varying percentages of "substantial benefits,"
5		"modest benefits," and "negligible benefits." Does he explain how he came to this
6		conclusion or what these terms mean?
7	A.	No. In fact, when given the opportunity to explain his reasoning and to provide a
8		numerical value to explain these assertions, his response was "I prefer to look at
9		percentages and ratios and scenarios." See Lowenstein's response to Grain Belt Express
10		Data Request 11.
11		Mr. Lowenstein's attacks on Grain Belt Express reflect an apparent dispute that
12		he has with Missouri tax policy regarding certain school districts not receiving property
13		tax dollars during construction. This is a product of state tax law providing for county
14		level assessment during the construction phase. All school districts in every county where
15		the line is located will receive tax dollars once the line is operational.
16 17		IX. RESPONSE TO VARIOUS WITNESSES ON THE ISSUE OF EMINENT DOMAIN
18	Q.	A number of witnesses discuss the issue of eminent domain in their rebuttal
19		testimony. What is the Company's position on the use of eminent domain?
20	A.	Grain Belt Express intends to acquire the necessary right-of-way through voluntary
21		transactions negotiated in good faith and fair dealing. Based on feedback from
22		landowners and in the event such negotiations do not result in an agreement, Grain Belt
23		Express has committed to alternative dispute resolution in the form of binding arbitration

as a way to reach agreeable terms, as discussed in greater detail in the surrebuttal

testimony of Company witness Deann Lanz. This commitment to arbitration is not required, or typical, for a transmission project, but will be of great value in reaching agreeable terms with landowners. Grain Belt Express will only seek condemnation as a last resort after exhausting reasonable efforts to secure easements voluntarily or through arbitration. In some limited circumstances, condemnation proceedings may be necessary when a landowner cannot be located or to clear up a title issue.

Q.

Many statements from opposition witnesses lead me to believe they lack an understanding of public utility and eminent domain law and history in Missouri.

All investor-owned public utilities operating in Missouri, such as Ameren and Kansas City Power and Light, are investor-owned, for-profit businesses, like Grain Belt Express. From time to time these investor owned utilities exercise their rights under Missouri's eminent domain laws so that they can provide utility service. These investor-owned utilities have been part of the public utility landscape in Missouri for over 100 years. Grain Belt Express is seeking the same opportunity to provide a public service to the State of Missouri and beyond, just as those utilities do, under the laws and regulations of the state.

X. RESPONSE TO HURST

- On page 1 of his testimony, Blake Hurst states he is addressing Grain Belt Express' assertion that the "use of eminent domain would serve the public interest." Please respond.
- A. Grain Belt Express does not make this assertion. The Company is seeking a Certificate of
 Convenience and Necessity ("CNN") in order to provide a public service. As this
 Commission has made clear, such an application is *not* the same as granting eminent

domain. Mr. Hurst, as well as other witnesses, have conflated this proceeding seeking a CCN with a condemnation proceeding. I refer Mr. Hurst and others to Section 393.170.1 of the Missouri Revised Statutes, and 4 CSR 240-2.060 and 4 CSR 240-3.105(1)(B) for Certificate of Convenience and Necessity proceedings. Chapter 523 of the Missouri Revised Statutes contains Missouri laws regarding eminent domain. These are two distinct legal proceedings under Missouri law.

Q.

At the Missouri PSC, Grain Belt Express is seeking a CNN authorizing it to construct, own, operate, control, manage, and maintain a high-voltage direct current-transmission line and associated converter station in the state of Missouri, pursuant to Section 393.170.1,² 4 CSR 240-2.060, and 4 CSR 240-3.105(1)(B). Should Grain Belt Express need to pursue eminent domain in the future, it will do so pursuant to Chapter 523 of the Missouri Revised Statutes in a separate proceeding in a circuit court, under different legal standards and procedures.

- Mr. Hurst cites to a Farm Bureau policy stating, "we support Missouri's eminent domain reform law, which strengthens the protection of landowners from condemnation with assurance that needed rural infrastructure such as roads, power lines and water and sewer lines can be built in a timely and economical manner with equitable compensation granted to all affected landowners." (p. 2). Is this policy in conflict with the proposed Project?
- 20 A. No. I agree that needed infrastructure should be built in a timely and economic manner
 21 with equitable compensation to all landowners.
- Q. In his testimony on page 3, Blake Hurst suggests that landowners should have five years from the time of the original settlement in which to negotiate claims for

² All statutory references are to the Missouri Revised Statues (2000), as amended, unless otherwise noted.

1		damage from construction and maintenance. Will Grain Belt Express comply with
2		such a request?
3	A.	Yes. In fact, under the Easement Agreement, there is no time limit on when claims for
4		damages can be made.
5	Q:	Does Mr. Hurst address the agreement with MJMEUC to provide service to
6		customers in the state?
7	A:	Yes, Mr. Hurst does not believe the estimated \$10 million dollars in annual savings by
8		Missouri municipalities is in the public interest. The testimony of Mr. Kincheloe and Mi
9		Grotzinger explain just how significant these savings are, and how rare and unique this
10		opportunity is for Missouri customers.
11	0	Does this conclude your surrebuttal testimony?

Yes it does. 12 A.

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, Control,
Manage, Operate 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

AFFIDAVIT OF MARK O. LAWLOR

STATE OF LEXAS)	
COUNTY OF HOIVES))	S

Mark O. Lawlor, being first duly sworn on his oath, states:

- 1. My name is Mark O. Lawlor. I am Director of Development for Clean Line Energy Partners LLC.
- 2. Attached hereto and made a part hereof for all purposes is my Surrebuttal Testimony on behalf of Grain Belt Express Clean Line LLC consisting of 17 pages, having been prepared in written form for introduction into evidence in the above-captioned docket.
- 3. I have knowledge of the matters set forth therein. I hereby swear and affirm that my answers contained in the attached testimony to the questions therein propounded, including any attachments thereto, are true and accurate to the best of my knowledge, information and belief.

Mark O. Lawlor

Subscribed and sworn before me this 21st day of the

Notary Public

No.

DORCAS RUTH O'QUINN Notary Public, State of Texas Comm. Explies 01-06-2018

Holdin in 15400



MEDIA CONTACT

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CLEAN LINE ENERGY ANNOUNCES AGREEMENTS THAT WILL BENEFIT FOUR MISSOURI MANUFACTURING COMPANIES

CLEAN LINE ENERGY AGREEMENTS WITH ABB INC., GENERAL CABLE AND HUBBELL POWER SYSTEMS WILL CREATE JOBS AND OPPORTUNITIES FOR ECONOMIC GROWTH IN MISSOURI

Jefferson City, MO (January 30, 2014) – Missouri Department of Economic Development Director, Mike Downing, announced agreements today between Grain Belt Express Clean Line LLC (Grain Belt Express), a subsidiary of Clean Line Energy Partners LLC (Clean Line) and Missouri-based manufacturers ABB Inc., General Cable, and Hubbell Power Systems, Inc. (HPS). Top executives from ABB, General Cable, and Hubbell Power Systems joined Clean Line and Mike Downing at a morning news conference hosted by ABB Inc. in Jefferson City. These three businesses employ nearly 1,000 Missourians in St. Louis, Sedalia, and Centralia, respectively.

The Grain Belt Express Clean Line transmission line project is an approximately 750-mile overhead, direct current transmission line that will deliver up to 3,500 megawatts of renewable power from Kansas to communities and businesses in Missouri, Illinois, Indiana and states farther east. The project represents an approximately \$500 million investment in Missouri, and Clean Line is committed to sourcing products and services from manufacturers and contractors in the state.

"Missouri is positioned to be a leader in the renewable energy manufacturing sector, and agreements like these help make Missouri even more competitive," said Mike Downing, Director of the Missouri Department of Economic Development. "Cutting-edge projects like the Grain Belt Express Clean Line will help sustain Missouri's manufacturing sector and create good paying jobs right here in Missouri. We appreciate Clean Line's efforts to use local businesses and suppliers for the Grain Belt Express Clean Line transmission project."

Clean Line designated ABB in 2013 as the preferred supplier to manufacture alternating current transformers for the Grain Belt Express transmission collector system, where new wind farms will connect to the project in Kansas. ABB plans to manufacture the transformers at its St. Louis, Missouri facility.

"ABB is the world's top provider of power grid equipment and services, and more than 70 percent of all the high-voltage transformers on the North American power grid were built by ABB or its legacy companies. We strongly support alternative sources of energy like wind and solar, though these renewables must have new power lines to transmit their power to the grid," said Jeffrey Weingarten Vice President and General Manager - Distribution Transformers of ABB, Inc. "ABB, led by our transformer businesses in St. Louis and Jefferson City, is pleased to partner with Clean Line Energy as the preferred provider of medium power transformers for the Grain Belt Express Clean Line initiative."

General Cable will manufacture the steel core for the transmission line conductor and manage ongoing inventory and logistics at its Sedalia, Missouri facility. General Cable supports Clean Line's goal of developing a local supply chain and will purchase aluminum rod, made in Missouri, for the Grain Belt Express conductor by partnering with Noranda Aluminum. This partnership will support an expansion of

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Noranda's redraw rod production capacity at its aluminum smelter near New Madrid, Missouri.

"General Cable and our 185 associates at our Sedalia, Missouri manufacturing facility are very pleased to be part of the Grain Belt Express Clean Line project. Not only will it provide an additional stream of steady work to our plant for two years, but it will also offer a source of lower-cost power to our facility and other manufacturers in Missouri, and create construction jobs in the state," said Roger Roundhouse, General Cable Senior Vice President and General Manager, Electric Utility Products. This infrastructure investment in renewable energy creates opportunities for many in Missouri, and General Cable is proud to play an important role in the project."

Hubbell Power Systems, Inc. (HPS) has been designated as the preferred supplier of insulators and hardware for the Grain Belt Express transmission line. HPS will manufacture the hardware and the core of the polymer insulators at its Centralia, Missouri facility and establish a supplier base within the project area to source raw material from local businesses, including companies in Illinois and Indiana. To support Grain Belt Express, HPS will invest over \$9 million in its Centralia, Missouri plant, where the company employs approximately 600 people. The Grain Belt Express partnership will create an estimated 52 jobs at the Centralia facility for two to three years.

"We are pleased that Clean Line decided to work with Hubbell Power Systems to manufacture the conductor hardware assemblies and polymer insulators for the Grain Belt Express transmission project. New energy infrastructure projects like the Grain Belt Express are critical to our investment decision making," said William Tolley, President of Hubbell Power Systems, Inc.

In addition to supporting Missouri's manufacturing base, the Grain Belt Express will create hundreds of construction jobs in Missouri. The project will spur demand for roughly 2,000 new wind turbines and will also create jobs for Missouri's wind energy companies. According to the U.S. Wind Industry Annual Market Report 2011, there are 12 manufacturing companies in Missouri that are involved in the wind energy supply chain. ABB Inc. in Jefferson City, where the announcement took place, manufactures transformers for the wind energy industry and is just one example of a Missouri business that could benefit from the wind industry's growth.

Clean Line President Michael Skelly said, "Clean Line Energy is committed to sourcing as many of the needed materials as possible from local companies in the Grain Belt Express project area. We are excited to work with ABB, General Cable, Hubbell Power Systems, and their suppliers, on a project that will power Missouri homes and businesses with clean energy. We believe it is increasingly important to invest in energy infrastructure that will contribute to local economies and create new jobs in communities across Missouri and the region." He added, "We look forward to continuing to work with Missouri authorities, state leaders and communities as our project progresses."

The Grain Belt Express Clean Line will deliver up to 500 megawatts of low-cost, clean power to consumers and businesses in Missouri and provide enough energy to the surrounding region to power more than 1.4 million homes. Clean Line estimates that property taxes on the transmission line will generate millions of dollars annually in Missouri and will be distributed to counties where the line and converter station are located. Clean Line is committed to compensating landowners fairly and expects to pay landowners 100% or more of the fair market value of the easement area. Landowners will have the option to elect either one-time or annual payments for each transmission structure on their property, with annual payments escalating 2% per year as long as the structures are on the property.

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About Clean Line Energy Partners: Clean Line's mission is to connect abundant, renewable energy resources to areas that have a high demand for clean, reliable energy. Clean Line is developing a series of high-voltage transmission projects to move renewable energy to market. For more information please visit www.CleanLineEnergy.com.

About ABB: ABB (www.abb.com) is a leader in power and automation technologies that enable utility and industry customers to improve their performance while lowering environmental impact. The ABB Group of companies operates in around 100 countries and employs about 150, 000 people. The company's North American operations, headquartered in Cary, North Carolina, employ over 30,000 people in multiple manufacturing, engineering, service and other major facilities.

About General Cable Corporation.: General Cable (NYSE: BGC), a Fortune 500 Company headquartered in Highland Heights, Kentucky U.S.A., is a global leader in the development, design, manufacture, marketing and distribution of aluminum, copper and fiber optic wire and cable products for the energy, construction, industrial, specialty and communications markets. It operates 57 manufacturing facilities in 26 countries and employs more than 14,000 associates.

About Hubbell Power Systems, Inc.: Hubbell Power Systems, Inc. (HPS) manufacturers a wide variety of transmission, distribution, substation, OEM and telecommunications products used by utilities. In addition, HPS products are used in the civil construction, transportation, gas and water industries. Products include construction and switching products, tools, insulators, arresters, pole line hardware, cable accessories, test equipment, transformer bushings and polymer precast enclosures and equipment pads. For more information please visit www.hubbellpowersystems.com.

About Noranda Aluminum: Noranda Aluminum Holding Corporation is a leading North American integrated producer of value-added primary aluminum products and high quality rolled aluminum coils. For additional information, please visit the company's website at www.norandaaluminum.com.