

STATE OF ILLINOIS
ILLINOIS COMMERCE COMMISSION

Grain Belt Express Clean Line LLC)
)
Application for an Order Granting Grain)
Belt Express Clean Line LLC a Certificate of)
Public Convenience and Necessity pursuant)
to Section 8-406.1 of the Public Utilities Act)
to Construct, Operate and Maintain a High)
Voltage Electric Service Transmission Line)
and to Conduct a Transmission Public)
Utility Business in Connection Therewith and)
Authorizing Grain Belt Express Clean Line)
pursuant to Sections 8-503 and 8-406.1(i))
of the Public Utilities Act to Construct the)
High Voltage Electric Transmission Line)

Docket No. 15-0277

REPLY BRIEF
OF
WIND ON THE WIRES

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Wind on the Wires, by and through its counsel, pursuant to Section 200.800 of the Commission's Rules of Practice (83 Ill. Adm. Code 200.800) and the schedule set by the Administrative Law Judge in her ruling on May 15, 2015, respectfully submits its Reply Brief in the above captioned matter.

Wind on the Wires responds to arguments raised by Illinois Farm Bureau ("ILFB"), Mary Ellen Zotos ("MEX") and Landowners Alliance of Central Illinois, NFP ("LACI") in their initial briefs regarding sections 8-406.1(f) and (f)(1).

In the body of its brief, Wind on the Wires has noted which issues/sections it will not be addressing.

I. INTRODUCTION

A. Overview and Summary of Party's Position

WIND ON THE WIRES' INCORPORATES BY REFERENCE

THE STATEMENT FROM ITS INITIAL BRIEF FOR THIS SECTION.

B. Description of Grain Belt Express and the Project

C. Procedural History

D. Legal Standards

Wind on the Wires testimony was limited to the legal standard for granting the CPCN reflected within section 8-406.1(f)(1):

(f) The Commission shall, after notice and hearing, grant a certificate of public convenience and necessity filed in accordance

with the requirements of this Section if, based upon the application filed with the Commission and the evidentiary record, it finds the Project will promote the public convenience and necessity and that all of the following criteria are satisfied:

- (1) That the Project is necessary to provide adequate, reliable, and efficient service to the public utility's customers and is the least-cost means of satisfying the service needs of the public utility's customers or ***that the Project will promote the development of an effectively competitive electricity market that operates efficiently, is equitable to all customers***, and is the least cost means of satisfying those objectives.
- (2) That the public utility is capable of efficiently managing and supervising the construction process and has taken sufficient action to ensure adequate and efficient construction and supervision of the construction.
- (3) That the public utility is capable of financing the proposed construction without significant adverse financial consequences for the utility or its customers.
(220 ILCS 5/8-406.1(f) (*emphasis added*))

II. GRAIN BELT EXPRESS' COMPLIANCE WITH SECTION 8-406.1 PRE-FILING MEETING AND NOTICE, APPLICATION CONTENT, AND OTHER SECTION 8-406.1 REQUIREMENTS

WIND ON THE WIRES WILL NOT BE ADDRESSING THE ISSUES IN

SECTION II.

III. GRAIN BELT EXPRESS' RIGHT TO UTILIZE SECTION 8-406.1 AS AN ENTITY THAT IS NOT A PUBLIC UTILITY

WIND ON THE WIRES WILL NOT BE ADDRESSING THE ISSUES IN

SECTION III.

IV. SECTION 8-406.1(F) CRITERIA FOR A CERTIFICATE

A. Section 8-406.1 (f) – Grain Belt Express’ Promotion of the Public Convenience and Necessity

The legal standard for granting the certificate of public convenience and necessity (“CPCN”), within section 8-406.1(f) states that the Commission shall find that the project promotes the public convenience and necessity, as stated as follows:

- (f) The Commission shall, after notice and hearing, grant a certificate of public convenience and necessity filed in accordance with the requirements of this Section if, based upon the application filed with the Commission and the evidentiary record, it finds the Project will promote the public convenience and necessity . . . (§8-406.1(f)).

On this issue, Wind on the Wires responds to arguments raised by Mary Ellen Zotos (“MEZ”).

(A) Response to Mary Ellen Zotos

In its initial brief MEZ asserts that Grain Belt Express Project (“GBX Project” or “Project”) is not needed for compliance with the Illinois renewable portfolio standard (“RPS”) because even if demand in the Illinois renewable energy credit (“REC”) market were to increase consistently year after year, the Illinois RPS requirement could still be met with RECs purchased either in Illinois and states adjoining Illinois, or in other states if those states’ renewable generation resources prove insufficient. (Initial Brief of Mary Ellen Zotos (“MEZ IB”) at 8; *citing* MEZ Exh. 1.0 at lines 367-73). The flaw in MEZ’s rationale is that its argument only demonstrates need but not usefulness. Whereas, the GBX Project delivers RECs that are needed and are useful because they can reduce the price of RECs in the Illinois market.

Illinois courts have established that “necessity” in the context of the Public Utilities Act (“PUA”) means that the service proposed to be provided should be “needful and useful to the public.” See King v. ICC, 39 Ill. App. 3d 648, 653 (4th Dist. 1976). In Wabash, Chester & Western R.R. Co. v. ICC the Illinois Supreme Court defined “necessity” as follows:

[A]ny improvement which is highly important to the public convenience and desirable for the public welfare may be regarded as necessary. If it is of sufficient importance to warrant the expense of making it, it is a public necessity A strong or urgent reason why a thing should be done creates a necessity for doing it. * * * The word connotes different degrees of necessity. It sometimes means indispensable; at others, needful, requisite or conducive. It is relative rather than absolute. No definition can be given that would fit all statutes. . . . The Commerce Commission has a right to, and should, look to the future as well as to the present situation. Public utilities are expected to provide for the public necessities not only today but to anticipate for all future developments reasonably to be foreseen. The necessity to be provided for is not only the existing urgent need but the need to be expected in the future, so far as it may be anticipated from the development of the community, the growth of industry, the increase in wealth and population and all the elements to be expected in the progress of a community.

Wabash, Chester & Western R.R. Co. v. ICC, 309 Ill. 412, 418-19, (1923) (*hereinafter*, “Wabash”).

The GBX Project is useful because it will foster the development of up to 4,000 megawatts (MW) of additional wind generation and associated REC supply. MEZ doesn’t cite a source for the amount of RECs that will come from other states -- presumably they will be available in sufficient quantity. If we were to accept that assumption, the GBX Project is still beneficial. REC prices are directly influenced by the supply of RECs, so the additional RECs the GBX Project would make available lowers

the average price for the RECs. Regardless of how Illinois' Alternative Retail Electric Suppliers ("ARES") and utilities ultimately decide to achieve RPS compliance, the additional supply of RECs from wind generators made possible by the GBX Project will provide additional competition in REC markets that can only reduce the price of RECs in Illinois. (Wind on the Wires ("WOW") Exh. 2.0, Rebuttal Testimony of Michael Goggin submitted on Behalf of Wind on the Wires, at 2-3 (July 24, 2015)).

In addition, the GBX Project is useful in keeping the ARES alternative compliance payments low. ARES make alternative compliance payments ("ACP") into the Renewable Energy Resource Fund. The ACP rate is equal to the dollars per megawatt-hour the utility spends on renewable energy resources, up to the Commission-approved maximum alternative compliance payment rate.¹ If the utilities' spend rate increases, or decreases, so does the ARES ACP rate. Increasing the utilities' access to low-cost RECs -- as the Project would do -- keeps the utilities' spend rate low, which keeps the ARES ACP rate low, which keeps the ARES RPS compliance costs low. Thus, the low cost renewable energy and RECs that the Project provides to Illinois improves the cost-effectiveness of the competitive renewable electricity market in Illinois for utilities and ARES. The savings from the low cost RECs should be passed directly to ARES' Illinois consumers. (WOW Exh. 1.0 Direct Testimony of Michael Goggin submitted on Behalf of Wind on the Wires, at 39 (July 14, 2015)).

Moreover, the delivery of renewable energy from Kansas into PJM will help lower the cost of RECs used for RPS compliance in Illinois. With the notable exceptions of Ohio, Michigan, and Illinois, most PJM state RPSs allow renewable energy delivered

¹ See 220 ILCS 5/16-115(D).

from anywhere within the PJM footprint to qualify for compliance. As the GBX Project delivers large amounts of renewable energy into the PJM footprint, that increase in supply volume of low cost wind energy will tend to reduce the average price of RECs across the PJM market, and Illinois. The savings from lower cost RECs would be passed on directly to Illinois consumers. (WOW Exh. 1.0 at 39-40).

Thus, the GBX Project is useful to Illinois consumers because it lowers the cost of RECs available in the Illinois market, thus saving Illinois ratepayers money.

B. Section 8-406.1(f)(1)

1. Necessary to Provide Adequate, Reliable, Efficient Service

WIND ON THE WIRES WILL NOT BE ADDRESSING THE ISSUES IN

SECTION IV.B.1.

2. Promote the Development of an Effectively Competitive Electricity Market

The legal standard for granting the CPCN, within section 8-406.1(f)(1), states the criteria for demonstrating need. The project is either needed for reliability reasons or needed to promote the efficiency of the competitive electricity market, as stated as follows:

- (1) That the Project is necessary to provide adequate, reliable, and efficient service to the public utility's customers and is the least-cost means of satisfying the service needs of the public utility's customers or ***that the Project will promote the development of an effectively competitive electricity market that operates efficiently, is equitable to all***

customers, and is the least-cost means of satisfying those objectives. (§8-406.1(f)(1)).

On this issue, Wind on the Wires responds to arguments raised by Illinois Farm Bureau (“ILFB”) and Mary Ellen Zotos (“MEZ”).

(A) Response to Illinois Farm Bureau

In its initial brief the Illinois Farm Bureau states that Grain Belt Express Clean Line LLC (“GBX”) fails to show that the GBX Project promotes a competitive electric market in Illinois. (Initial Brief of the Illinois Agricultural Association a/k/a The Illinois Farm Bureau . . . (“ILFB IB”) at 28-30). One of the pillars of its argument is that Illinois already has a competitive electricity market and that the GBX Project is not necessary to make it competitive. (*Id.* at 29). This is a gross oversimplification and misapplication of the statutory requirement in section 8-406.1(f)(1).

Section 8-406.1(f)(1) states:

- (1) That the Project is necessary to provide adequate, reliable, and efficient service to the public utility's customers and is the least-cost means of satisfying the service needs of the public utility's customers or ***that the Project will promote the development of an effectively competitive electricity market that operates efficiently, is equitable to all customers***, and is the least-cost means of satisfying those objectives. (emphasis added)

In previous Commission orders interpreting this provision of section 8-406.1 and its sister statute -- section 8-406 -- the Commission defined criteria to determine whether a project promotes an effectively competitive electricity market that operates efficiently and the facts that demonstrate an improvement in efficiency. In another Clean Line transmission line case that was previously before the Commission pursuant

to section 8-406(b), the Commission interpreted this mirror image of the “promoting a competitive electricity market criteria” that is also in section 8-406.1(f)(1):

- (b) No public utility shall begin the construction of any new plant, equipment, property or facility which is not in substitution of any existing plant, equipment, property or facility or any extension or alteration thereof or in addition thereto, unless and until it shall have obtained from the Commission a certificate that public convenience and necessity require such construction. Whenever after a hearing the Commission determines that any new construction or the transaction of any business by a public utility will promote the public convenience and is necessary thereto, it shall have the power to issue certificates of public convenience and necessity. The Commission shall determine that proposed construction will promote the public convenience and necessity only if the utility demonstrates: (1) that the proposed construction is necessary to provide adequate, reliable, and efficient service to its customers and is the least-cost means of satisfying the service needs of its customers **or that the proposed construction will promote the development of an effectively competitive electricity market** that operates efficiently, is equitable to all customers, and is the least-cost means of satisfying those objectives; (2) that the utility is capable of efficiently managing and supervising the construction process and has taken sufficient action to ensure adequate and efficient construction and supervision thereof; and (3) that the utility is capable of financing the proposed construction without significant adverse financial consequences for the utility or its customers. (220 ILCS 5/8-406(b) (emphasis added))

In its analysis the Commission found that the project promoted a competitive electricity market in Illinois because high voltage direct current (“HVDC”) is cheaper than the alternating current (“AC”) alternatives, that the additional wind resources benefit PJMs markets and helps Illinois comply with its RPS, that the project’s benefits exceeded its costs, as stated in the following Commission holdings:

Additionally, RI presented evidence that the HVDC technology proposed for the Project is more effective than AC technology at transmitting large amounts of electricity over long distances, and that **utilizing HVDC technology to build one long line will in turn be cheaper than**

constructing numerous alternative AC lines. These factors, among others presented in the record, weigh in favor of a finding that the project is the least-cost means of satisfying its stated objectives. (12-0560 Final Order at 117 (Nov. 25, 2014)) (emphasis added).

* * *

Rock Island has presented analyses utilizing operating characteristics, particularly the wind energy profile based on wind speeds, purporting to show that the “wind-rich” conditions in the targeted resource area will prompt the development of wind farms there if transmission service becomes available. The WOW witness agrees with this assessment. It appears to the Commission that the project has the potential to unlock wind resources that when modeled are competitive with in-state generation despite the added cost of supporting the return on equity and ongoing operation of the proposed Project. (Staff Ex. 3.0 at 39-40) **By connecting this generation to PJM’s markets the Commission can help remove a limitation to its development and also satisfy the Illinois General Assembly’s geographic preference included in the Illinois RPS** (20 ILCS 3855/1-75(c)(3)). (12-0560 Final Order at 117) (emphasis added).

* * *

Based on the evidence, particularly the analysis of Mr. Zuraski, who explained the significance of favorable capacity factors in the wind-rich resource area and expressed his expectation, albeit with reservations, **that the Project’s benefits will exceed the costs**, and will promote the development of an effectively competitive electricity market, the Commission believes there is a strong potential for such wind-farm development and use of the proposed line if such a line is available. While some Parties argue that such potential alone is not sufficient to satisfy Section 8-406(b)(1) in light of the many uncertainties, the Commission believes that important safeguards in that respect are provided by the financing requirement imposed below to satisfy Section 406(b)(3). (12-0560 Final Order at 118) (emphasis added).

* * *

In conclusion, upon consideration of the record and the determinations contained above, and subject to the

requirements set forth above and elsewhere in this Order, the Commission finds that **the Project will be needful and useful to the public as it will provide an opportunity for the delivery of more renewable energy into Illinois**, and will promote the development of an effectively competitive electricity market that operates efficiently, including with respect to renewable energy. (12-0560 Final Order at 118) (emphasis added).

In another recent transmission line case the Commission interpreted section 8-406.1(f)(1) of the statute to require “changes that results in additional efficiencies to the market”, which the Commission identified as reductions in the cost to serve load, that thereby lowered the cost to Illinois ratepayers, as stated in the following findings:

It is this Commission’s position that Illinois is currently part of an effectively competitive electricity market; however, what is not clear, is whether that market is currently operating as efficiently as it could be. Thus, **in order for a proposed project to gain approval under this section** of the Act it must “promote” or “develop” **a change that results in additional efficiencies to the market**. Of course, as outlined above the Commission must also find that these additional efficiencies will be needful and useful to the public in order to justify the cost of the Project. (13-0657 Final Order at 21-22 (Oct. 22, 2014).

* * *

Taking into account Staff’s benefit to cost analysis which demonstrates that the project will reduce the cost to serve load in the ComEd Zone, thereby lowering retail prices of electricity for Illinois rate-payers, and taking into account the other resulting benefits which create additional efficiencies in the market, the Commission finds that the project will promote the public convenience and necessity and the development of an effectively competitive electricity market that operates efficiently. (13-0657 Final Order at 24).

Thus, the Commission has previously held that the applicant needs to demonstrate improved efficiency of the market which typically is reflected in cost savings to ratepayers, or to the RTOs within which Illinois operates. As explained in our

initial brief, the GBX Project promotes an effectively competitive electricity market in Illinois by lowering wholesale electricity costs (WOW IB at 14-18) and by lowering the cost of complying with the Illinois RPS (WOW IB at 18-19).

(B) Response to Mary Ellen Zotos

In its initial brief MEZ argues that Illinois already has an effectively competitive electricity market and that the Commission must determine what that term means and how it is to be implemented. (MEZ IB at 9 and 10).

As discussed in response to ILFB (*supra*), the fact that Illinois has a competitive electricity market does not preclude an applicant from demonstrating need and usefulness by showing that its project will improve the efficiency or effectiveness of the electricity market.

Also noted in the response to ILFB's argument (*supra*), the Commission has already defined what the term "effectively competitive electricity market" means and measures it by looking for the additional efficiencies a project brings to the market which could also include whether the overall benefits exceeding the project costs. In the 13-0657 case, the Commission stated that "It is this Commission's position that Illinois is currently part of an effectively competitive electricity market; however, what is not clear, is whether that market is currently operating as efficiently as it could be." (13-0657 Final Order at 21-22 (Oct. 22, 2014). Thus the Commission looks for the opportunity to improve economic efficiencies of the electric market so as to save ratepayers money.

3. Least Cost

The legal standard for granting the CPCN within section 8-406.1(f)(1) requires the project to be the least-cost means of meeting the stated need:

- (1) That the Project is necessary to provide adequate, reliable, and efficient service to the public utility's customers and is the least-cost means of satisfying the service needs of the public utility's customers or that the Project will promote the development of an effectively competitive electricity market that operates efficiently, is equitable to all customers, and ***is the least-cost means of satisfying those objectives.*** (§8-406.1(f)(1)).

On this issue, Wind on the Wires responds to arguments raised by LACI and MEZ.

(A) Response to Landowners Alliance of Central Illinois

LACI addresses all of the public convenience and necessity criteria of section 8-406.1(f) within this sub-section of the brief. LACI raises numerous issues challenging the public convenience and necessity of the GBX Project. First, LACI argues that a demonstration of need requires a comparison of the project to alternatives, and that none of the witnesses considered other wind alternatives within MISO but for LACI witness Dr. Proctor. (Initial Brief of Landowners Alliance of Central Illinois, NFP (“LACI IB”), at 31 and 32-33). Second, LACI argues that the testimony of Wind on the Wires’ witness Mr. Goggin provided incomplete descriptions and analysis of delivery costs of wind energy. (LACI IB at 31). Finally, LACI attempts to demonstrate that the MISO Multi Value Project transmission lines were not designed to enable delivery of enough wind generation to meet the total demand of MISO RPSs (LACI IB at 31-32); rather, MISO’s

MVP report demonstrates that additional backbone transmission would be required under any scenario within MISO's planning. (Id. at 32).

(i) GBX Analyzed the Project Against What if the Project Was Not Built

LACI argues that a demonstration of 'need' requires a comparison of the GBX Project to alternatives, and that none of the witnesses considered other wind alternatives within MISO. (LACI IB at 31). LACI misapplies the concept of evaluating alternatives. The Commission should look at alternatives that accomplish the same result as the proposed project and is capable of being implemented by the applicant or someone else.

LACI did not propose an alternative transmission line. LACI only presented data about the levelized cost of MISO wind from states within a region with wind capacity factors similar to those of Kansas, such as Iowa. And LACI's cost data does not include a proxy cost for an AC or DC transmission line that would enable the development and delivery of the MISO wind to Illinois or transmission network upgrades associated with a new AC line. (See GBX Exh. 11.13 Rebuttal Testimony of David Berry on Behalf of Grain Belt Express Clean Line LLC, at 45-47 (Aug. 7, 2015)).

Thus, the cost of LACI's MISO wind 'alternative' is not even comparable to the GBX Project and there is no discussion about who would build the alternative line or the likelihood that it would be built if the GBX Project is not approved.

(ii) Wind on the Wires Correctly Described how the Additional Renewable Energy Resources Delivered by the GBX Project is Useful for Illinois Electric Ratepayers

LACI argues that Wind on the Wires "provided incomplete descriptions and impacts of the delivery of electricity from wind." (LACI IB at 31). In further support LACI

states, as an example, “RECs thrown off by MISO wind produced in Iowa, and adjoining states to Illinois, would easily qualify to help satisfy Illinois’ RPS.” (Id.)

RECs produced in an adjoining state do qualify as products that can be used for compliance with Illinois’ RPS for both utilities and ARES; however, LACI does not disprove that there is still a need for renewable energy resources² to comply with the utilities and ARES RPS’s. Wind on the Wires’ witness Mr. Goggin provided an estimate of how much additional wind generation would be needed to meet the RPS needs of Illinois and other states in the PJM and MISO markets; those states all compete for the same renewable energy resources. That data shows that approximately 7,722 megawatts of new wind, beyond what was installed at the beginning of 2014, would be needed for 8 states in MISO and PJM to comply with their RPS requirements by 2025. (WOW Exh. 1.0 at 6-7 and Exh. 1.2). And the benefit of GBX, as discussed in section IV.A. above in Wind on the Wires response to Mary Ellen Zotos’s arguments, the GBX Project is useful because it will foster the development of up to 4,000 megawatts (MW) of additional wind generation and associated REC supply. REC prices are directly influenced by the amount of the supply of RECs, so the additional RECs the GBX Project would make available in MISO and PJM lowers the average price for the RECs available in Illinois. Regardless of how Illinois ARES and utilities ultimately decide to achieve RPS compliance, the additional supply of RECs from wind generators made

² The ARES and utility RPS use the same definition of “Renewable energy resources.” “Renewable Energy Resources includes **energy and its associated renewable energy credit or renewable energy credits** from wind, solar thermal energy, photovoltaic cells and panels, biodiesel, anaerobic digestion, crops and untreated and unadulterated organic waste biomass, tree waste, hydropower that does not involve new construction or significant expansion of hydropower dams, and other alternative sources of environmentally preferable energy.” (20 ILCS 3855/1-10 - Definitions)(emphasis added).

possible by the GBX Project will provide additional competition in REC markets that can only reduce the price of RECs in Illinois. (WOW Exh. 2.0 at 2-3).

In addition, the ARES directly benefit from lower RPS costs for Illinois utilities. The ARES alternative compliance payment (“ACP”) rate is equal to the dollars per megawatt-hour the utility spends on renewable energy resources, up to the Commission approved maximum alternative compliance payment rate. (See 220 ILCS 5/16-115(D)). As the utilities’ rate for complying with their RPS (in \$/MWh) decreases, the ARES ACP rate decreases -- thus ARES pay less per MWh for their ACP. That savings can be passed along to their Illinois customers. Thus, the low cost renewable energy and RECs that the Project provides to Illinois is useful because it improves the cost effectiveness of the competitive renewable electricity market in Illinois for utilities and ARES. (WOW Exh. 1.0 at 39).

Thus, Mr. Goggin’s testimony was not incomplete but explained how the additional renewable energy resources the GBX Project delivers into the PJM and MISO markets can lower the RPS compliance costs for Illinois utilities and ARES. That demonstrates usefulness for Illinois ratepayers and how the GBX project promotes a competitive renewable electricity market in Illinois.

(iii) The Public Policy Purpose of MISO’s Multi Value Transmission Projects Was to Deliver Wind to Market

LACI asserts that the MISO Multi Value Project transmission lines were not designed to enable delivery of enough wind generation to meet the total demand of MISO RPSs (LACI IB at 31-32), rather, MISO’s MVP report demonstrates that additional backbone transmission would be required under any scenario within MISO’s planning. (Id. at 32). The MVP report clearly states its intent -- that the lines were designed to

enable delivery of sufficient wind generation to meet the total demand of MISO state RPSs. (WOW Exh.1.0 at 8). It also clarified that while the line was designed to deliver wind for public policy purposes MISO did its job and analyzed the line to ensure that it provides reliability and other benefits that a backbone transmission line would provide. But to be clear, the purpose for creating the MVP portfolio of transmission projects was not to improve reliability but to enable the development and transfer of sufficient amounts of wind energy to meet the renewable portfolio standards of states served by MISO. (Id.)

(B) Response to Mary Ellen Zotos

In its initial brief, MEZ argues that GBX “does not meet the least-cost requirements for meeting the Illinois RPS.” (MEZ IB at 14). In support of its position MEZ argues that the Illinois RPS can be satisfied through the purchase of RECs from Illinois or adjacent states, or in the event insufficient products under the benchmark can be purchased from those states, then Illinois can purchase cost-effective RPS products from other states. Moreover, MEZ states that even if REC prices increased markedly spending \$2,750,000,000 to build a transmission line is not the least-cost means of satisfying the Illinois RPS requirements. (Id.)

MEZs first argument, that the Illinois RPS can be complied with using RECs from other states has been addressed above (in §§ IV.A(A) and IV.B.3(A)(ii)), but it is also an argument relating to the CPCN criterion regarding whether the project “promotes a competitive electric market in Illinois.” For a number of reasons, the price of RECs available to the Illinois market will be lower with the GBX Project in place, especially if Illinois were to have to purchase RECs from other states -- like Kansas. For one, the

projects built in Kansas would be available to bid as part of other states and would lower the overall price of those RECs. Second, many PJM state RPSs allow for the use of renewable energy delivered to the PJM grid to count for compliance. The GBX Project would be pumping more RECs into the PJM and MISO markets that the extra supply of wind resources delivered into MISO and PJM will help meet the demand for MISO or PJM RECs and thus leave a larger pool of renewable RECs available to bid into Illinois. Having more RECs available in the market lowers the average price for the RECs. (WOW Exh. 2.0 at 2-3).

MEZ's second argument is that if REC prices increased markedly it doesn't outweigh the benefits of the cost of the line. The benefits to Illinois RPS market is only one benefit, the Commission also needs to consider the need to comply with the EPA Clean Power Plan -- which went unrebutted in testimony - and the ability for the GBX Project to reduce the overall wholesale market costs which translates into savings for Illinois, MISO and PJM ratepayers. (See Initial Brief of WOW at 4-20).

C. Section 8-406.1(f)(2) – Capability to Efficiently Manage and Supervise the Construction Process

WIND ON THE WIRES WILL NOT BE ADDRESSING THE ISSUES IN

SECTION IV.C.

D. Section 8-406.1(f)(3) – Capability to Finance the Construction of the Project without Significant Adverse Financial Consequences

WIND ON THE WIRES WILL NOT BE ADDRESSING THE ISSUES IN

SECTION IV.D.

E. Proposed Conditions relating to Grant of the CPCN

*WIND ON THE WIRES WILL NOT BE ADDRESSING THE ISSUES IN
SECTION IV.E.*

F. Other Considerations Under Section 8-406.1

*WIND ON THE WIRES WILL NOT BE ADDRESSING THE ISSUES IN
SECTION IV.F.*

V. PROPOSED ROUTE OF THE PROJECT IN ILLINOIS AND LAND ACQUISITION

*WIND ON THE WIRES WILL NOT BE ADDRESSING THE ISSUES IN
SECTION V.*

A. Description and Development of the Proposed Route

B. Selection of Proposed Route vs. Alternate Route

C. Proposed Revisions to the Proposed Route (Rex Encore and Branch Properties parties)

D. Proposed Design Aspects of the Project

1. Easement Widths

2. Structure Types and Other Design Parameters

E. Grain Belt Express's Approach to Land Acquisition (including issues relating to easement document)

F. Landowner Concerns about Impacts of Construction on their Properties (including AIMA provisions and proposed conditions relating to preventing/mitigating impacts)

G. Interactions with Pipelines and Railroads

1. Rockies Express Pipeline

2. Illinois Central Railroad and BNSF Railroad

VI. REQUEST FOR AUTHORITY UNDER SECTIONS 8-503

WIND ON THE WIRES WILL NOT BE ADDRESSING THE ISSUES IN

SECTION VI.

VII. GRAIN BELT EXPRESS' ACCOUNTING-RELATED REQUESTS

WIND ON THE WIRES WILL NOT BE ADDRESSING THE ISSUES IN

SECTION VII.

A. Use of the FERC Uniform System of Accounts

B. Request to Maintain Books and Records Outside of Illinois

C. Request for Proprietary Treatment of Certain Information

VIII. OTHER

WIND ON THE WIRES WILL NOT BE ADDRESSING THE ISSUES IN

SECTION VIII.

IX. CONCLUSION

Wherefore, Wind on the Wires respectfully requests that the Commission adopt the position herein, and find that the Grain Belt Express Project [1] will promote the public convenience and necessity and [2] will promote the development of an effectively competitive electricity market that operates efficiently.

_____/s_____
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