

**BEFORE THE STATE CORPORATION COMMISSION
OF THE STATE OF KANSAS**

In the Matter of the Joint Application of)
Invenergy Transmission LLC, Invenergy)
Investment Company LLC, Clean Line)
Energy Partners LLC, Grain Belt Express) Docket No. 19-GBEE-253-ACQ
Clean Line LLC and Grain Belt Express)
Holding LLC for an Order Approving)
the Acquisition by Invenergy)
Transmission LLC of Grain Belt Express)
Clean Line LLC)

DIRECT TESTIMONY OF HANS DETWEILER

ON BEHALF OF JOINT APPLICANTS

December 28, 2018

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1 **I. INTRODUCTION AND PURPOSE**

2 **Q. Please state your name and business address.**

3 A. My name is Hans Detweiler. I am the lead developer of the Grain Belt Express Project¹
4 (“GBE Project” or “Project”) for Clean Line Energy Partners LLC (“Clean Line”). I am
5 based in Chicago, Illinois, but my business address is 1001 McKinney Street, Suite 700,
6 Houston, Texas 77002.

7 **Q. Please describe your educational background and professional experience in the**
8 **energy and utility industries.**

9 A. Since joining Clean Line, I have led or advised on the development on all of Clean Line’s
10 electric transmission projects. In this role, I have been responsible for permitting, land
11 acquisition, routing, and numerous other project development activities. Regarding the
12 Project, I have provided strategic guidance regarding the Certificate of Public
13 Convenience and Necessity (“CPCN”) proceedings at the Illinois Commerce
14 Commission, and participated in several of the public meetings as part of the public
15 outreach regarding the development of the route in Illinois. I negotiated the Project’s
16 Agricultural Impact Mitigation Agreement with the Illinois Department of Agriculture,
17 and have continuously handled the Project’s negotiations with organized labor. Prior to
18 joining Clean Line, I was Director of State Policy for the American Wind Energy
19 Association (“AWEA”) where I supervised all of AWEA’s direct state legislative

¹ The Grain Belt Express Project referred to herein is the multi-terminal ±600 kilovolt (“kV”) high voltage direct current (“HVDC”) transmission line, and an HVDC converter station and associated transmission facilities, running from near the Spearville 345 kV substation in Ford County, Kansas, to a delivery point near the Sullivan 765 kV substation in Sullivan County, Indiana. The line is sited to traverse through Ford, Hodgeman, Edwards, Pawnee, Barton, Russell, Osborne, Mitchell, Cloud, Washington, Marshall, Nemaha, Brown, and Doniphan Counties in Kansas, pursuant to the Commission’s Order Granting Siting Permit in Docket No. 13-GBEE-803-MIS.

1 campaigns and state regulatory efforts, and served as primary liaison to AWEA's
2 regional partners. Previously, I was Deputy Director of the Illinois Department of
3 Commerce and Economic Opportunity. I have also worked in a variety of policy and
4 advocacy roles with organized labor and other non-profit organizations. I received a
5 Bachelor of Arts degree in political science from Grinnell College, Grinnell, Iowa.

6 **Q. What is the purpose of your Testimony?**

7 A. The purpose of my testimony is to introduce the witnesses filing testimony in this matter,
8 provide a brief background on Grain Belt Express Clean Line LLC ("GBE"), an overview
9 of the proposed acquisition of GBE by Invenergy Transmission LLC ("Invenergy
10 Transmission") (the "Transaction"), and a status update on the Project. Collectively, I
11 refer to Invenergy Transmission and its affiliates, Invenergy LLC and Invenergy
12 Investment LLC ("Invenergy Investment"), as "Invenergy." The corporate structure of
13 Invenergy is discussed in the Direct Testimony of Kris Zadlo, Senior Vice President of
14 Invenergy LLC.

15 **Q. Have you previously testified before any regulatory commissions?**

16 A. Yes. I testified in support of Rock Island Clean Line LLC for a CPCN before the Illinois
17 Commerce Commission in Docket No. 12-0560. I also testified in support of the
18 application of Mesa Canyons Wind LLC for approval of the location of the Mesa
19 Canyons Wind Project before the New Mexico Public Regulation Commission in Case
20 No. 17-00221-UT. Finally, I testified before the Missouri Public Service Commission
21 ("MPSC") in support of Grain Belt Express Clean Line LLC, for approval of a Certificate
22 of Convenience and Necessity ("CCN") for the GBE Project, in Case No. EA-2016-0358.

1 **Q. Are you sponsoring any exhibits as part of your Testimony?**

2 A. No.

3 **II. WITNESSES AND BACKGROUND**

4 **Q. Please identify the witnesses filing testimony in this matter.**

5 A. In addition to myself, the other witnesses filing testimony in this matter are as follows:

Witness	Primary Testimony Topics
Kris Zadlo (Invenergy)	<ul style="list-style-type: none"> • Introduction to Invenergy, including its history, organization, business model, and asset ownership and operating philosophy. • Description of Invenergy Transmission's pending acquisition of GBE. • Discussion of the technical and managerial qualifications of Invenergy to acquire, own, and operate the Project. • Explanation as to how the proposed Transaction meets the Commission's Merger Standards and how the public interest will be promoted by the Commission's approval of the Transaction.
Andrea Hoffman (Invenergy)	<ul style="list-style-type: none"> • Explanation of Invenergy's financial abilities to provide service in connection to Invenergy Transmission's pending acquisition of GBE. • Provide an overview of Invenergy's extensive experience and success in financing large energy projects. • Describe the financial considerations particular to the GBE Project.

1 **Q. Please provide an overview of GBE.**

2 A. GBE is a wholly-owned direct subsidiary of Grain Belt Express Holding LLC (“GBE
3 Holding”), which in turn is a wholly-owned direct subsidiary of Clean Line Energy
4 Partners LLC, as identified previously. GBE is an independent, transmission-only
5 limited liability company organized under Indiana law and based in Houston, Texas.
6 GBE was formed by Clean Line for the purpose of the development and construction of
7 the GBE Project. GBE is a certificated public utility under K.S.A. 66-104 and pursuant
8 to the Commission’s *Order Approving Stipulation and Agreement and Granting*
9 *Certificate* issued December 7, 2011 in Docket No. 11-GBEE-624-COC.² Specifically,
10 GBE has a Transmission Only Certificate of Public Convenience and Necessity pursuant
11 to K.S.A. 66-131 to operate as a public utility in Kansas for the purpose of constructing
12 and operating the Project.

13 As footnoted above, the Project is a multi-terminal ±600 kilovolt (“kV”) high
14 voltage direct current (“HVDC”) transmission line, and an HVDC converter station and
15 associated transmission facilities, running from near the Spearville 345 kV substation in
16 Ford County, Kansas, to delivery points in the eastern load centers of Missouri, Illinois,
17 and Indiana. The line is sited in Kansas to traverse through the Counties of Ford,
18 Hodgeman, Edwards, Pawnee, Barton, Russell, Osborne, Mitchell, Cloud, Washington,
19 Marshall, Nemaha, Brown, and Doniphan.

² Order Approving Stipulation and Agreement and Granting Certificate, Docket No. 11-GBEE-624-COC (Dec. 7, 2011).

1 **III. OVERVIEW OF PROPOSED TRANSACTION**

2 **Q. Please provide an overview of the proposed Transaction.**

3 A. As discussed in greater detail by Invenergy witnesses Mr. Zadlo and Ms. Hoffman, on
4 November 9, 2018, GBE Holding entered into a Membership Interest Purchase
5 Agreement (“MIPA”) with Invenergy Transmission, which is a wholly-owned direct
6 subsidiary of Invenergy Investment, for the sale of GBE. The MIPA is attached to the
7 Application as **Exhibit B**. Additionally, on November 9, 2018, GBE Holding and
8 Invenergy Transmission also entered into a Development Management Agreement
9 (“DMA”) to provide for ongoing Project development funding through the projected
10 closing date of the MIPA. The DMA is attached to the Application as **Exhibit C**. Mr.
11 Zadlo and Ms. Hoffman will discuss those documents and Invenergy’s plans with regard
12 to funding the development costs of the Project provided that the Commission approves
13 the proposed Transaction.

14 **Q. Is the proposed Transaction in the public interest?**

15 A. Yes. The Transaction is in the public interest because, as discussed below in greater
16 detail, and in the testimonies of Mr. Zadlo and Ms. Hoffman, it will help ensure the
17 Project reaches completion, which will result in the realization of all of the benefits to
18 Kansas that this Commission previously found to be associated with the Project.

19 **Q. What are some of the benefits this Commission found to be associated with the**
20 **Project?**

21 A. As the Commission is aware, on November 7, 2013, GBE received from this Commission
22 an order approving GBE’s request for a siting permit to construct the Kansas portion of

1 the Project, in Docket No. 13-GBEE-803-MIS (13-803 Docket). As part of that Order,
2 the Commission noted that the proposed line will make possible the utilization of
3 undeveloped wind energy potential in Kansas and will have significant short-and long-
4 term economic development benefits for Kansas and the Southwest Power Pool, Inc.
5 (“SPP”) region.³ The Commission also stated that, “it is physically necessary to build a
6 transmission facility that runs between southwest Kansas to eastern Kansas if one wishes
7 to sell wind energy from southwestern Kansas to markets east of Kansas”⁴, finding that,
8 without this project, “hundreds of millions of economic development dollars would not
9 be spent in Kansas, and the potential for large scale wind farm development would be
10 lost.”⁵

11 Additionally, the Commission made the following findings in the 13-803 Order
12 regarding the benefits of the Project for Kansas:

- 13 a. The Project will facilitate the development and export of wind resources
14 from western Kansas to load and population centers in Missouri, Illinois,
15 Indiana, and states farther east, without duplicating existing transmission
16 service or facilities.⁶
- 17 b. The Project will displace other, less environmentally friendly sources of
18 energy, and will provide economic benefits to Kansas in the form of
19 landowner contracts, more jobs from the construction of the line and
20 increased employment in wind-related industries in Kansas, increased

³ See Order Granting Siting Permit, ¶¶ 36-37, 57, Docket No. 13-GBEE-803-MIS (Nov. 7, 2013) (hereinafter *13-803 Order*)

⁴ *Id.* at ¶ 32.

⁵ *Id.* at ¶ 36.

⁶ *Id.* at ¶¶ 21, 24, ¶ 57.

1 production of wind turbine components and additional tax revenue for
2 local and State governments.⁷

3 c. The proposed line will expand renewable generation resources and
4 transmission infrastructure in Kansas using HVDC technology, which
5 allows for better control and transfer of significantly more power with less
6 power loss over long distances, and utilizes narrower rights of way,
7 shorter structures, and fewer conductors.⁸

8 d. The Project will benefit wholesale competition in the electricity market.⁹

9 e. The Project promotes current and past policy initiatives in Kansas which
10 support wind development and construction of transmission.¹⁰

11 IV. STATUS UPDATE ON THE GBE PROJECT

12 **Q. Please provide a status update on the Project.**

13 A. As the Commission knows, the order in the 13-803 Docket granting the siting permit for
14 the Project contained a term that required GBE to begin construction on or before
15 November 7, 2018, or otherwise reapply. As a result of that provision, GBE and
16 Commission Staff (“Staff”) filed for a 5-year extension of that sunset term, and on
17 October 4, 2018, the Commission issued an *Order Granting Limited Extension of Sunset*
18 *Provision*, extending the term of the 2013 siting permit order to March 1, 2019 to allow
19 for additional updates regarding the likelihood of the Project reaching completion. On
20 November 21, 2018, GBE and Staff further filed a motion to stay the procedural schedule

⁷ *Id.* at ¶¶ 22-23, 33.

⁸ *Id.* at ¶ 22.

⁹ *13-803 Order* at ¶¶ 24, 34, 35.

¹⁰ *Id.* at ¶ 28.

1 in the siting docket and again extend the sunset term in light of the pending Transaction
2 and subsequent requirement for this Application. On December 6, 2018, the Commission
3 issued its *Order Canceling Procedural Schedule and Granting Limited Extension of*
4 *Sunset Provision in the 13-803 Docket*, to allow the Commission and its Staff the
5 opportunity to analyze the proposed acquisition of GBE by Invenergy Transmission that
6 is the subject of this filing and subsequently rule on the full 5-year extension.
7 Accordingly, the sunset date was extended to December 2, 2019.

8 **Q. What is the status of the regulatory process in Missouri?**

9 A. In Missouri, on December 18-19, 2018, the MPSC completed a limited evidentiary
10 hearing on remand regarding the GBE CCN request, in Case No. EA-2016-0358. There
11 is no statutory deadline for an order in that matter, but GBE is hopeful to receive an order
12 sometime during the first quarter of 2019. As a reminder, in an opinion issued in August
13 2017, four of the five MPSC Commissioners found that there was “a demonstrable need
14 for the service” offered by the Project, that there was “a solid indication of economic
15 feasibility,” and that the Project was in the public interest because it would create “both
16 short-term and long-term benefits to ratepayers and all the citizens of the state.”¹¹
17 However, the MPSC concluded as a matter of law that it must deny the line CCN
18 application based upon a recent decision of the Missouri Court of Appeals, *In re Ameren*
19 *Trans. Co. of Illinois*, 523 S.W.3d 21 (Mo. App. W.D. 2017) (“ATXI”).¹² The ATXI
20 decision denied a CCN to an unrelated transmission project where the applicant had
21 failed to obtain county road-crossing assents before the case was submitted to the MPSC

¹¹ *In re Grain Belt Express Clean Line LLC*, Concurring Opin. at 4-7, No. EA-2016-0358 (Aug. 16, 2017).

¹² *In re Grain Belt Express Clean Line LLC*, Report and Order at 11-15, No. EA-2014-0207 (July 1, 2015).

1 for decision.¹³ GBE promptly appealed the MPSC decision, arguing that the ATXI
2 decision was contrary to Missouri law. In a unanimous per curiam decision issued July
3 17, 2018, the Missouri Supreme Court agreed, declaring that the MPSC's reliance on
4 ATXI was in error and that "it should not be followed."¹⁴ The Court held that GBE was
5 not required to obtain county consents before the MPSC could issue a line CCN, and that
6 the Missouri county road-crossing statute did not give counties the authority to stand in
7 the shoes of the MPSC to determine whether a proposed utility project is in the public
8 interest or should be granted a CCN. The Court remanded the case to the MPSC to
9 determine whether the Project is necessary or convenient for the public service.¹⁵

10 GBE, Invenergy, and proponents of the Project in Missouri are confident that the
11 additional evidence submitted to the MPSC during the limited remand proceedings is
12 sufficient to support a MPSC finding in favor of the requested line CCN.

13 **Q. What is the status of the regulatory process in Illinois?**

14 A. On November 12, 2015 the Illinois Commerce Commission ("ICC") granted the
15 Company a certificate of public convenience and necessity ("CPCN"), and authorized
16 GBE to construct the Illinois portion of the line. Pursuant to a decision of the Illinois
17 Appellate Court, the order of the ICC that granted the Company a CPCN was reversed on
18 the grounds that the CPCN application had been filed and processed under, and the ICC's
19 order issued pursuant to, a statute that provided that a "public utility may apply" for
20 expedited review of a request for a CPCN to construct a new transmission line, but that
21 GBE was not a "public utility" at the time it filed its application. Concerned Citizens &

¹³ *Id.*

¹⁴ *Grain Belt Express Clean Line LLC v. Public Serv. Comm'n*, 2018 WL 3432778, No. SC 96993 (Mo. en banc, July 17, 2018).

¹⁵ *Id.*

1 regulatory delays in other states, the Project is now on the cusp of coming to fruition. My
2 hope is that the Commission will remain steadfast in its past support for the Project and
3 approve the proposed Transaction to allow Kansas and its citizens to reap the benefits of
4 the Project.

5 **Q. Does this conclude your Testimony?**

6 **A.** Yes, it does.