

Bond Case Briefs

Municipal Finance Law Since 1971

Missouri Nixes \$2.5 Billion Line to Bring Wind Power to the Midwest.

- **Missouri rejected project because not all counties assented**
- **Clean Line Energy developing \$9 billion in transmission lines**

A proposed \$2.5 billion transmission line to bring cheap Kansas wind power to the Midwest was rejected by Missouri, which said the project failed to get all needed county approvals.

Clean Line Energy Partners LLC's Grain Belt Express project is intended to transport about 4,000 megawatts of wind power from western Kansas to Missouri, Illinois, Indiana and neighboring states. The rationale: while untapped wind howling across Oklahoma and Kansas could generate more electricity than a dozen nuclear plants, it's captive without a shipping route.

A Missouri municipal electric-utility agency had planned to use cheaper wind power from the line to replace 100 megawatts of energy and capacity it purchases under a contract set to expire in 2021, according to Wednesday's opinion by the Missouri Public Service Commission.

"It's impossible if you're building a multi-state transmission line to get agreements from all 30 counties that you might cross," said Michael Skelly, the president of Houston-based Clean Line, which is planning about \$9 billion of power lines across the Great Plains, Midwest and the Southwest.

Clean Line has at least three options it is considering, according to Skelly. It can appeal the decision, seek a change of state law or bypass the state by asking the U.S. Energy Department to approve it.

"If none of those three work, we're toast," Skelly said in an interview Wednesday.

'Necessary or Convenient'

While the public service commission deemed the project "necessary or convenient for the public service," it also found that it "failed to meet its burden of proof to demonstrate it had obtained all county assents."

Developers of many Kansas wind projects have planned to sell electricity generated to other regions. But with existing lines in Kansas already congested, wind developers may be deterred from building additional wind farms if new transmission projects aren't built, said Alex Morgan, a New York-based analyst at Bloomberg New Energy Finance, in an interview Wednesday.

There is precedent for bypassing reluctant states. Last year, the Energy Department relied on a statute to clear a Clear Line project from the wind-rich Oklahoma panhandle through Arkansas and into Tennessee. It was the first time the 2005 statute has been used to circumvent state approval and push through an interstate transmission project.

"We're making energy so cheaply from wind," said Matt Langley, vice president of finance and

origination at Infinity Wind Power Inc., a developer wants to sell Kansas wind power over the Grain Belt. "It's hard for the market to ignore that."

Bloomberg Markets

By Brian Eckhouse

August 16, 2017, 10:47 AM PDT August 16, 2017, 2:31 PM PDT

Copyright © 2024 Bond Case Briefs | bondcasebriefs.com