

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

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| ELECTRONIC TARIFF FILING OF BIG RIVERS |) | |
| ELECTRIC CORPORATION FOR APPROVAL OF |) | CASE NO. |
| PROPOSED CHANGES TO ITS QUALIFIED |) | 2023-00102 |
| COGENERATION AND SMALL POWER |) | |
| PRODUCTION FACILITIES TARIFFS |) | |

COMMISSION STAFF'S FIRST REQUEST FOR INFORMATION
TO BIG RIVERS ELECTRIC CORPORATION

Big Rivers Electric Corporation (BREC), pursuant to 807 KAR 5:001E, shall file with the Commission an electronic version of the following information. The information requested is due on April 28, 2023. The Commission directs BREC to the Commission's July 22, 2021 Order in Case No. 2020-00085¹ regarding filings with the Commission. Electronic documents shall be in portable document format (PDF), shall be searchable, and shall be appropriately bookmarked.

Each response shall include the question to which the response is made and shall include the name of the witness responsible for responding to the questions related to the information provided. Each response shall be answered under oath or, for representatives of a public or private corporation or a partnership or association or a governmental agency, be accompanied by a signed certification of the preparer or the person supervising the preparation of the response on behalf of the entity that the

¹ Case No. 2020-00085, *Electronic Emergency Docket Related to the Novel Coronavirus COVID-19* (Ky. PSC July 22, 2021), Order (in which the Commission ordered that for case filings made on and after March 16, 2020, filers are NOT required to file the original physical copies of the filings required by 807 KAR 5:001, Section 8).

response is true and accurate to the best of that person's knowledge, information, and belief formed after a reasonable inquiry.

BREC shall make timely amendment to any prior response if BREC obtains information that indicates the response was incorrect or incomplete when made or, though correct or complete when made, is now incorrect or incomplete in any material respect.

For any request to which BREC fails or refuses to furnish all or part of the requested information, BREC shall provide a written explanation of the specific grounds for its failure to completely and precisely respond.

Careful attention shall be given to copied and scanned material to ensure that it is legible. When the requested information has been previously provided in this proceeding in the requested format, reference may be made to the specific location of that information in responding to this request. When applicable, the requested information shall be separately provided for total company operations and jurisdictional operations. When filing a paper containing personal information, BREC shall, in accordance with 807 KAR 5:001E, Section 4(10), encrypt or redact the paper so that personal information cannot be read.

1. Refer to the proposed tariff, Sheet No. 39.
 - a. Explain whether there are Qualifying Facility (QF) customers who have generation in excess of 5 MW that under the current tariff BREC is obligated to purchase, but will not be required to purchase under the proposed tariff.

b. Explain whether BREC is still purchasing excess power from a QF. Include how it is priced and whether any of that capacity is being counted toward its Midcontinent Independent System Operator (MISO) capacity/reserve margin obligations.

c. Explain how customers taking service under the Cogeneration/Small Power Production Purchase – Over 100 KW (QFP Tariff) and Cogeneration/Small Power Production Sales – Over 100 KW (QFS Tariff) will each receive the same services under the proposed tariff.

2. The results of BREC's latest integrated resource plan (IRP) indicated BREC intends to pursue the capacity addition of a natural gas combined cycle (NGCC) unit.² Provide an update on how BREC will acquire Natural Gas Combined Cycle generation capacity.

3. Refer to the current QFS tariff. Also refer to the proposed QF tariff. Explain how the services provided in the QFS tariff will be provided in the proposed QF tariff. If the same services are not provided in the proposed QF tariff, explain how the services will be provided to the QF customer and the rates.

4. Refer to the proposed tariff, Sheet No. 40 and the Direct Testimony of John Wolfram (Wolfram Testimony), page 4, lines 9–15.

a. Regarding the monthly credits or payments for energy delivered to BREC, explain why the locational marginal price (LMP) at the time of delivery is the appropriate avoided cost.

² Case No. 2021-00299, *Electronic 2020 Integrated Resource Plan of Big Rivers Electric Corporation* (filed Sept. 21, 2020), Application at 171–174 and 176.

b. Provide BREC's avoided cost of generation for each generating unit and the lowest, highest, and average LMP for the 12 months ended March 31, 2023.

5. Refer to the proposed tariff, Sheet No. 41, paragraph 8 and the Wolfram Testimony, page 5, lines 15–16.

a. Explain whether there are any non-dispatchable QFs on BREC's system.

b. Explain whether BREC takes into account any QF customer's generation capacity toward its MISO capacity/reserve margin obligations and, if so, identify the generation resource and the amount of capacity credited toward BREC's obligation.

c. Provide BREC's most recent load forecast, existing generation resources by type, and any resource additions or retirements by resource type that supports the reserve margin required by MISO. Include in the response all intermittent, demand side management and energy efficiency programs.

d. Explain whether BREC attributes capacity credits to solar power purchase agreements (PPAs) or any other non-dispatchable resource toward its reserve margin capacity requirements at any time during the year.

e. Given that in order to produce energy there must be some level of capacity, explain why non-dispatchable qualifying facilities should not be credited with some level of capacity, and hence, a capacity payment for the time when the QF is producing energy and selling to BREC.

6. Refer to the proposed tariff, Sheet No. 42, Additional Charges.

a. Explain which MISO ancillary service charges BREC might incur to maintain reliability for a QF's failure to generate.

b. Define MISO Revenue Sufficient Guarantee (RSG) charges.

c. Explain why the MISO RSG and ancillary service charges would be charged to BREC for a QF's failure to generate.

7. Refer to the Wolfram Testimony, page 3, lines 12–17, page 4, lines 16–20 and page 5, lines 1–6. Refer to the March 22, 2021 Order in Case No. 2021-00198.³ Also refer to the October 26, 2021 Order in Case No. 2021-00198.⁴ Finally, refer to the November 30, 2021 Order in Case No. 2021-00198.⁵

a. Explain how BREC's use of the MISO Planning Resource Auction (PRA) Auction Clearing Price (ACP) for the Big Rivers zone for the applicable resource auction time period as the basis for its capacity credit satisfies the Commission's findings in Case No. 2021-00198.

b. Explain how Big Rivers believes that using the MISO PRA ACP is comparable to the characteristics attributable to its generation unit(s) for its avoided costs.

c. Provide the current avoided capacity and energy costs used to determine the QF rates.

³ Case No. 2021-00198, *Electronic Tariff Filing of East Kentucky Power Cooperative, Inc. and Its Member Distribution Cooperatives for Approval of Proposed Changes to Their Qualified Cogeneration and Small Power Production Facilities Tariffs* (Ky. PSC Mar. 22, 2021).

⁴ Case No. 2021-00198, *Electronic Tariff Filing of East Kentucky Power Cooperative, Inc. and Its Member Distribution Cooperatives for Approval of Proposed Changes to Their Qualified Cogeneration and Small Power Production Facilities Tariffs* (Ky. PSC Oct. 26, 2021) at 9.

⁵ Case No. 2021-00198, *Electronic Tariff Filing of East Kentucky Power Cooperative, Inc. and Its Member Distribution Cooperatives for Approval of Proposed Changes to Their Qualified Cogeneration and Small Power Production Facilities Tariffs* (Ky. PSC Nov. 30, 2021) at 5.



Linda C. Bridwell, PE
Executive Director
Public Service Commission
P.O. Box 615
Frankfort, KY 40602

DATED APR 12 2023

cc: Parties of Record

Case No. 2023-00102

*Big Rivers Electric Corporation
710 West 2nd Street
P. O. Box 20015
Owensboro, KY 42304

*Senthia Santana
Big Rivers Electric Corporation
710 West 2nd Street
P. O. Box 20015
Owensboro, KY 42304

*Tyson Kamuf
Corporate Attorney
Big Rivers Electric Corporation
710 West 2nd Street
P. O. Box 20015
Owensboro, KY 42304

*Whitney Kegley
Big Rivers Electric Corporation
710 West 2nd Street
P. O. Box 20015
Owensboro, KY 42304