

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

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 SECOND 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 May 26, 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 BREC's response to Commission Staff's First Request for Information (Staff's First Request), Item 1, page 3, footnote 1. Explain the reasons the Kentucky National Guard (KYNG) did not want to sell the capacity from its qualifying facility (QF) to BREC and, to the extent known by BREC, how KYNG plans to sell the QF capacity.

2. Refer to BREC's response to Staff's First Request, Item 2, page 1, lines 6–10.
 - a. State when the referenced study will be completed and explain what additional generation BREC is evaluating when determining future capacity needs.
 - b. State whether BREC has entered the Midcontinent Independent System Operator (MISO) queue to build any additional generation.
3. Explain whether a utility is required to build generation or could withdraw its request if that utility that has been approved by MISO to build additional generation.
4. Refer to BREC's response to Staff's First Request, Item 4, page 2, lines 9–14. Explain why Wilson had a lower avoided cost compared to BREC's other generation units.
5. Refer to BREC's response to Staff's First Request, Item 4, page 3, lines 7–9.
 - a. For the period April 2022 through May 2023, state which month(s) had the highest day ahead and real locational marginal price (LMP).
 - b. Discuss the impact Winter Storm Elliot had on BREC's generation units as well as its capacity and energy purchases.
 - c. Also refer to lines 4–6. Explain the circumstance where a generation unit would have a negative value LMP and explain BREC's evaluation process when considering purchasing energy in this scenario.
6. Refer to BREC's response to Staff's First Request, Item 5b, page 3, lines 3–9. Explain whether BREC has discussed with its QF customers whether they would

agree to undertake the obligations inherent in registering the QF's capacity with MISO and, if so, the results of those discussions.

7. Refer to BREC's response to Staff's First Request, Item 5c, PSC_1–5_(Attachment_to_Subpart_c).

a. Refer to the Load Forecasting tab. Provide BREC's annual peak demand load forecast from 2023–2040.

b. Refer to the Generation tab. Provide the current retirement dates of BREC's current generation facilities and the generation resources total supply from 2023–2040. Include in the response whether BREC has any intentions of changing the retirement dates.

8. Refer to BREC's response to Staff's First Request, Item 7, page 4, lines 3–8. Explain why BREC's capacity obligation is limited to one year.

9. Refer to BREC's response to Staff's First Request, Item 7, page 3, lines 7–10.

a. State whether BREC is required to have the required amount of capacity either through its own generating assets or through a long term power purchase agreement as a part of its participation in the annual MISO Planning Resource auction (PRA).

b. If BREC is short on capacity relative to its required MISO obligation, provide the amount of time BREC can purchase market priced capacity to fulfill its obligation before a physical asset is constructed and brought online.

10. Refer to BREC’s response to Staff’s First Request, Item 7, page 4, lines 12–13 and the October 26, 2021 Order in Case No. 2021-00198² (October 26, 2021 Order) referenced in BREC’s response. The October 26, 2021 Order stated that “until next year’s COGEN/SPP tariff filing update, the Commission finds that the use of the most recent BRA capacity market clearing price is more appropriate and should be used as the proxy for the avoided capacity cost component of the COGEN/SPP tariffs.” The Order goes on to state, “[h]owever, in future filings, the Commission expects EKPC to develop a robust record upon which avoided costs can be calculated. In those future filings, EKPC should provide the most recent BRA results and the actual cost for a unit of physical capacity, both if the capacity was purchased or built.” Finally, footnote 10 of the same Order stated in part, “Thus, should a capacity deficit occur, or is anticipated to occur, it is the replacement capacity cost of the next unit built, or the cost of firm bilateral capacity that should form the basis for avoided capacity values, not a market clearing price.”

a. Explain in additional detail how BREC’s proposal conforms to the Commission’s intent as set forth in the October 26, 2021 Order.

b. BREC’s Integrated Resource Plan (IRP) stated that its next generation asset would be a natural gas combined cycle (NGCC) unit.³ Provide the QF rate calculation based upon BREC’s NGCC unit anticipated in BREC’s most recent IRP using the National Renewable Energy Laboratory (NREL) Annual Technology Baseline

² See 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).

³ See Case No. 2020-00299, *Electronic 2020 Integrated Resource Plan of Big Rivers Electric Corporation* (filed Sep. 21, 2020), Chapter 9, at 176.

(ATB) or a similar transparent public source. Include in the response an explanation of the calculation.

11. Refer to BREC's response to Staff's First Request, Item 7, page 4, lines 14–16. Refer also to BREC's response to Staff's First Request, Item 7, page 5, lines 2–4.

a. Confirm that it is BREC's position that the MISO PRA Auction Clearing Price (ACP) is more appropriate for setting the QF rate because the QF contracts are one-year contracts renewable annually and that if the contract term was longer, then an avoided cost calculated on a future generating unit or bilateral capacity contract would be appropriate.

b. Explain the basis for BREC's assertion that a short-term solution is reasonable when determining avoided cost rates as compared with determining avoided cost rates based on a proxy unit.



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DATED MAY 12 2023

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