

November 28, 2016

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VIA FEDERAL EXPRESS

Dr. Talina R. Mathews Executive Director Public Service Commission 211 Sower Boulevard, P.O. Box 615 Frankfort, Kentucky 40602-0615 RECEIVED

PUBLIC E

Case No. 2016-00409

Re: In the Matter of: Application of Big Rivers Electric Corporation

for an Order Declaring the Construction of Seven Solar Power Facilities to be Ordinary Extensions of Existing Systems in the

Usual Course of Business

Dear Dr. Mathews:

Enclosed for filing on behalf of Big Rivers Electric Corporation are an original and ten (10) copies of an application asking the Kentucky Public Service Commission to issue an order declaring that the construction of certain solar power facilities are ordinary extensions of existing systems in the usual course of business not requiring a certificate of public convenience and necessity, or alternatively, asking the Commission to grant a certificate of public convenience and necessity. Please contact me if you have any questions.

Sincerely,

Tyson Kamuf

Counsel for Big Rivers Electric Corporation

TAK/abg

Enclosures

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RECEIVED

NOV 2 8 2016

PUBLIC SERVICE COMMISSION

Your Touchstone Energy® Cooperative

COMMONWEALTH OF KENTUCKY

BEFORE THE PUBLIC SERVICE COMMISSION OF KENTUCKY

In the Matter of:

APPLICATION) OF BIG RIVERS ELECTRIC CORPORATION) FOR AN ORDER DECLARING THE) CONSTRUCTION OF SEVEN SOLAR POWER) FACILITIES TO BE ORDINARY EXTENSIONS OF) EXISTING SYSTEMS IN THE USUAL COURSE OF) BUSINESS)	Case No. 2016-00 <u>409</u>
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APPLICATION

and

EXHIBITS

FILED: November 28, 2016



1	COMMONWEALTH OF KENTUCKY RECEIVED
1 2	BEFORE THE PUBLIC SERVICE COMMISSION OF KENTUCKY 2 8 2016
2 3 4	
5	In the Matter of: PUBLIC SERVICE COMMISSION
7 8 9 10 11 12 13 14	APPLICATION OF BIG RIVERS ELECTRIC CORPORATION FOR AN ORDER DECLARING THE CONSTRUCTION OF SEVEN SOLAR POWER FACILITIES TO BE ORDINARY EXTENSIONS OF EXISTING SYSTEMS IN THE USUAL COURSE OF BUSINESS CASE NO. 2016-00 409
15	VERIFIED APPLICATION
16 17	Comes Big Rivers Electric Corporation ("Big Rivers"), by counsel, and hereby
18	submits this application ("Application") pursuant to KRS 278.020 and 807 KAR 5:001 Sections
19	15 and 19 seeking an order from the Kentucky Public Service Commission ("Commission")
20	declaring (i) that the solar power facilities described herein (the "Solar Power Facilities") are
21	ordinary extensions of existing systems in the usual course of business, and (ii) that Big Rivers
22	may construct, own, and operate the Solar Power Facilities without first obtaining a certificate of
23	public convenience and necessity ("CPCN") or other authorization from the Commission.
24	Alternatively, Big Rivers requests that the Commission grant it a CPCN authorizing it to
25	construct the Solar Power Facilities pursuant to KRS 278.020(1). In support of this Application,
26	Big Rivers states as follows:
27	A. Filing Requirements
28	2. Big Rivers Electric Corporation is a member-owned, not-for-profit, generation
29	and transmission cooperative headquartered in Henderson, Kentucky. It was incorporated in the
30	Commonwealth of Kentucky as an electric cooperative corporation pursuant to KRS Chapter 279
31	on June 14, 1961, and is in good standing in the Commonwealth of Kentucky. Big Rivers'

- 1 mailing address is P.O. Box 24, Henderson, Kentucky, 42419-0024. Big Rivers' street address is
- 2 201 Third Street, Henderson, Kentucky, 42419-0024. Its electronic mail address is
- 3 regulatory@bigrivers.com. A copy of Big Rivers' articles of incorporation and all amendments
- 4 thereto are attached as Exhibit 14 to the Application of Big Rivers Electric Corporation for
- 5 Approval to Issue Evidences of Indebtedness, P.S.C. Case No. 2012-00492. 807 KAR 5:001
- 6 Section 14(1)-(2).
- 7 Big Rivers owns generating assets and purchases, transmits, and sells electricity at
- 8 wholesale. Its principal purpose is to provide the wholesale electricity requirements of its three
- 9 distribution cooperative members: Jackson Purchase Energy Corporation ("JPEC"), Kenergy
- 10 Corp. ("Kenergy"), and Meade County Rural Electric Cooperative Corporation ("Meade County
- 11 RECC") (JPEC, Kenergy, and Meade County RECC are collectively referred to herein as the
- 12 "Members"). The Members in turn provide retail electric service to approximately 114,000
- 13 consumer/retail members located in 22 western Kentucky counties: Ballard, Breckenridge,
- 14 Caldwell, Carlisle, Crittenden, Daviess, Graves, Grayson, Hancock, Hardin, Henderson,
- 15 Hopkins, Livingston, Lyon, Marshall, McCracken, McLean, Meade, Muhlenberg, Ohio, Union
- 16 and Webster.
- 4. A table of each regulatory requirement for this filing, cross-referenced to the
- location in this Application where that requirement is satisfied, is attached hereto as Exhibit A.

19 B. Request for Declaratory Order

- 5. KRS 278.020(1) provides an exception to the requirement that any person must
- 21 obtain a CPCN prior to beginning the construction of any facility for furnishing utility services to
- 22 the public. That exception applies to "ordinary extensions of existing systems in the usual
- 23 course of business." KRS 278.020(1). The Commission's regulations clarify that a CPCN:

shall not be required for extensions that do not create wasteful duplication of plant, equipment, property, or facilities, or conflict with the existing certificates or service of other utilities operating in the same area and under the jurisdiction of the [C]ommission that are in the general or contiguous area in which the utility renders service, and that do not involve sufficient capital outlay to materially affect the existing financial condition of the utility involved, or will not result in increased charges to its customers.

807 KAR 5:001 Section 15(3).

- 6. In the present case, the Solar Power Facilities involve the construction of seven separate photovoltaic systems with a total capacity of approximately 120 kW (direct current ("dc")). Multiple systems will be constructed in the service territory of each of Big Rivers' Members. The three systems in JPEC's territory will have a total capacity of approximately 30 kW (dc); the two systems in Kenergy's territory will have a total capacity of approximately 60 kW (dc); and the two systems in Meade County RECC's territory will have a total capacity of approximately 30 kW (dc).
- 7. The Solar Power Facilities will consist of solar panels, inverters, all related electrical, structural, and other components, and all equipment necessary to connect the Solar Power Facilities to each Member's existing distribution system. There will be a total of approximately 360 panels, each with a capacity of about 300 to 350 watts (dc).
- 8. Big Rivers will lease the premises on which the Solar Power Facilities will be constructed from either its Members (in the case of Kenergy and Meade County RECC) or other organizations within a Member's service territory (in the case of JPEC). In the case of JPEC, the leased premises are those of the Livingston County Board of Education for a system to be installed at Livingston County Middle School, the McCracken County Board of Education for a system to be installed at McCracken County High School, and the Marshall County Fiscal Court for a system to be installed at Mike Miller Park ("the non-Member Organizations").

- 9. Big Rivers estimates that the total cost for all seven of the photovoltaic systems,
- 2 prior to any grants, will be less than \$500,000. Following potential vendor site visits, Big
- 3 Rivers' staff and representatives of the National Renewable Cooperative Organization
- 4 ("NRCO") evaluated vendor proposals. NRCO was formed by a number of rural electric
- 5 cooperatives to facilitate the development and deployment of renewable energy resources. Big
- 6 Rivers has retained Harvest Energy Solutions of Almo, Galloway County, Kentucky ("Harvest
- 7 Energy"), to construct the Solar Power Facilities. However, after the construction is complete,
- 8 Big Rivers will own the facilities.
- 9 10. Big Rivers will apply for a Rural Energy for America Program ("REAP") grant
- from the United States Department of Agriculture in the amount of \$125,000 for the projects.
- After application of the REAP grant, Big Rivers' total cost for the construction of the Solar
- 12 Power Facilities could well be less than \$375,000. Thus, the proposed construction does not
- involve sufficient capital outlay to materially affect the existing financial condition of Big
- Rivers, and it will not result in any increased charges to Big Rivers' Members.
- 15 The need for the proposed construction is primarily to respond to Member
- demand. In response to inquiries from their end-use customers, Big Rivers' Members
- 17 approached Big Rivers about developing one or more solar projects. Big Rivers developed the
- 18 proposed projects in conjunction with its Members primarily to serve as education and
- 19 demonstration projects for Big Rivers, its Members, and the retail customers to gain knowledge
- and understanding of solar power facilities. For example, the siting of the projects will allow
- 21 retail customers and other members of the public to view the projects and access educational
- 22 information about the Solar Power Facilities, and in particular, siting projects at Livingston
- 23 County Middle School and McCracken County High School will facilitate inclusion of solar

- power within science curricula. Additional information about the projects, including real-time
 information relating to output, will be available over the internet.
- 3 12. Given the amount of Big Rivers' existing available capacity, the solar projects 4 were designed necessarily to be low-capacity projects, but the projects still needed to be large 5 enough to achieve some economy-of-scale benefits. Although the capacity of the proposed 6 projects is minimal, they allow Big Rivers to add renewable resources to its generation portfolio 7 and to begin to diversify its fuel sources, while taking advantage of the current low price of solar 8 panels and the REAP grant. The proposed projects also allow Big Rivers to gain valuable 9 experience with owning renewable resources, designing and developing those projects, working 10 with third parties in the field, and investigating issues and opportunities that arise with such 11 resources, including their integration into the power grid.
 - 13. Big Rivers will meter the power at each project location and bill that power to its Members under Big Rivers' Standard Rate Schedule for Rural Delivery Service. The metered power will not appear as a separate line item on Members' monthly billing statement. There will be no changes to Big Rivers' billing processes. The Members will each decide how to offer the power to their retail customers.

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- 14. Based on the foregoing, Big Rivers believes that the proposed Solar Power Facilities are reasonable and prudent, and that the proposed Solar Power Facilities are ordinary extensions of existing systems in the usual course of business. The Commission should therefore issue an order declaring that Big Rivers may construct, own, and operate the Solar Power Facilities without first obtaining a CPCN or other authorization from the Commission.
- 22 15. Due to the size of the Solar Power Facilities, no site compatibility certificate is 23 required for the proposed construction. KRS 278.216(1).

- 1 Each of the premises that Big Rivers is leasing for the proposed projects has an
- 2 original book value of less than \$1,000,000. As such, the leases do not require any approval
- 3 under KRS 278.218(1) as a transfer of ownership or control of utility assets.

4 C. Alternative Request for a CPCN

- 5 In the event the Commission determines that the construction of the Solar Power
- 6 Facilities requires a CPCN, then Big Rivers requests, in the alternative, that the Commission
- 7 issue a CPCN authorizing Big Rivers to construct the Solar Power Facilities.
- 8 18. As explained in Paragraphs 11-12, above, construction of the Solar Power
- 9 Facilities is required by public convenience and necessity. 807 KAR 5:001 Section 15(2)(a).
- 19. Big Rivers is not required to obtain any franchises or permits from any other
- public authorities for the proposed construction, and as such, none are submitted herewith. 807
- 12 KAR 5:001 Section 15(2)(b).
- 13 20. Two (2) of the Solar Power Facilities will be located at the Brandenburg.
- 14 Kentucky, and Hardinsburg, Kentucky, offices of Meade County RECC. The Brandenburg
- 15 location is about 50 yards east of the Meade County RECC office; the Hardinsburg location is in
- the parking lot of the Meade County RECC office, about 50 yards north of the that office. Two
- 17 (2) more of the Solar Power Facilities will be located at the Henderson, Kentucky, and
- 18 Owensboro, Kentucky, offices of Kenergy. The Henderson location is just outside Kenergy's
- 19 Henderson office building; the Owensboro location is about 50 yards from Kenergy's
- 20 Owensboro office. The remaining three (3) Solar Power Facilities will be located at the
- 21 Livingston County Middle School, the McCracken County High School, and at Mike Miller Park
- 22 in Marshall County. Additional information about each of the above locations is provided with

- the aerial photos in Exhibit B. The Direct Testimony of Russell L. Pogue, provided as Exhibit C.
- 2 also provides additional information about the locations. 807 KAR 5:001 Section 15(2)(c).
- 3 21. If the Commission issues an order either granting Big Rivers' request for a
- 4 declaratory or granting Big Rivers' alternative request for a CPCN, Harvest Energy should begin
- 5 construction within two (2) months of that order. The aerial photos provided in Exhibit B
- 6 provide additional information about the size of each project, the number of arrays, etc. Once
- 7 construction has commenced, Big Rivers and Harvest Energy anticipate, depending on weather
- 8 conditions during construction, that construction will be complete, all testing completed, and
- 9 power will begin to flow within four (4) to six (6) months. As outlined in Mr. Pogue's Direct
- 10 Testimony in Exhibit C, Harvest Energy will provide all labor and materials. 807 KAR 5:001
- 11 Section 15(2)(c).
- 12 22. There are no like facilities in the vicinity of the proposed construction, and the
- proposed construction is not likely to compete with any public utilities, corporations, or other
- 14 persons. 807 KAR 5:001 Section 15(2)(c)
- 15 23. The technical specifications for each location are provided in the one-line
- diagrams provided in Exhibit D of this Application. The anticipated locations of the sites where
- 17 the projects will be constructed and the interconnections of the Solar Power Facilities with each
- 18 of Big Rivers' Members are shown in the aerial photos provided in Exhibit B of this Application.
- 19 807 KAR 5:001 Section 15(2)(d). However, because of the small scale and the nature of these
- 20 Solar Power Facilities, the exact siting and orientation of each array at each location will be
- 21 determined closer to the beginning of construction and will depend on the relative elevation of
- 22 the terrain, a geotech survey of the location, and the latitude/longitude at each location. Also,
- 23 since these arrays are education and demonstration projects, consideration of the location will be

- 1 given to walkway access and drive-by viewing of the arrays. To the extent the maps in Exhibit B
- 2 or the diagrams in Exhibit D do not comply with the requirements of 807 KAR 5:001 Section
- 3 15(2)(d), Big Rivers hereby requests a deviation from those requirements pursuant to 807 KAR
- 4 5:001 Section 22.
- 5 24. Big Rivers will self-finance the construction of the Solar Power Facilities.
- 6 Excluding any REAP grant, the Solar Power Facilities will collectively cost less than \$500,000.
- Any REAP grant may decrease that cost to less than \$375,000. 807 KAR 5:001 Section
- 8 15(2)(e).
- 9 25. After the Solar Power Facilities are placed into service, the annual cost of 10 operation of those facilities is estimated to be about \$500 for each array, for a combined annual 11 operational costs of less than \$4,000. 807 KAR 5:001 Section 15(2)(f).

D. Conclusion

WHEREFORE, Big Rivers respectfully requests that (i) the Commission issue a declaratory order declaring that the Solar Power Facilities are ordinary extensions of existing systems in the usual course of business and that Big Rivers may construct, own, and operate the Solar Power Facilities without first obtaining a CPCN or other authorization from the Commission; and (ii) the Commission grant Big Rivers any and all other relief to which it may appear entitled. In the event the Commission determines that Big Rivers must obtain a CPCN to construct the Solar Power Facilities, then Big Rivers requests, in the alternative, that the Commission issue a CPCN authorizing the construction of the Solar Power Facilities.

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1	On this the $\frac{28}{}$ th day of November, 2	016.
2		Respectfully submitted,
3		
4		
5		James M. Miller
6		Tyson Kamuf
7		SULLIVAN, MOUNTJOY, STAINBACK
8		& MILLER, P.S.C.
9		100 St. Ann Street
10		P. O. Box 727
11		Owensboro, Kentucky 42302-0727
12		Phone: (270) 926-4000
13		Facsimile: (270) 683-6694
14		jmiller@smsmlaw.com
15		tkamuf@smsmlaw.com
16		C
17 18		Counsel for Big Rivers Electric Corporation
19		
20	Verific	cation
21	<u>verm</u>	<u>tation</u>
22	I Russell I. (Russ) Poque Manager	of Member Relations for Big Rivers Electric
23	Corporation, hereby state that I have read the	
24	contained therein are true and correct to the	
25	28 th day of November, 2016.	cost of my imeniouse and contra, on and inc
26	ady of November, 2010.	
27		
28		Aug Fara
29		Russell L. (Russ) Pogue
30		Manager of Member Relations
31		Big Rivers Electric Corporation
32		
33		
34	COMMONWEALTH OF KENTUCKY)	
35	COUNTY OF HENDERSON)	
36		
37	SUBSCRIBED AND SWORN to before	me by Russell L. Pogue, as Manager of Member
38	Relations for Big Rivers Electric Corporation, on	this the 28 th day of November, 2016.
39		
40		1 11 201
41		Katherine Koley
42		Notary Public, State at Large Kentucky
43		My commission expires: 10.36-20 20
44		Notary ID: 566717

Exhibit A
Case No. 2016-00____

BIG RIVERS ELECTRIC CORPORATION REFERENCES FOR COMPLIANCE WITH REGULATORY REQUIREMENTS

Case No. 2016-00____

Regulation	Filing Requirement	Location in Application
AND THE PROPERTY OF THE PROPER		
807 KAR 5:001 Section 14(1)	The full name, mailing address, and	Application ¶ 2
207 77 1 7 2 2 2 2 2 2 2 2 2 2 2 2 2 2 2 2	electronic mail address of the applicant,	
807 KAR 5:001 Section 14(1)	Fully the facts on which the application is	Application $\P\P$ 1, 5-25
	based, with a request for the order,	
	authorization, permission, or certificate	
	desired and a reference to the particular law	
	requiring or providing for the information.	
807 KAR 5:001 Section 14(2)	If a corporation, the applicant shall identify	Application ¶ 2
***	in the application the state in which it is	**
	incorporated and the date of its	
	incorporation, attest that it is currently in	
	good standing in the state in which it is	
	incorporated, and, if it is not a Kentucky	
	corporation, state if it is authorized to	
	transact husiness in Kentucky	
807 KAR 5:001 Section 15(2)(a)	The facts relied upon to show that the	Application ¶¶ 6-14, 20
	proposed construction or extension is or will	
	be required by public convenience or	
	necessity.	
807 KAR 5:001 Section 15(2)(b)		Application ¶ 19
	the proper public authority for the proposed	
	construction or extension, if not previously	
	filed with the commission.	
807 KAR 5:001 Section 15(2)(c)	A full description of the proposed location,	Application ¶¶ 8, 20; see also the maps
	route, or routes of the proposed construction	
	or extension, including a description of the	Application
	manner of the construction and the names of	
	all public utilities, corporations, or persons	
	with whom the proposed construction or	
	extension is likely to compete.	
807 KAR 5:001 Section 15(2)(d)	One (1) copy in portable document format on	See Application ¶ 23; Exhibit B and
	electronic storage medium and two (2) copies	
	in paper medium of:	
	1. Maps to suitable scale showing the	
	location or route of the proposed	
	construction or extension, as well as the	
	location to scale of like facilities owned by	
	others located anywhere within the map	
	area with adequate identification as to the	
	ownership of the other facilities; and	
	2. Plans and specifications and drawings	
	of the proposed plant, equipment, and	
807 KAR 5:001 Section 15(2)(e)	The manner in detail in which the applicant	Application ¶ 24
, , , , , ,	proposes to finance the proposed	
	construction or extension.	
807 KAR 5:001 Section 15(2)(e)	proposes to finance the proposed	Application ¶ 24

BIG RIVERS ELECTRIC CORPORATION REFERENCES FOR COMPLIANCE WITH REGULATORY REQUIREMENTS Case No. 2016-00____

Regulation	Filing Requirement	Location in Application
807 KAR 5:001 Section 15(2)(f)	An estimated annual cost of operation after the proposed facilities are placed into service.	Application ¶ 25
807 KAR 5:001 Section 19(2)(a)	An application for a declaratory order shall be in writing.	The Application is in writing.
807 KAR 5:001 Section 19(2)(b)	An application for a declaratory order shall contain a complete, accurate, and concise statement of the facts upon which the application is based.	Application ¶¶ 5-16
807 KAR 5:001 Section 19(2)(c)	An application for a declaratory order shall fully disclose the applicant's interest.	Application ¶¶ 1-25
807 KAR 5:001 Section 19(2)(d)	An application for a declaratory order shall identify all statutes, administrative regulations, and orders to which the application relates.	Application ¶ 5
807 KAR 5:001 Section 19(2)(e)	An application for a declaratory order shall state the applicant's proposed resolution or conclusion.	Application ¶¶ 1, 14; Application Section D
807 KAR 5:001 Section 19(6)	An application for a declaratory order shall be supported by affidavit or shall be verified.	The Application is verified.

Exhibit B Case No. 2016-00____

Big Rivers Electric Corporation Proposed Locations for Solar Array Education and Demonstration Projects November 2016

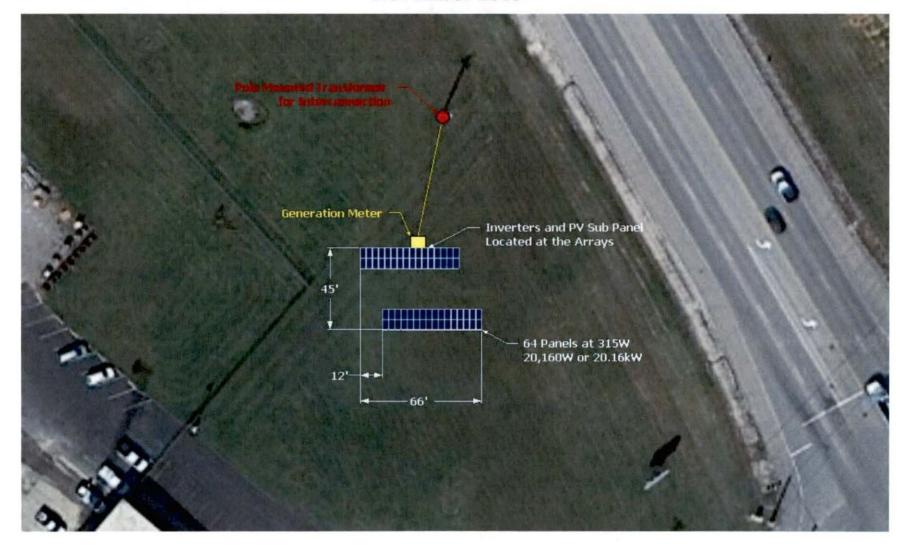


Case No. 2016-00____ Exhibit B Page 1 of 8

Big Rivers Electric Corporation

Meade County - Brandenburg Solar Array Education and Demonstration Project

November 2016



Case No. 2016-00____ Exhibit B Page 2 of 8 Meade County Rural Electric Cooperative Corporation 1351 Highway 79 Brandenburg, Kentucky

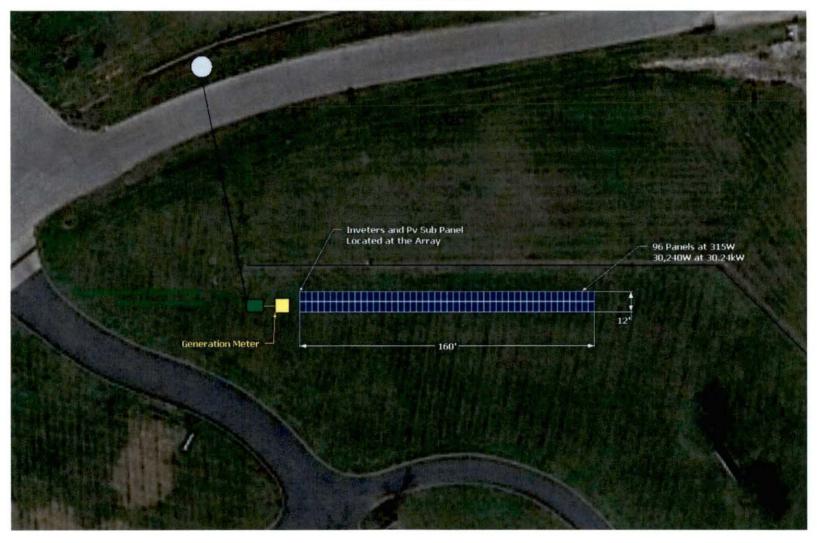
Big Rivers Electric Corporation

Meade County – Hardinsburg Solar Array Education and Demonstration Project

November 2016

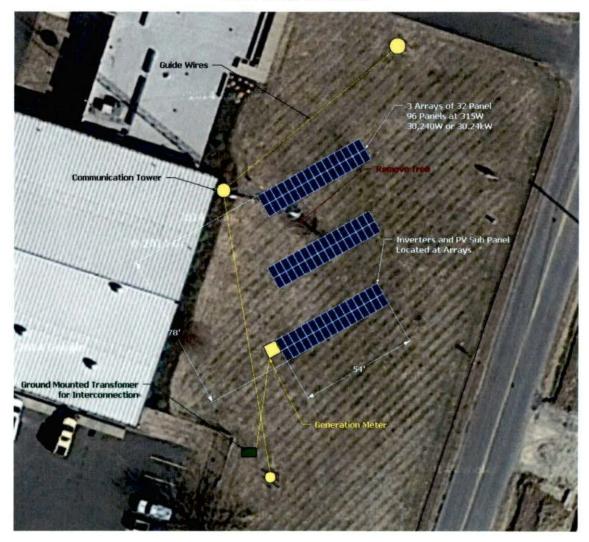


Big Rivers Electric Corporation Kenergy – Henderson Solar Array Education and Demonstration Project November 2016



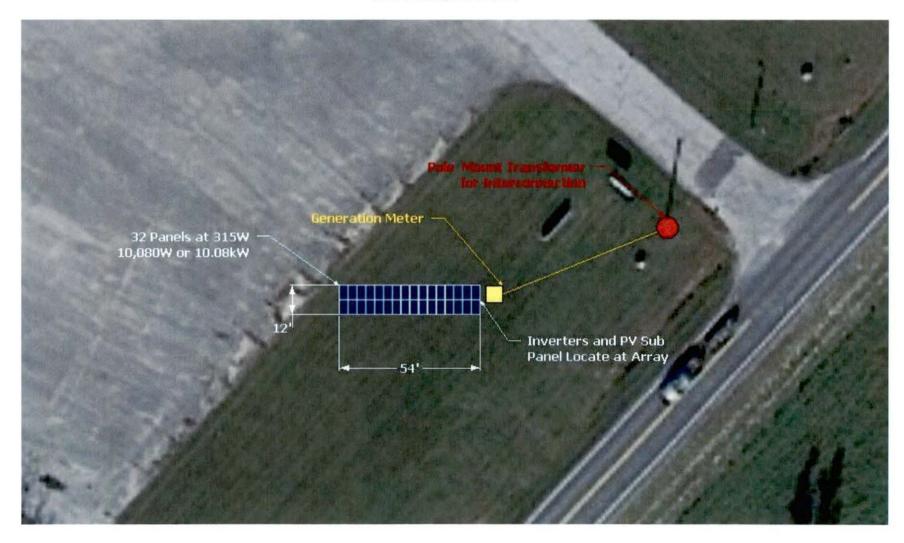
Case No. 2016-00____ Exhibit B Page 4 of 8 Kenergy Corp. 6402 Old Corydon Road Henderson, Kentucky

Big Rivers Electric Corporation Kenergy – Owensboro Solar Array Education and Demonstration Project November 2016



Case No. 2016-00____ Exhibit B Page 5 of 8 Kenergy Corp. 3111 Fairview Drive Owensboro, Kentucky

Big Rivers Electric Corporation Livingston County Solar Array Education and Demonstration Project November 2016



Case No. 2016-00____ Exhibit B Page 6 of 8 Livingston County Middle School 1370 U.S. Highway 60 East Burna, Kentucky

Big Rivers Electric Corporation
McCracken County Solar Array Education and Demonstration Project
November 2016



Case No. 2016-00____ Exhibit B Page 7 of 8 McCracken County High School 6530 Old Highway 60 Paducah, Kentucky

Big Rivers Electric Corporation

Marshall County Solar Array Education and Demonstration Project

November 2016



Case No. 2016-00____ Exhibit B Page 8 of 8 Mike Miller Park 596 U.S. Highway 68 West Benton, Kentucky Exhibit C Case No. 2016-00____

ORIGINAL





COMMONWEALTH OF KENTUCKY

BEFORE THE PUBLIC SERVICE COMMISSION OF KENTUCKY

In the Matter of:

APPLICATION)	
OF BIG RIVERS ELECTRIC CORPORATION)	
FOR AN ORDER DECLARING THE)	Casa Na
CONSTRUCTION OF SEVEN SOLAR POWER)	Case No.
FACILITIES TO BE ORDINARY EXTENSIONS OF)	2016-00
EXISTING SYSTEMS IN THE USUAL COURSE OF)	
BUSINESS)	

DIRECT TESTIMONY

OF

RUSSELL L. POGUE MANAGER, MEMBER RELATIONS

ON BEHALF OF

BIG RIVERS ELECTRIC CORPORATION

FILED: November 28, 2016

ORIGINAL

1 2 3 4		OF RUSSELL L. POGUE
5	Q.	Please state your name, business address and occupation.
6	A.	My name is Russell L. Pogue, and my business address is Big Rivers
7		Electric Corporation ("Big Rivers"), 201 Third Street, Henderson, Kentucky,
8		42420. I am the Manager, Member Relations for Big Rivers. I report to
9		Mark J. Eacret, Big Rivers' Vice President Energy Services.
10		
11	Q.	Please summarize your education and professional experience.
12	A.	I have Bachelor of Science degree in Engineering Management/Mechanical
13		Engineering from the Missouri Institute of Science and Technology. I am a
14		Certified Energy Manager (C.E.M.), Certified Business Energy Professional
15		(CBEP), a Certified Demand Side Manager (CDSM), and a member of the
16		Association of Energy Engineers. Prior to joining Big Rivers, I designed
17		and implemented Demand-Side Management ("DSM") programs at
18		Associated Electric Cooperative in Springfield, Missouri, and was a Senior
19		Project Engineer at the Mid-America Manufacturing Technology Center in
20		Rolla, Missouri.
21		

Please summarize your duties at Big Rivers.

22

Q.

1	A.	I am responsible for Big Rivers' Member relations. Among other things, I
2		work with Big Rivers' Members on the administration, development, and
3		documentation of their respective Demand-Side Management/Energy
4		Efficiency ("DSM/EE") programs. This includes periodic meetings of the
5		joint Big Rivers/Members DSM/EE Working Group which has oversight of
6		these programs. I also am responsible for a major component of Big Rivers
7		Integrated Resource Plan ("IRP") including the IRP's DSM/EE Potential
8		Study Report and its related appendices.

10

Q. Have you previously testified before this Commission?

Yes. I testified on behalf of one of Big Rivers' Members, Meade County 11 A. 12 Rural Electric Cooperative Corporation ("Meade County") in one of Meade 13 County's general rate proceedings, Case No. 2010-00222. I have answered 14 data requests in Big Rivers' DSM/EE tariff filings - Case Nos. 2012-00142, 15 2013-00099, and 2015-00118. I was also a witness responding to data 16 requests in Big Rivers' most recent IRP filings - Case Nos. 2010-00443 and 17 2014-00166. Finally, I either responded to, or drafted responses to, certain 18 DSM/EE-related data requests in Big Rivers' two most recent general rate 19 proceedings - Case Nos. 2012-00535 and 2013-00199.

20

1	Q.	What is the purpo	se of your testimor	ny in this proc	eeding?
---	----	-------------------	---------------------	-----------------	---------

- 2 A. The purpose of my testimony is to describe the purpose, design, and
- 3 implementation of Big Rivers' solar education and demonstration project.

- 5 Q. Please provide a general description of Big Rivers' solar array
- 6 education and demonstration project.
- 7 A. Big Rivers will lease land from either its Members or other organizations
- 8 within its Members' service territories. Seven (7) locations have been
- 9 selected. Big Rivers will construct solar arrays at these seven locations
- with the array capacity ranging from 10 to 30 kWs direct current ("dc"). Big
- Rivers will own the arrays, lease the land on which they sit, and will sell
- the power to its Members under Big Rivers' Rural Delivery Service tariff
- currently on file with the Commission. The power will be transformed to
- 14 alternating current (ac) using an inverter, metered and then fed into the
- local distribution system of Big Rivers Member Cooperatives.

- 17 Q. Who are the lessors?
- 18 A. Two of the lessors are Big Rivers' Members Meade County Rural Electric
- Cooperative Corporation ("Meade County") and Kenergy Corp. ("Kenergy").
- The other lessors are the Livingston County Board of Education
- 21 ("Livingston County"), the McCracken County Board of Education

1		("McCracken County"), and the Marshall County Fiscal Court ("Marshall
2		County").
3		
4	Q.	You do not mention Big Rivers' third Member, Jackson Purchase
5		Energy Corporation ("Jackson Purchase"). Please explain why
6		Jackson Purchase is not mentioned.
7	A.	As I've indicated, the solar arrays are located at either one of Big Rivers
8		Members or at third parties within a Member's service territory. In the
9		case of Jackson Purchase, the Livingston County, McCracken County, and
10		Marshall County locations are within Jackson Purchase's service territory.
11		These locations were chosen since Jackson Purchase's offices were all
12		within the service territory of the Paducah Power System. Using the
13		Livingston County, McCracken County, and Marshall County locations will
14		allow Big Rivers to feed power directly to Jackson Purchase's grid.
15		
16		

- Q. Where are the arrays to be constructed and how were those siteschosen?
- A. The arrays will be constructed at the addresses listed in the table below.

 Those locations were determined by both Big Rivers and the respective lessors.

the state of the s	ers Electric Corporation (<i>Lessee</i>) ation and Demonstration Project Locations
Lessor	Solar Array Locations
Manda Country	1351 Highway 79, Brandenburg, KY
Meade County	127 East Old Highway 60, Hardinsburg, KY
17	6402 Old Corydon Road, Henderson, KY
Kenergy	3111 Fairview Drive, Owensboro, KY
Livingston County Middle School	1370 U.S. Highway 60 East, Burna, KY
McCracken County High School	6530 Old Highway 60, Paducah, KY
Marshall County – Mike Miller Park	596 U.S. Highway 68 West, Benton, KY

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Exhibit B of the Application contains a map showing these locations and satellite photos of each location. Exhibit D of the Application provides a one-line diagram for each location and shows the interconnection with the distribution systems of each of Big Rivers' Members. Additional descriptions of the property at each solar array location can be found in the appendices of the respective land leases.

1	Q.	You mentioned that Big Rivers will sell the power to its Members.
2		Will Big Rivers use a special tariff for this power? How will the
3		billing work?
4	A.	Because these solar arrays are education and demonstration projects, Big
5		Rivers will sell their power under Big Rivers' existing Standard Rate
6		Schedule - Rural Delivery Service ("SRS-RDS"). As I have mentioned, the
7		SRS-RDS is in Big Rivers' Tariff which is on file with the Commission.
8		Given the limited amount of power to be generated, this tariff was chosen
9		versus the Standard Rate Schedule - Large Industrial Customer or a
10		special tariff.
11		Big Rivers will meter the energy from each array and the charges for
12		that energy will appear on each Member's monthly billing statement.
13		There will be no changes to the monthly billing process.
14		
15	Q.	You have used the term "education and demonstration project."
16		What does that term mean or imply?
17	A.	By education and demonstration project, Big Rivers means that these solar
18		arrays will demonstrate how the various components that make up the
19		solar arrays operate to produce and deliver electricity to the Members'
20		retail members. Both students attending the high schools at which arrays
21		are located, and the general public will be able to view related cost, weather

1		and production data about solar arrays. Big Rivers will provide this
2		information on-line. As such, the arrays will also serve an educational
3		purpose. These arrays will not replace, and are not a material supplement
4		to, any of Big Rivers' existing generation.
5		
6	Q.	How do these solar arrays differ from those which the Commission
7		approved for Louisville Gas and Electric Company and Kentucky
8		Utilities Company ("LG&E/KU"), and which the Commission is
9		reviewing for East Kentucky Power Cooperative, Inc. ("EKPC")?
10	A.	The arrays share most design and technological features with utility scale
11		solar generation with the exception of scope. Big Rivers' solar facilities will
12		be more similar to the size and configuration of residential and small
13		commercial solar generation.
14		EKPC's proposal in Case No. 2016-00269 is for an eight and a half
15		(8.5) MW community solar facility at EKPC's Clark County, Kentucky
16		offices. LG&E/KU's universal solar array in Mercer County is ten (10)
17		MWs. Collectively, the Big Rivers seven education and demonstration solar
18		arrays will total approximately 120 kW (dc), or 1.4% of EKPC's 8.5 MW
19		proposed facility and 1.2% of LG&E/KU's 10 MW solar facility.
20		
21	Q.	Will Big Rivers construct the arrays itself?

No. Following late-August 2016 site visits by potential vendors, vendors submitted their proposals in September 2016. Big Rivers' staff and representatives of the representatives of the National Renewable Cooperative Organization ("NRCO") evaluated the vendor proposals. NRCO was formed by rural electric cooperatives to facilitate the development and deployment of renewable energy resources. Big Rivers selected Harvest Energy Solutions ("Harvest Energy") of Almo, Calloway County, Kentucky to construct the arrays, assuming the Commission's approval and the negotiation of a final contract. More information about Harvest Energy is available at: www.harvestenergysolutions.com.

A.

A.

12 Q. Please provide a general description of the arrays.

Each array will consist of 32 to 96 solar panels. The number of panels at each location will depend on the size of the location. Each panel measures approximately 3 x 6 feet; each panel will have a rated capacity of 315 watts (dc). The exact siting and orientation of each array at each location depends on the relative elevation of the terrain, a geotech survey of the location, and the latitude/longitude at each location. Also, since these arrays are education and demonstration projects, consideration will be given to walkway access and drive-by viewing of the arrays.

1.		The solar panels in each array will produce direct current electricity.
2		Since the grid operates on alternating current electricity, each array will
3		include an inverter to convert the direct current electricity to alternating
4		current electricity. There will be at least one inverter for each array, and
5		more may be used depending on the final design. The metering of the
6		electricity will be after the conversion from direct current to alternating
7		current.
8		
9	Q.	Will Big Rivers need to issue debt to finance these arrays?
10	A.	No. Based upon the Harvest Energy bid, Big Rivers expects the total cost of
11		the seven arrays to be less than \$500,000. Consequently, Big Rivers will
12		self-finance their construction from current cash flow.
13		
14	Q.	Can you provide a summary of project cost information based upon
15		the Harvest Energy bid?
16	A.	Yes. Based upon the Harvest Energy bid, Big Rivers currently estimates
17		the project costs as shown in the table on the next page.
18		
19		

Big Rivers Electric Corporation Solar Array Education and Demonstration Project Current Estimated Project Costs							
Array Sites	Size (Watts)	ize Base		Base Labor (a)		Base Materials (b)	
Meade County – Brandenburg	20,160	\$	56,500	\$	21,500	\$	35,000
Meade County – Hardinsburg	10,080		31,000		12,000		19,000
Kenergy – Henderson	30,240		82,500		32,500		50,000
Kenergy – Owensboro	30,240		81,000		31,000		50,000
Livingston County Middle School	10,080		30,000		12,000		18,000
McCracken County High School	10,080		34,000		13,000		21,000
Marshall County – Mike Miller Park	10,080		31,000		12,000		19,000
Estimated Array Co	\$	346,000	\$	134,000	\$	212,000	
Other Costs - Geo To Professiona		10,000	2 Borings per Site, Seven Sites			n Sites	
Distribution & Inter		16,000 50,000					
Estimated Project C	\$	422,000					

3

4

Altogether, Big Rivers currently believes the estimated projects costs and project contingencies will total less than \$500,000.

5

1	Q.	How	long of a	construction	period does	Big	Rivers	anticipate?
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- A. Once the Commission has issued its Order, Harvest Energy could begin construction within about two (2) months. From the commencement of construction, Big Rivers anticipates the arrays will be complete, all testing completed, and power will begin to flow in about four (4) to six (6) months,
- 7

8 Q. Does this conclude your testimony?

depending on weather.

- 9 A. Yes.
- 10

BIG RIVERS ELECTRIC CORPORATION

APPLICATION OF BIG RIVERS ELECTRIC CORPORATION FOR AN ORDER DECLARING THE CONSTRUCTION OF SEVEN SOLAR POWER FACILITIES TO BE ORDINARY EXTENSIONS OF EXISTING SYSTEMS IN THE USUAL COURSE OF BUSINESS CASE NO. 2016-00

VERIFICATION

I, Russell L. (Russ) Pogue, verify, state, and affirm that I prepared or supervised the preparation of my testimony filed with this Verification, and that testimony is true and accurate to the best of my knowledge, information, and belief formed after a reasonable inquiry.

Russell L. (Russ) Pogue

COMMONWEALTH OF KENTUCKY)
COUNTY OF HENDERSON)

SUBSCRIBED AND SWORN TO before me by Russell L. (Russ) Pogue on this the **28** th day of November, 2016.

Notary Public, Kentucky State at Large

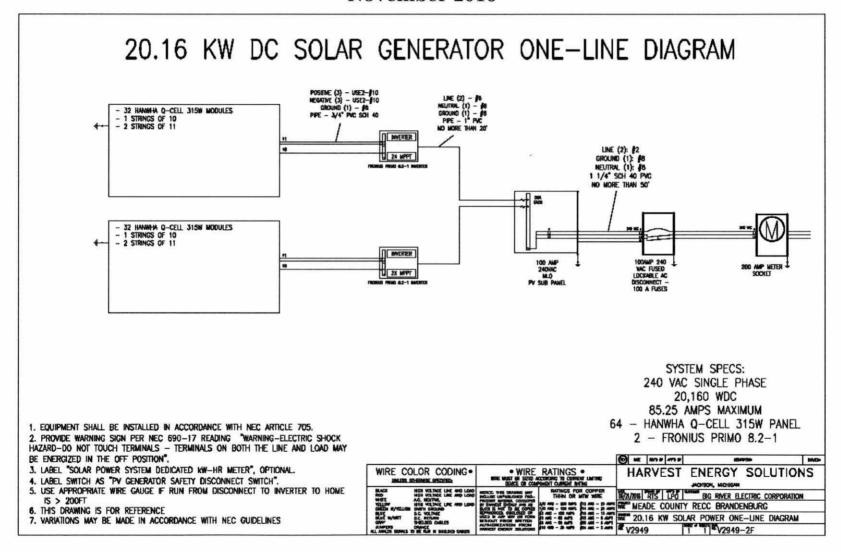
My Commission Expires

10-31-2020



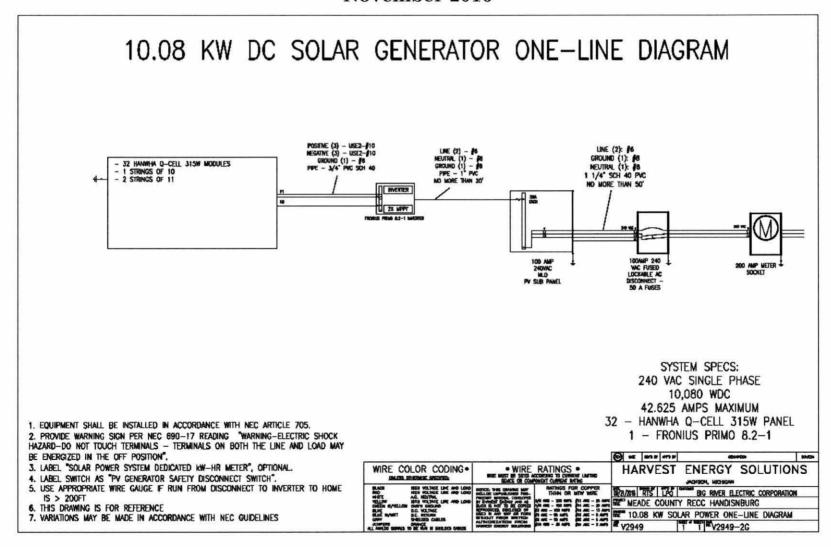
Exhibit D
Case No. 2016-00____

Big Rivers Electric Corporation Meade County – Brandenburg Solar Array Education and Demonstration Project November 2016

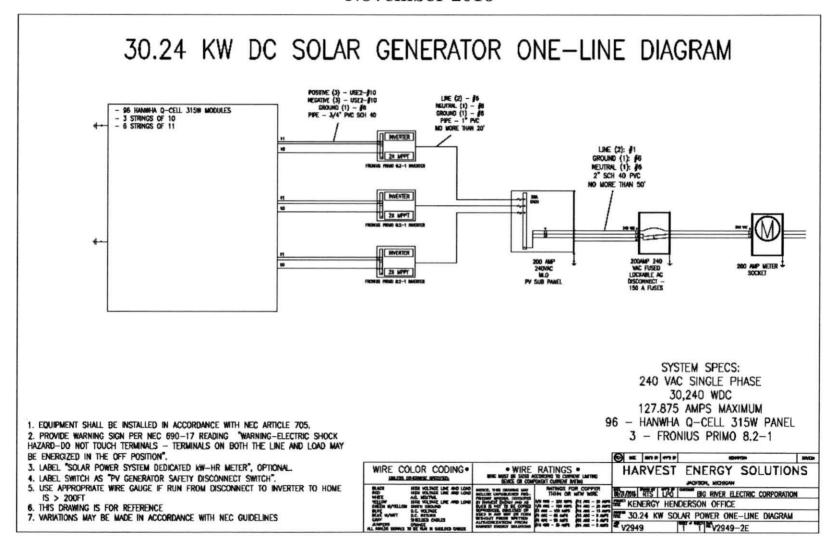


Case No. 2016-00_____ Exhibit D Page 1 of 7 Meade County Rural Electric Cooperative Corporation 1351 Highway 79 Brandenburg, Kentucky

Big Rivers Electric Corporation Meade County – Hardinsburg Solar Array Education and Demonstration Project November 2016

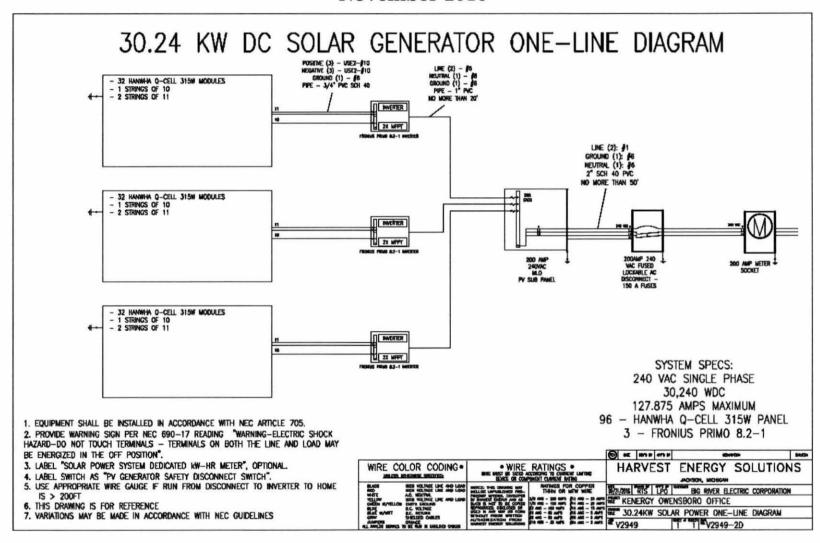


Big Rivers Electric Corporation Kenergy – Henderson Solar Array Education and Demonstration Project November 2016



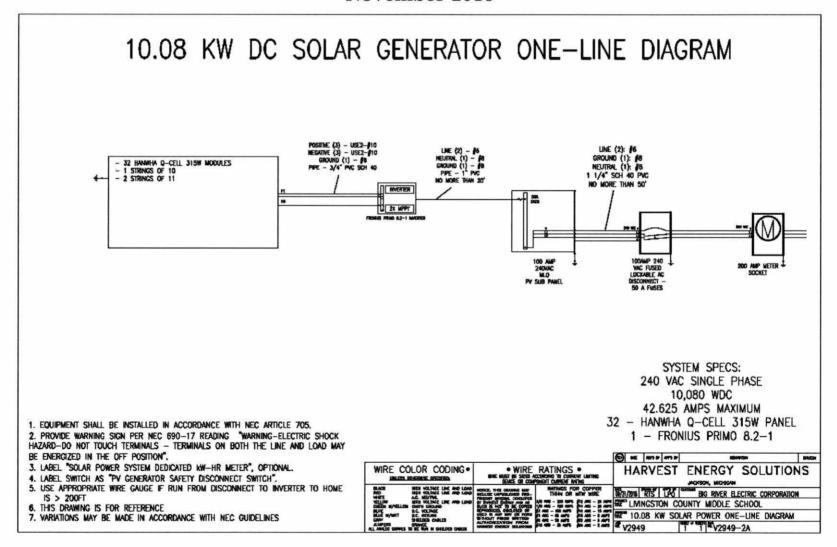
Case No. 2016-00_____ Exhibit D Page 3 of 7 Kenergy Corp. 6402 Old Corydon Road Henderson, Kentucky

Big Rivers Electric Corporation Kenergy – Owensboro Solar Array Education and Demonstration Project November 2016

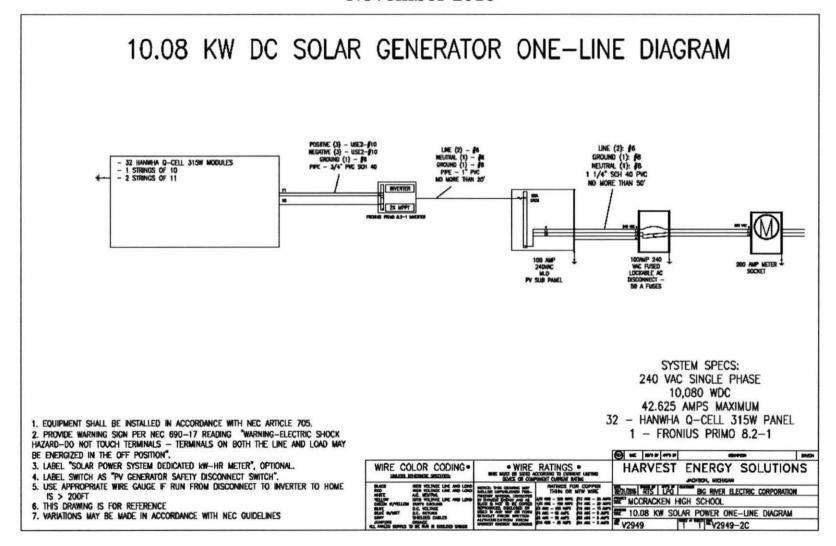


Case No. 2016-00____ Exhibit D Page 4 of 7 Kenergy Corp. 3111 Fairview Drive Owensboro, Kentucky

Big Rivers Electric Corporation Livingston County Solar Array Education and Demonstration Project November 2016

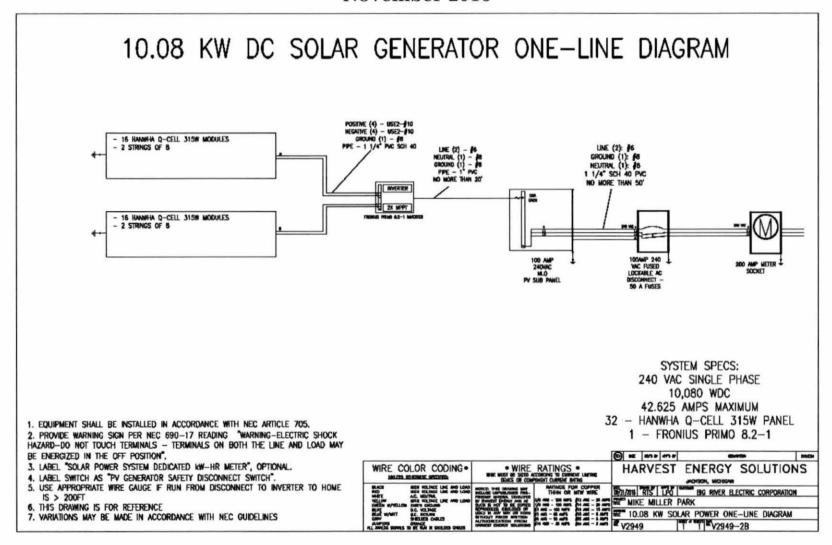


Big Rivers Electric Corporation McCracken County Solar Array Education and Demonstration Project November 2016



Case No. 2016-00____ Exhibit D Page 6 of 7 McCracken County High School 6530 Old Highway 60 Paducah, Kentucky

Big Rivers Electric Corporation Marshall County Solar Array Education and Demonstration Project November 2016



Case No. 2016-00____ Exhibit D Page 7 of 7 Mike Miller Park 596 U.S. Highway 68 West Benton, Kentucky