

Matthew G. Bevin  
Governor

Charles G. Snavelly  
Secretary  
Energy and Environment Cabinet



Commonwealth of Kentucky  
**Public Service Commission**  
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Michael J. Schmitt  
Chairman

Robert Cicero  
Vice Chairman

June 6, 2017

PARTIES OF RECORD

Re: Case No. 2017-00129

Attached is a copy of a memorandum which is being filed in the record of the above-referenced case. If you have any comments you would like to make regarding the contents of the memorandum please do so within five days of receipt of this letter.

If you have any questions, please contact Richard Raff, General Counsel, at 502-782-2588.

Sincerely,

A handwritten signature in black ink, appearing to read "Talina R. Mathews".

Talina R. Mathews  
Executive Director


RGR/ph

Attachments

**INTRA-AGENCY MEMORANDUM**

**KENTUCKY PUBLIC SERVICE COMMISSION**

**TO:** Case File

**FROM:** Richard Raff, General Counsel 

**DATE:** June 6, 2017

**RE:** Case No. 2017-00129  
Application of East Kentucky Power Cooperative, Inc. For A Declaratory  
Order Confirming the Effect Of Kentucky Law and Commission Precedent  
On Retail Electric Customers' Participation In Wholesale Electric Markets

In response to a request filed by East Kentucky Power Cooperative, Inc, ("East Kentucky"), Commission Staff scheduled an informal conference for March 29, 2017, at the Commission's offices. A list of the attendees is attached hereto.

East Kentucky stated that some months ago it became aware that an unknown number of customers in the service territories of its 16 member cooperatives had (or were preparing to), through a third party, bid energy efficiency as a capacity resource into PJM's Capacity Market and that there was no tariff or special contract on file with the Commission authorizing such bidding. Upon receiving that information, East Kentucky filed a request for the Commission Staff to issue a Staff Opinion on the lawfulness of retail customers bidding energy efficiency into the wholesale markets administered by PJM. A Staff Opinion was then issued which stated that such participation by retail customers under the circumstances presented by East Kentucky was prohibited by Kentucky statutes and Commission Orders.

Upon submission of the Staff Opinion to PJM, PJM indicated that since the opinion was advisory only, East Kentucky would need to seek a definitive ruling on this issue from the Commission. In response to that request by PJM, East Kentucky filed its pending application for a declaratory order. East Kentucky stated, and PJM confirmed, that they had been discussing this issue, and that PJM was willing to make a proposal to a PJM stakeholder committee regarding a modification to an existing PJM tariff to prospectively bar retail customers from bidding energy efficiency in PJM markets absent approval of the retail regulatory authority. PJM also stated that it would be filing comments into the record of this case.

There being no further discussions, the informal conference was adjourned.

Attachment

COMMONWEALTH OF KENTUCKY  
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

APPLICATION OF EAST KENTUCKY POWER )  
COOPERATIVE, INC. FOR A DECLARATORY ) CASE NO.  
ORDER CONFIRMING THE EFFECT OF ) 2017-00129  
KENTUCKY LAW AND COMMISSION )  
PRECEDENT ON RETAIL ELECTRIC )  
CUSTOMERS' PARTICIPATION IN )  
WHOLESALE ELECTRIC MARKETS )

**Informal Conference – March 29, 2017**

Please sign in:

NAME	REPRESENTING
<u>RICHARD RAFF</u>	<u>PSC-LEGAL</u>
<u>Chris Whelan</u>	<u>PSC-FA</u>
<u>Quang D. Nguyen</u>	<u>PSC</u>
<u>Patrick Woods</u>	<u>ETPC</u>
<u>David Crews</u>	<u>EKPC</u>
<u>David Samford</u>	<u>Goss Samford - EKPC</u>
<u>Jasan Bentley</u>	<u>MMLK - PJM</u>
<u>Phone Denise Foster</u>	<u>PJM</u>
<u>Phone Jen Tributski</u>	<u>PJM</u>
<u>Kerry Stoup</u>	<u>PJM</u>
<u> </u>	<u> </u>
<u> </u>	<u> </u>

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Kentucky Power Company  
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