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September 14, 2018

RECEIVED

VIA HAND DELIVERY

SEP 14 2018

PUBLIC SERVICE
COMMISSION

Ms. Gwen R. Pinson
Executive Director
Public Service Commission of Kentucky
211 Sower Boulevard
Frankfort, KY 40601

Re: *In the Matter of: Demand-Side Management Filing of Big Rivers Electric Corporation on Behalf of Itself, Jackson Purchase Energy Corporation, and Meade County R.E.C.C. and Request to Establish a Regulatory Liability – Case No. 2018-00236*

Dear Ms. Pinson:

Enclosed for filing in the above-referenced matter are an original and six (6) copies of Big Rivers Electric Corporation's responses to Commission Staff's First Request for Information. There are no intervenors in this proceeding.

Sincerely,


A handwritten signature in blue ink, appearing to read "TSK", is written over a light blue circular stamp.

Tyson Kamuf
Corporate Attorney,
Big Rivers Electric Corporation
tyson.kamuf@bigrivers.com

cc: Michael L. Chambliss
Martin W. Littrel
Roger D. Hickman

ORIGINAL



Your Touchstone Energy® Cooperative 

RECEIVED

SEP 14 2018

PUBLIC SERVICE
COMMISSION

COMMONWEALTH OF KENTUCKY

BEFORE THE PUBLIC SERVICE COMMISSION OF KENTUCKY

In the Matter of:

DEMAND-SIDE MANAGEMENT FILING OF)
BIG RIVERS ELECTRIC CORPORATION ON)
BEHALF OF ITSELF, JACKSON PURCHASE)
ENERGY CORPORATION, AND MEADE)
COUNTY R.E.C.C. AND REQUEST TO)
ESTABLISH A REGULATORY LIABILITY)

Case No.
2018-00236

Responses to Commission Staff's Request for Information
dated
August 29, 2018

FILED: September 14, 2018

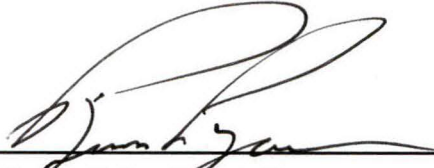
ORIGINAL

BIG RIVERS ELECTRIC CORPORATION

**DEMAND-SIDE MANAGEMENT FILING OF BIG RIVERS ELECTRIC CORPORATION ON BEHALF OF ITSELF, JACKSON PURCHASE ENERGY CORPORATION, AND MEADE COUNTY R.E.C.C. AND REQUEST TO ESTABLISH A REGULATORY LIABILITY
CASE NO. 2018-00236**

VERIFICATION


I, Russell L. (Russ) Pogue, verify, state, and affirm that the data request responses filed with this verification for which I am listed as a witness are 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 13th day of September, 2018.



Notary Public, Kentucky State at Large
My Commission Expires Oct 31, 2020



BIG RIVERS ELECTRIC CORPORATION

DEMAND-SIDE MANAGEMENT FILING OF BIG RIVERS ELECTRIC CORPORATION ON BEHALF OF ITSELF, JACKSON PURCHASE ENERGY CORPORATION, AND MEADE COUNTY R.E.C.C. AND REQUEST TO ESTABLISH A REGULATORY LIABILITY CASE NO. 2018-00236

Response to Commission Staff's Request for Information dated August 29, 2018

September 14, 2018

1 **Item 1) *Refer to the Application, paragraph 20.***

2 **a. *Provide the amount per program spent to date on BREC demand***
3 ***side management (DSM) programs.***

4 **b. *Provide the estimated amount per DSM program BREC***
5 ***anticipates to spend between now and December 31, 2018.***

6

7 **Response)**

8 **a. Big Rivers' DSM program spend year-to-date July 31, 2018, is shown in**
9 **the table at the top of the following page.**

10

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BIG RIVERS ELECTRIC CORPORATION

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1

**Big Rivers Electric Corporation
Demand-Side Management Program Spend
Through July 31, 2018**

DSM Programs	Total
Residential High Efficiency Bulbs (DSM-01)	\$ 31,504.89
Residential Efficient Appliances (DSM-02 & DSM-03)	37,850.00
Residential HVAC Program (DSM-04)	31,350.00
Residential New Construction (DSM-06)	7,150.00
Residential Tune-Up (DSM-07)	8,250.00
Residential Weatherization Ala Carte (DSM-13)	37,430.00
Commercial Lighting (DSM-08 & DSM-09)	387,859.48
Commercial HVAC (DSM-11)	6,075.00
High Efficiency Outdoor Lighting (DSM-12)	44,170.00
Commercial Miscellaneous Energy Efficiency	0.00
Commercial Tune-Up (DSM-07)	34,650.00
Total	<u>\$ 626,289.37</u>

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- b. Based on the incentive spend for the proposed retained programs in the last 5 months of 2017, the estimated spend for the remainder of 2018 is listed in the table on the following page.

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1

**Big Rivers Electric Corporation
Estimated Demand-Side Management Program Spend
August through December 2018**

DSM Program	Amount
Residential HVAC Program (DSM-04)	\$ 20,800.00
Commercial Lighting (DSM-08 & DSM-09)	87,880.85
Commercial HVAC Incentives (DSM-11)	375.00
High Efficiency Outdoor Lighting (DSM-12)	20,720.00
Total	<u>\$ 128,755.85</u>

2

3

4 **Witness)** Russell L. Pogue

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1 **Item 2)** *Refer to the Direct Testimony of Russell L. Pogue (Pogue*
2 *Testimony) page 4, lines 16-28. Provide the estimated number of retail*
3 *members that may have begun to make investments and the estimated*
4 *incentive amounts.*

5
6 **Response)** Although many retail commercial and industrial customers work with
7 the Member Cooperatives in advance of investing in energy efficiency projects for
8 which incentives are available, there is no requirement for retail commercial
9 members to inform either Big Rivers or the Member Cooperative when such
10 customers begin making investments in such projects; therefore, Big Rivers does
11 not have estimates for the number of businesses that are actively investing in
12 energy efficiency or the amount of incentive. Big Rivers' response to Item 1b.
13 estimates the incentive amount for each DSM program through the end of 2018
14 based on the 2017 actuals. Member Cooperatives' staff work with retail members
15 who request assistance in their planning, and it is not uncommon to see lead times
16 for commercial energy efficiency projects approaching one year.

17

18

19 **Witness)** Russell L. Pogue

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- 1 Item 3) *Refer to the Pogue Testimony page 9, lines 2-5.*
- 2 a. *Explain why BREC believes education concerning electric vehicles*
- 3 *should be considered a DSM initiative and should be included in*
- 4 *the DSM budget.*
- 5 b. *Explain why BREC believes renewable energy should be considered*
- 6 *a DSM initiative and should be included in the DSM budget.*
- 7 c. *Provide a copy of all education materials associated with the*
- 8 *proposed Energy Use Education Program.*
- 9

10 **Response)**

- 11 a. and b.
- 12 Education to improve the safe and efficient use of energy has been an
- 13 objective of Big Rivers and the Member Cooperatives since their
- 14 inception. Promotion of DSM programs in the past has including
- 15 educating retail customers on energy efficiency and safe energy use. To
- 16 maintain this emphasis following the elimination of the current DSM
- 17 programs, Big Rivers plans to replace the education and information
- 18 provided through the DSM programs with the Energy Use Education
- 19 initiative. This initiative will include education relating to the
- 20 implementation of new technology, such as electric vehicles and
- 21 renewable energy. Electrification of transportation is evolving rapidly in
- 22 other parts of the county and has the potential to substantially impact

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1 retail member demand. When this technology becomes a viable and
2 reliable transportation mode in western Kentucky, it has the potential to
3 have a major impact on the operations of both Big Rivers and the Member
4 Cooperatives. Awareness, education and management of the demand
5 aspect of this potential load is imperative to prepare for development of
6 electric vehicles. Likewise, behind the meter renewable energy has
7 continued to grow with net metering and will continue to require
8 education as the technology becomes more prevalent. A major component
9 of DSM is the education of the end user of electricity with readily available
10 and reliable information. Although incentives may influence both
11 investigation and decision making of the retail customer, education is the
12 primary tool to influence the material choices made by electric consumers.
13 Whenever a retail member installs a solar array, adjusts a thermostat or
14 purchases a new electric vehicle, the decision directly impacts all aspects
15 of power supply by changing the demand side of the equation. Helping the
16 retail member make informed decisions is the purpose of education
17 related to the future impacts of electric vehicles and solar energy
18 specifically.

19 c. Materials for the Energy Use Education Program have not been developed
20 at this time because the funding has not been approved.

21

22 **Witness)** Russell L. Pogue

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- 1 **Item 4)** *Refer to the Pogue Testimony page 9, lines 19-23.*
2 *a. Explain whether BREC or a member system has met with the*
3 *Community Action Agencies or the Kentucky Housing Corporation.*
4 *If so, provide a copy of all meeting minutes*
5 *b. Provide a list of all weatherization assistance measures that*
6 *BREC will provide.*
7 *c. Provide the cost per participant that BREC has budgeted for the*
8 *Low-Income Assistance.*
9 *d. Provide any contracts or agreements between BREC and*
10 *Community Action Agencies or the Kentucky Housing Corporation*

11
12 **Response)**

- 13 a. Big Rivers' staff has met with a representative of the Kentucky Housing
14 Corporation and held a conference call with the pertinent Community
15 Action Agencies ("CACs") to discuss potential support for the Low Income
16 Weatherization program currently offered by the CACs. No minutes were
17 recorded for those meetings.
18 b. Big Rivers will provide financial support to the CAC's to supplement their
19 current Low Income Weatherization programs to allow whole-house
20 weatherizations, which the CAC's would normally not be able to complete
21 due to health and safety and budget limitations, to move forward.

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- 1 c. Big Rivers' staff has discussed with the CACs, general guidelines for
2 spending on homes that require supplementary expenditure to increase
3 the efficiency of the HVAC systems and eliminate health and safety issues
4 that would cause deferral. Big Rivers' current budget target is an average
5 of \$1,000 per home weatherized for health and safety issues, plus an
6 additional \$1,000 per home to upgrade the home heating system to a high-
7 efficiency heat pump.
- 8 d. Big Rivers has not executed an agreement or contract with the Kentucky
9 Housing Corporation or the CACs for the Low Income Weatherization
10 Program at this time.

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Witness) Russell L. Pogue

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1 *Item 5) Refer to the Pogue Testimony page 10, lines 18-28, and*
2 *continuing through page 11. Explain in detail why the proposed regulatory*
3 *liability for DSM revenues collected in Rural base rates in excess of DSM*
4 *spending is to be offset against the entire Wilson regulatory asset rather*
5 *than against the Rural customers' share of the Wilson regulatory asset.*

6

7 **Response)** The Wilson regulatory asset is not currently split between Rural and
8 Large Industrial customers. It would be inappropriate to divide the Wilson
9 regulatory asset between the customer classes at this time, absent a current cost-
10 of-service study that assigns responsibility for the asset to the customer classes.

11

12

13 **Witness)** Russell L. Pogue

14