



139 East Fourth Street, 1303-Main
Cincinnati, OH 45202

Telephone: (513) 287-4356
Facsimile: (513) 287-4385

Minna Sunderman
Sr. Paralegal
E-mail: Minna.Sunderman@duke-energy.com

March 27, 2020

VIA OVERNIGHT DELIVERY

Mr. Kent Chandler
Executive Director
Kentucky Public Service Commission
211 Sower Blvd
Frankfort, KY 40602-0615

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PUBLIC SERVICE
COMMISSION

**RE: Application of Duke Energy Kentucky, Inc. for Approval of a New Green
 Power Pilot Program (Duke Energy's GoGreen Kentucky)
 Case No. 2009-00408**

Dear Mr. Chandler:

Pursuant to the Commission's February 5, 2010 Order, enclosed please find *Duke Energy Kentucky, Inc.'s GoGreen Power Annual Informational Filing* for the Calendar Year 2019.

Please date-stamp the extra two copies and return to me in the enclosed, self-addressed envelope.

Should you have any questions, please do not hesitate to contact me.

Very truly yours,

Minna Sunderman
Sr. Paralegal

EMS
Enclosure

cc: John G. Horne, II (w/enclosure)

COMMONWEALTH OF KENTUCKY
BEFORE THE KENTUCKY PUBLIC SERVICE COMMISSION

DUKE ENERGY KENTUCKY, INC.
GOGREEN POWER
ANNUAL INFORMATIONAL FILING
CALENDAR YEAR 2019

I. Introduction

On February 5, 2010, the Kentucky Public Service Commission (Commission) issued its Order in Case No. 2009-00408 approving the Application of Duke Energy Kentucky, Inc., (Duke Energy Kentucky) to implement a new Green Power Pilot Program, GoGreen Kentucky. GoGreen Kentucky is a voluntary program that enables customers to manage their own carbon footprints by being able to designate a monthly kilowatt-hour (kWh) purchase level for green power and/or carbon offsets. GoGreen Kentucky provides customers an opportunity to purchase 100 kWh blocks of green energy at \$2.00/ block, with a minimum of 2 blocks. Customers were also afforded an opportunity to purchase carbon offset blocks, representing a 500-pound reduction in CO₂ at a price of \$4.00 per block.

GoGreen Kentucky was approved as a pilot program for implementation through December 31, 2012 subject to several commitments. For example, Duke Energy Kentucky was required to seek Commission approval for any changes to the pricing and/ or sizing of blocks of either the renewable energy credits (RECs) or carbon offsets.

On October 2, 2012, in Case No. 2012-00455, Duke Energy Kentucky filed its application to continue its GoGreen Kentucky Program as a permanent voluntary service offering to customers but with some program enhancements. On or about December 14, 2012, the Commission approved Duke Energy Kentucky's application, which reduced the price/block of green energy to \$1.00/block, permitted participation among non-residential customers, and discontinued the Carbon Offsets option in calendar year 2012.

As a further condition to approval, Duke Energy Kentucky committed to provide this Commission with an annual report relating to the GoGreen Kentucky program that will provide at a minimum: 1) the number of program participants; 2) the total number of RECs

and Carbon Offsets subscribed; 3) the expenditures for education and promotion of the program; 4) the expenditures for research (customer satisfaction and experience); 5) the actual costs of the RECs and Carbon Credits; and 6) the administrative costs.

In accordance with the Commission’s December 14, 2012 Order in Case No. 2012-00455, Duke Energy Kentucky respectfully submits its annual informational filing for the 2019 calendar year.

II. 2019 Annual Report

A. Go Green

1. Number of active GoGreen Residential customers by month:

2019	Total Customers
January	179
February	180
March	181
April	180
May	190
June	193
July	193
August	197
September	196
October	210
November	221
December	226

2. Number of Residential blocks of GoGreen RECs sold per month:

2019	Monthly Blocks	Total Cumulative Blocks
January	716	716
February	718	1434
March	720	2154
April	710	2864
May	759	3623
June	797	4420
July	791	5211
August	801	6012
September	807	6819
October	919	7738
November	967	8705
December	994	9699

*Note: One Block = 100 kWh

3. GoGreen revenues billed: \$7,686

Note: Year end net revenues include arrears and cancellation adjustments.

4. REC expense:

2019: REC Acquisition Cost of \$825 for 1,000 Wind RECs

5. GoGreen Marketing Costs by major category:

Campaign Promotion & Distribution Costs: \$20,293.

- Customer Thank You letter – subscriber update twice a year
- Welcome kits and decals – for new subscribers
- Direct Mail and Email campaigns – twice in 2019

Administrative costs: Labor and call center costs: \$8,958

6. GoGreen Summary of program activities, results and observations:

In 2019, year-end participation was 226 active customers compared 179 customers in the previous year. On average, customers support 4 blocks or 400 kWh per month, which equates to 2 blocks over the minimum purchase required. Net revenues billed were \$7,686, which includes adjustments for cancellations and arrears.

Throughout the year, Duke Energy's GoGreen Kentucky utilized additional marketing channels to reach new customers with two direct mail and email marketing campaigns. Information about GoGreen Kentucky was displayed on the Duke Energy website and customers had the option to enroll either online or by calling an 800 number. In addition, FAQs were prominently shown.

New customers received welcome letter packets that included recognition badge decals. Current customers received an update on the program via semi-annual Thank You cards. Planned 2020 marketing

includes the use of email and other low-cost marketing channels, such the residential and non-residential newsletters, and program awareness on duke-energy.com for acquiring new program customers.

7. Description of contractual arrangements with large commercial and industrial Green Power:

There were no contractual arrangements with large customers in 2019.

8. Green Power generated and delivered as of December 31, 2019:

From January through December 31, 2019, approximately 969,900 kWh of Green Power was supported and delivered as a result of cumulative blocks purchased through RECs.

Since the Program began in 2010, 6.303 million kWh have been supported.

9. Calculation of CO₂ offsets from blocks of Green Power as of December 31, 2019:

Since the Program began in July 2010, the Company estimates the program has led to CO₂ offsets of 6,801 tons.

10. Suppliers of REC purchase: Regional Green-e certified wind RECs from Garden Wind LLC, wind project in Story County, Iowa.

11. Quantity of REC purchase: 1,000

12. Actual total costs of GoGreen RECs for reporting period: \$0.825 per REC

13. Estimated sales in the future period, in kWh for Go Green:


2020 Estimates: 9,000 total blocks

14. Forecasted costs of RECs per kWh, including those in inventory:

REC cost: REC Cost: Senior Emissions Trader opines that Indiana in-state wind, Green-e Certified RECs are \$8.50 for 2019-2020. Current estimate for IL-sited wind is \$3.00/REC. TX Green-e wind is approximately \$.80/REC and priced as the remainder of our current inventory purchased at \$.80/REC plus \$.025 broker fee per REC. These quotes are indicative at this point based on broker quotes, but do not represent actual trade.

Respectfully submitted,

DUKE ENERGY KENTUCKY, INC.




Rocco D'Ascenzo (92796)
Deputy General Counsel
Duke Energy Kentucky, Inc.
139 East Fourth Street, 1303-Main
Cincinnati, Ohio 45202
Phone: (513) 287-4320
Fax: (513) 287-4385
Email: rocco.d'ascenzo@duke-energy.com

CERTIFICATE OF SERVICE

The undersigned hereby certifies that copies of the GoGreen Rider Annual Informational Filing was delivered or mailed, postage prepaid, in the United States Mail, this 27th day of March 2020, to the following:

John G. Horne, II
The Office of Attorney General
Utility Intervention and Rate Division
700 Capital Avenue, Ste. 118
Frankfort, Kentucky 40601



Rocco D'Ascenzo