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March 31, 2022

VIA E-MAIL TRANSMISSION

Ms. Linda C. Bridwell, P.E.
Executive Director
Kentucky Public Service Commission
P.O. Box 615
211 Sower Boulevard
Frankfort, KY 40602

Re: PSC Case Nos. 2015-00267 – Bluegrass Station Annual Report

Dear Ms. Bridwell:

Pursuant to the Commission's December 1, 2015 Order in Case No. 2015-00267, in which the Commission approved East Kentucky Power Cooperative, Inc.'s ("EKPC") requests to acquire the Bluegrass Station and to assume the evidences of indebtedness associated with the acquisition, enclosed please find a copy of EKPC's 2021 Bluegrass Station Annual Operating Report. Please file this in the post-case correspondence file and return a file-stamped copy to my office.

Please let me know if you have any questions.

Very truly yours,



David S. Samford

Enc.

Bluegrass Generating Station 2021 Annual Operating Report

In 2021, East Kentucky Power Cooperative's, Inc's. (EKPC) Bluegrass Generating Station (Bluegrass) successfully operated for 1,249.85 hours, produced 180,893 gross megawatts and 179,416 net megawatts of generation; experienced 0 unplanned outage hours; and performed to an overall average net heat rate of 11,298.41 (BTU/KWH).

Bluegrass Unit 1 successfully operated 594.34 hours, generated 85,707 gross megawatts and 84,953 net megawatts; experienced 0 hours of unplanned outage hours; performed to an average net heat rate of 11,316.77 (BTU/KWH); and successfully started 90 times with no failed starts. Bluegrass Unit 1 experienced zero (0) unplanned/forced outage events.

Bluegrass Unit 2 successfully operated 557.10 hours, generated 80,535 gross megawatts and 79,892 net megawatts; experienced 0 hours of unplanned outage hours; performed to an average net heat rate of 11,279.38 (BTU/KWH); and successfully started 92 times with no failed starts. Bluegrass Unit 2 experienced zero (0) unplanned/forced outage events.

Bluegrass Unit 3 successfully operated 98.41 hours, generated 14,651 gross megawatts and 14,571 net megawatts; experienced 0 hours of unplanned outage hours; performed to an average net heat rate of 11,295.44 (BTU/KWH); and successfully started 17 times with no failed starts. Bluegrass Unit 3 experienced zero (0) unplanned outage events:

EKPC budgeted \$8.5 million for capital expenditures for equipment in 2021 and spent approximately \$1.2 million of this allocation. This reduction was due to the Bluegrass Dual Fuel Addition using minimal contingency (\$1.3 million). Also, the Bluegrass Peak Shave Battery Storage project was cancelled (\$6.0 million). The Bluegrass Simulator project required less data collection than anticipated (\$15k). The capital expenditures associated with the Hot Gas Path Inspection projects in 2021 were \$63k and based on final payments for these projects that were

Bluegrass Generating Station 2021 Annual Operating Report

constructed and substantially completed in 2020. Bluegrass has \$0 budgeted for capital expenditures in 2022.

Bluegrass budgeted \$5.29 million (excluding fuel) in 2021 for O&M expenses, and had expenditures of \$ 4.36 million. The variance was due to cost savings ideas and competitively bidding projects. Bluegrass has budgeted \$5.2 million (excluding fuel) for O&M expenses in 2022. Bluegrass budgeted \$3.42 million for fuel in 2021 and had expenditures of \$10 million. Bluegrass' budget for fuel in 2022 is \$17.3 million.

Bluegrass performed various maintenance activities to increase the availability and reliability of the facility. These maintenance activities included, but were not limited to the annual spring and fall reliability outages which included gas turbine insulation upgrades to improve the thermo-protection of local instrumentation on all three units and complete turbine borescope inspections on all three units. The plant successfully test ran all three units on diesel fuel in late autumn.

Environmental Update

Bluegrass Station is in compliance with the requirements of the Clean Air Act amendments of 1990 (CAA), and the Clean Water Act (CWA). Moreover, fossil fuel applicable only;

- New Source Performance Standards (NSPS);
 - NSPS GHG for New, Modified and Reconstructed Fossil Fueled Units;
- Title IV of the CAA and the rules governing pollutants that contribute to Acid Deposition (Acid Rain program);
- Title V operating permit requirements (Title V) as a synthetic minor;

Bluegrass Generating Station 2021 Annual Operating Report

- Summer ozone trading program requirements promulgated after EPA action on Section 126 petitions and the Ozone SIP Call (Summer Ozone program);
- Stationary Combustion Turbines: National Emission Standards for Hazardous Air Pollutants (NESHAP);
- Stationary Gas and Combustion Turbines: New Source Performance Standards (NSPS);
- Cross State Air Pollution Rule (CSAPR);
- National Ambient Air Quality Standards (NAAQS) for Sulfur Dioxide (SO₂), Nitrogen Dioxide (NO₂), Carbon Monoxide (CO), Ozone, Particulate Matter (PM), Particulate Matter 2.5 microns or less (PM 2.5) and Lead; Oldham County is in attainment for ozone.
- Clean Water Act, and
 - National Pollution Discharge Elimination System (NPDES) as delegated by the EPA to Kentucky Pollution Discharge Elimination System (KPDES).
 - EPA Spill Control and Counter Measure (SPCC) plans