

COMMONWEALTH OF KENTUCKY

BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

Electronic Investigation Of Kentucky)
Power Company’s Deviation From) Case No. 2020-00134
807 KAR 5:054, Section 5(1)(A) and (2))

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Notice By Kentucky Power Company Of Filing Information Required
By 807 KAR 5:054, Section 5(1)(A) And 807 KAR 5:054, Section 5(2)

Kentucky Power Company provides the following filings as required by the Public Service Commission of Kentucky’s April 28, 2020 Order in this proceeding:

1. **EXHIBIT 1** – details actual avoided energy cost for Kentucky Power on a cents per kWh basis during average day and seasonal on-peak and off-peak periods by year for the years 2010 through 2019. Historical/Actual data only is provided in **EXHIBIT 1** for the period 2010-2019.

EXHIBIT 1 also details estimated avoided energy cost for Kentucky Power on a cents per kWh basis during daily, seasonal on-peak and off-peak periods by year for the years 2020 through 2025.

3. **EXHIBIT 2** – shows there currently are no capacity addition commitments for the ten-year period beginning 2020. Kentucky Power Company’s 2019 Integrated Resource Planning Report currently is being reviewed by the Commission in Case No. 2019-00443.¹ The Preferred Plan presented in the Company’s 2019 Integrated Resource Planning Report

¹ *In The Matter Of: Electronic 2019 Integrated Resource Planning Report Of Kentucky Power Company*, Case No. 2019-00443 (Ky. P.S.C. Filed December 20, 2019).

describes the use of short term market purchases, utility scale solar, and nameplate wind resources during the ten-year period illustrated in EXHIBIT 2.²

The Unit Power Agreement between Kentucky Power Company and AEP Generating Company (393 MW) will expire by its terms on December 7, 2022.

Kentucky Power had no net capacity additions in the period 2010 through 2019. During that period Kentucky Power acquired a 50 percent undivided interest in the Mitchell Generating Station (780 MW) on December 31, 2013. The 800 MW Big Sandy Unit 2 retired in May 2015. Kentucky Power converted the 278 MW (net summer rating) coal-fired subcritical Big Sandy Unit 1 to a 268 MW (net summer rating) gas-fired unit; the unit returned to service on May 30, 2016.

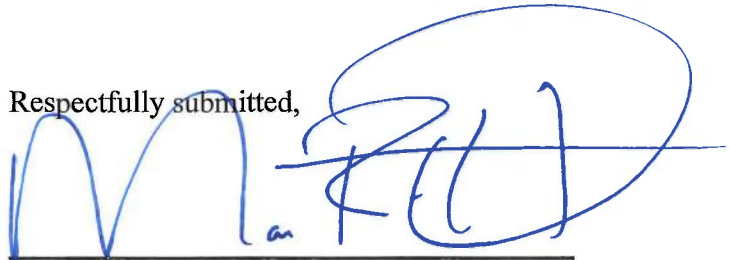
The Renewable Energy Power Agreement between Kentucky Power Company and EcoPower Generation-Hazard, LLC, under which Kentucky Power would acquire the capacity (nominal 58.5 MW), attendant energy, ancillary services, and environmental attributes of the ecoPower biomass generating facility located in Perry County, Kentucky, was terminated according to its terms following the Court of Appeals of Kentucky's decision in *Kentucky Industrial Utility Customers, Inc. v. Kentucky Public Service Comm'n*, 504 S.W.3d 695 (Ky. App. 2016) reversing the Commission's approval of the agreement.

² Integrated Resource Planning Report, *In The Matter Of: Electronic 2019 Integrated Resource Planning Report Of Kentucky Power Company*, Case No. 2019-00443 at ES-5 (Ky. P.S.C. Filed December 20, 2019). The Integrated Resource Planning Report provides "[t]he Plan is not a commitment to specific resource additions or other courses of action, as the future is highly uncertain. Accordingly, this IRP and the action items described herein are subject to change as new information becomes available or as circumstances warrant." *Id.* at ES-1.

WHEREFORE, Kentucky Power Company respectfully requests the Commission to enter an Order:

1. Accepting Kentucky Power Company's filings in this proceeding and closing this case; and
2. Granting Kentucky Power Company all other relief to which it may appear entitled.

Respectfully submitted,



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COUNSEL FOR KENTUCKY POWER
COMPANY

Kentucky Power Company
Historic and Forecast Avoided Energy Cost Filing*
(cents/kWh)

Year	On Peak	Off Peak	Average		Location	Type
			Day			
2010	2.396	2.396	2.396		AEP Pool Primary Energy	Historical/Actual
2011	2.348	2.348	2.348		AEP Pool Primary Energy	Historical/Actual
2012	2.320	2.320	2.320		AEP Pool Primary Energy	Historical/Actual
2013	2.689	2.689	2.689		AEP Pool Primary Energy	Historical/Actual
2014	5.504	3.579	4.476		PJM LMP	Historical/Actual
2015	3.827	2.715	3.235		PJM LMP	Historical/Actual
2016	3.321	2.383	2.819		PJM LMP	Historical/Actual
2017	3.437	2.555	2.964		PJM LMP	Historical/Actual
2018	4.149	3.066	3.571		PJM LMP	Historical/Actual
2019	3.238	2.392	2.786		PJM LMP	Historical/Actual
2020	2.856	2.337	2.596		PJM LMP	Forecast/Estimate
2021	2.816	2.298	2.557		PJM LMP	Forecast/Estimate
2022	2.890	2.372	2.631		PJM LMP	Forecast/Estimate
2023	2.998	2.471	2.735		PJM LMP	Forecast/Estimate
2024	3.107	2.563	2.835		PJM LMP	Forecast/Estimate
2025	3.204	2.646	2.925		PJM LMP	Forecast/Estimate

* 807 KAR 5:054, Section 5(2)(a) requires a reporting electric utility to estimate avoided cost of energy for various levels of purchases, on a seasonal basis, from qualifying facilities. Due to Kentucky Power's participation in the AEP Pool between 2010 and 2013 and its membership in PJM Interconnection, LLC since 2014, the Company's actual avoided cost of energy for the period 2010 through 2019 was, and its forecasted avoided cost of energy through 2025 is expected to be, the same regardless of purchase transaction size or season.

**Kentucky Power Company
2020 Avoided Energy Cost Filing
Plans for and Cost of Additional Capacity**

Year	Unit Added	Rating (MW)	Unit Type	Capacity Cost (\$/kW)	Fuel Cost (cent/kWh)
2020					
2021					
2022					
2023					
2024					
2025					
2026					
2027					
2028					
2029					