

Kentucky Power Company  
KPSC Case No. 2020-00174  
Sierra Club Second Set of Data Requests  
Dated September 16, 2020  
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**DATA REQUEST**

- SC\_2\_003** In reference to KPC response to SC\_1\_008, including its statement in response to part (b) that “On a daily basis, AEPSC Commercial Operations conducts a review that incorporates a variety of information including, but not limited to, Mitchell unit availability, market price expectations, compliance testing requirements and contractual constraints of the plant’s fuel supply. From this review, AEPSC Commercial Operations determines the commitment status of each unit for the next market day.”:
- a. Please provide any memoranda or other documents that KPC may possess or have access to that sets out the general procedure involved, factors considered, weight given to each factor, in that “review” to which KPC was referring. If no such documents setting out the general procedure exist, please state so explicitly. (Sierra Club’s request for documents in its Initial Data Request 8(b)—“... Please also provide any documents that may exist that define or reflect the foregoing.”—already encompassed this instant request, and KPC provided no documents in response.)
  - b. In light of the above-cited response, coupled with the component of Sierra Club’s initial request seeking clarification on the role of Wheeling Power in the decision- making process behind Mitchell’s commitment, please clarify whether AEPSC Commercial Operations has exclusive authority to “determine[] the commitment status of each unit for the next market day,” or instead whether Wheeling Power has some role in making the decision, providing input (even if non-dispositive); and if the latter, please explain.
  - c. Please identify the commitment mode/status in PJM (e.g., self-committed/self- scheduled, economic/market commitment, etc.) of each Mitchell unit for each day of the test year period.
  - d. To the extent not already described in any documents that KPC may produce in response to (a) above (and if they are, provide, in response to the below, specific citations to such documents):
    - i. Please describe AEPSC Commercial Operations’ process for determining whether to self-schedule a Mitchell unit in the day-ahead energy market at the unit’s minimum operating level and allow the unit to dispatch economically above the minimum level.
    - ii. Please describe AEPSC Commercial Operations’ process for determining whether to economically dispatch a generator in the day-ahead energy market.

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- iii. Please identify and explain all factors, both quantitative and qualitative, that AEPSC Commercial Operations considers in its unit commitment decision-making process.
- iv. Please indicate whether the AEPSC Commercial Operations performs economic analyses to inform its unit-commitment decisions for Mitchell.
  - 1. If not, explain why not.
  - 2. If so:
    - a. Provide all such analyses conducted during the test year period in native, machine readable format.
    - b. Identify each category of cost and revenue accounted for in such analyses.
    - c. Identify whether such analyses are conducted differently for periods immediately preceding or following unit outages, and explain any differences.
    - d. Please indicate the timeframe over which AEPSC Commercial Operations evaluates whether a unit's commitment decision maximizes a unit's economic value to customers.
- v. Please provide all memoranda, reports, presentations, correspondence, or other documents created for, or during, the test year period that discuss the AEPSC Commercial Operations unit-commitment and dispatch practices, strategies, and outcomes, as may pertain to Mitchell.

**RESPONSE**

- a. The Company objects to this subpart of the request on the grounds and to the extent that the request is overly broad and unduly burdensome, particularly to the extent that the questions requests "any" memoranda or documents that the Company "may possess or have access to". Furthermore, PJM has provided rules governing participation in its energy markets via PJM Manual 11 and further clarified the cost-based offer requirements in PJM Manual 15, both of which are available at PJM.com. AEPSC Commercial Operations operates within these established rules.
- b. AEPSC Commercial Operations is the final authority that determines the commitment status for each available generating unit for the next market day.

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- c. Please see the Company's response to Staff 5-06 for the requested information.
  
- d.
  - i. On a daily basis, a six-day estimate of potential margins is prepared and reviewed by AEPSC Commercial Operations. From this review, the commitment status of every unit is reviewed and determined for the next market day.
  
  - ii. See the Company's response to subpart i above.
  
  - iii. The Company objects to this subpart of the request on the grounds and to the extent that the request is overly broad and unduly burdensome, particularly to the extent that it requests "all" factors. Subject to and without waiving this objection, the Company states, when considering the commitment status of the Mitchell units, the variable costs of the unit are considered versus the forecasted LMP to determine potential margins. Other factors considered for unit commitment include start-up costs safely managing fuel inventories, evaluating contractual commitments, mandatory environmental or NERC/RTO capability required testing and the safe operation of the asset and all employees.
  
  - iv. See the Company's response to subpart i above.
    - i. Not applicable.
    - ii. The Company objects this subpart of the request on the grounds and to the extent the request is overly broad and unduly burdensome, particularly to the extent that the question requests "all" analyses. Kentucky Power further objects to the request as requiring the creation of information in a form that it does not currently exist, and as imposing an obligation that is unduly burdensome and not reasonably calculated to lead to the discovery of admissible evidence. In support of this objection, the Company states that each daily analysis is a separate workbook that encompasses an analysis for all AEP units within PJM. To provide the requested information for the Mitchell plant, each daily workbook would need to be scrubbed by removing non-responsive information. This process would require considerable man-hours and a customized program for this case. Further, the data is stale the minute it is produced because AEP Commercial Operations constantly incorporates changes in load expectations, LMP forecasts, etc. The daily analyses are not updated every time one of

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those variables changes. They provide a snapshot in time that is used as a starting point for the unit bids that are ultimately submitted to PJM.

- v. The Company objects to this subpart of the request on the basis that the request is overly broad, unduly burdensome, and is not reasonably calculated to lead to the discovery of admissible evidence.

**October 9, 2020 Supplemental Response**

a. The Company objects to this subpart of the request on the grounds and to the extent that the request is overly broad and unduly burdensome, particularly to the extent that the questions requests “any” memoranda or documents that the Company “may possess or have access to”. Subject to and without waiving the foregoing objections, the Company states: PJM has provided rules governing participation in its energy markets via PJM Manual 11 and further clarified the cost-based offer requirements in PJM Manual 15, both of which are available at PJM.com. AEPSC Commercial Operations operates within these established rules. The Company has no additional documents responsive to this request. Besides the publicly-available PJM manuals identified above, the only documents in the Company’s possession regarding “the general procedure involved, factors considered, [or] weight given to each factor” merely provide instructions to employees regarding how to enter or update data and are not documents that set out a general policy or procedure.

b. AEPSC Commercial Operations is the final authority that determines the commitment status for each available generating unit for the next market day.

c. Please see the Company's response to Staff 5-06 for the requested information.

d.

i. On a daily basis, a six-day estimate of potential margins is prepared and reviewed by AEPSC Commercial Operations. From this review, the commitment status of every unit is reviewed and determined for the next market day.

ii. See the Company’s response to subpart i above.

iii. The Company objects to this subpart of the request on the grounds and to the extent that the request is overly broad and unduly burdensome, particularly to the extent that it requests “all” factors. Subject to and without waiving this objection, the Company states, when considering the commitment status of the Mitchell units, the

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variable costs of the unit are considered versus the forecasted LMP to determine potential margins. Other factors considered for unit commitment include start-up costs safely managing fuel inventories, evaluating contractual commitments, mandatory environmental or NERC/RTO capability required testing and the safe operation of the asset and all employees.

iv. See the Company's response to subpart i above.

i. Not applicable.

ii. The Company objects this subpart of the request on the grounds and to the extent the request is overly broad and unduly burdensome, particularly to the extent that the question requests "all" analyses. Kentucky Power further objects to the request as requiring the creation of information in a form that it does not currently exist, and as imposing an obligation that is unduly burdensome and not reasonably calculated to lead to the discovery of admissible evidence. In support of this objection, the Company states that each daily analysis is a separate workbook that encompasses an analysis for all AEP units within PJM. To provide the requested information for the Mitchell plant, each daily workbook would need to be scrubbed by removing non-responsive information. This process would require considerable man-hours and a customized program for this case. Further, the data is stale the minute it is produced because AEP Commercial Operations constantly incorporates changes in load expectations, LMP forecasts, etc. The daily analyses are not updated every time one of those variables changes. They provide a snapshot in time that is used as a starting point for the unit bids that are ultimately submitted to PJM. Subject to and without waiving the foregoing objections, the Company states: Please see [KPCO\\_R\\_SC\\_2\\_3\\_ConfidentialAttachment1](#) through [KPCO\\_R\\_SC\\_2\\_3\\_ConfidentialAttachment61](#).

v. The Company objects to this subpart of the request on the basis that the request is overly broad, unduly burdensome, and is not reasonably calculated to lead to the discovery of admissible evidence. Subject to and without waiving the foregoing objections, the Company states: Please see the Company's responses to KPSC 5-6 and 5-7 for the Company's analysis of market outcomes. The Company has no additional documents responsive to this request.

Witness: Jason M. Stegall

KPCO\_SR\_SC\_2\_3\_ConfidentialAttachment1 through  
KPCO\_SR\_SC\_2\_3\_ConfidentialAttachment61 are redacted in their entirety.



### Stegall\_KY Discovery Verification.docx

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#### E-Signature Summary

**E-Signature 1: Jason Stegall (JMS)**

October 07, 2020 12:11:36 -8:00 [67E9729C2825] [167.239.221.84]  
jmstegall@aep.com (Principal) (Personally Known)

**E-Signature Notary: Sarah Smithhisler (SRS)**

October 07, 2020 12:11:36 -8:00 [D73C1BF49362] [167.239.2.87]  
srsmithhisler@aep.com  
I, Sarah Smithhisler, did witness the participants named above electronically sign this document.



VERIFICATION

The undersigned, Jason M. Stegall, being duly sworn, deposes and says he is a Manager-Regulatory Pricing & Analysis for American Electric Power Service Corporation that he has personal knowledge of the matters set forth in the forgoing responses and the information contained therein is true and correct to the best of his information, knowledge and belief after reasonable inquiry.

  
Signed on 2020/10/07 12:11:38 -8:00

Jason M. Stegall

STATE OF OHIO

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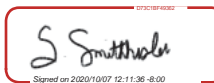
) Case No. 2020-00174

COUNTY OF FRANKLIN

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Subscribed and sworn to before me, a Notary Public in and before said County and State, by Jason M. Stegall, this 7th day of October, 2020.



  
Signed on 2020/10/07 12:11:38 -8:00

Notary Public

Notary ID Number: 2019-RE-775042

