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COMMONWEALTH OF KENTUCKY
BEFORE THE KENTUCKY PUBLIC SERVICE COMMISSION

In the Matter of:

ELECTRONIC 2020 INTEGRATED)	Case No.
RESOURCE PLAN OF BIG RIVERS)	2020-00299
ELECTRIC CORPORATION		

**BIG RIVERS ELECTRIC CORPORATION’S RESPONSE
TO THE STAFF’S REPORT AND POST-HEARING COMMENTS**

Comes Big Rivers Electric Corporation (“Big Rivers”), by counsel, and respectfully files this response to the Commission Staff’s Report on Big Rivers’ 2020 Integrated Resource Plan (“IRP” or “2020 IRP”); post-hearing comments filed by Sierra Club; and public comments filed by Southern Renewable Energy Association (“SREA”), both dated January 31, 2022.

I. The Staff Report

Big Rivers has reviewed the *Staff Report on the 2020 Integrated Resource Plan of Big Rivers Electric Corporation, November 2021* contained in the appendix to the Commission’s order, dated November 22, 2021. Big Rivers appreciates the Commission’s feedback on its 2020 IRP and has no substantive comments on the report. Big Rivers will respond to the Commission Staff’s recommendations in its next IRP.

21 **II. Sierra Club’s Post-Hearing Comments**

22 Sierra Club reiterates its Initial Comments filed September 9, 2021,
23 regarding Big Rivers’ evaluation of certain resources, specifically a new gas
24 combined cycle unit at its Sebree Station¹ or Kenneth C. Coleman Station and the
25 continued generation at its D.B. Wilson Station (“Wilson Station”).² Big Rivers
26 reiterates and incorporates its response to Sierra Club’s initial comments that was
27 filed September 30, 2021.³

28 Additionally, Sierra Club recommends that Big Rivers consider “the analysis
29 and results of alternative methodologies for valuing DSM,” including “using
30 alternative assumptions about, or inputs for, avoided capacity value.”⁴ Big Rivers
31 appreciates Sierra Club’s acknowledgement of its “thoughtful responses and
32 discussion” during this proceedings and its efforts on DSM.⁵ Big Rivers will
33 continue to evaluate the appropriate resources needed to provide safe, affordable,
34 and reliable power to meet our Members’ long-term needs, including any Demand
35 Side Management (“DSM”) programs that become cost-effective.

¹ “Sebree Station” is the site of Big Rivers’ R.D. Green Plant and Robert A. Reid Plant, as well as Henderson Municipal Power & Light’s Station Two.

² See Sierra Club’s Initial Comments on Big Rivers’ 2020 Integrated Resource Plan (“*Sierra Club’s Comments*”) (filed Sept. 9, 2021) and Sierra Club’s Post Hearing Comments on Big Rivers’ 2020 Integrated Resource Plan and the Staff Report at pp. 1-2 (“*Sierra Club’s Post-Hearing Comments*”) (filed Jan. 31, 2022).

³ See Big Rivers Electric Corporation’s Response to Comments at pp. 4-5 (filed Sept. 30, 2021).

⁴ Sierra Club’s Post Hearing Comments at p. 2.

⁵ See *id.* at p.3.

36 Finally, Sierra Club “urges skepticism by Big Rivers as well as the
37 Commission on future contracts to support cryptocurrency ‘mining’.”⁶ Sierra Club’s
38 opinion of this industry contrasts with the Kentucky General Assembly policy of
39 encouraging the use and growth of blockchain technology in the Commonwealth.⁷
40 These two differing positions exemplify sometimes strikingly different opinions on
41 what benefits “customers at large.”⁸ Big Rivers will continue to negotiate utility
42 service contracts that are in its Members’ best interest.

43 Big Rivers rejects Sierra Club’s implication that any utility service contract
44 would or could work to “prop up otherwise uneconomical generation that otherwise
45 would have been retired for the benefit of customers at large.”⁹ Big Rivers’
46 decisions to keep or add a generating resource are supported by multiple factors,
47 none of which is a desire to keep uneconomical generation. For example, Big Rivers’
48 planning objectives guiding its 2020 IRP process included:

- 49 • Maintain a current and reliable load forecast,
- 50 • Provide competitively priced power to its Members,
- 51 • Maximize reliability while ensuring safety, minimizing costs, risks,
52 and environmental impacts,

⁶ See Sierra Club’s Post Hearing Comments at p. 2.

⁷ See the Recitals of House Bill 230 (Effective July, 2021) at <https://apps.legislature.ky.gov/law/acts/21RS/documents/0122.pdf>; Senate Bill 255 (Effective July 2021) at <https://apps.legislature.ky.gov/law/acts/21RS/documents/0141.pdf>.

⁸ See *In the Matter of: Joint Special Contract Filing of Big Rivers’ Electric Corporation and Jackson Purchase Energy Corporation*, Direct Testimony of Mark J. Eacret at pp. 9-10 (filed June 21, 2021).

⁹ See Sierra Club’s Post Hearing Comments at p. 3.

72 renewable energy in the south.”¹² They fail to consider the real-world constraints
73 of intermittent resources or the best interest of Big Rivers’ Members. On the other
74 hand, Big Rivers’ diversified resource plan¹³ balances the benefits of renewable
75 resources with the risks associated with realistic concerns, including those
76 expressed in the Attorney General’s Comments:

77 (1) Kentucky’s climate does not provide adequate wind
78 and solar capacity to make large-scale, rapid adoptions of
79 renewable resources cost-effective for utility ratepayers;
80 (2) The intermittent nature of renewable supply-side
81 resources carry reliability risks; and (3) the Commission’s
82 IRP regulations do not require Kentucky’s electric
83 generating utilities to factor-in costs of additional
84 transmission capacity that are frequently necessary to
85 wheel out-of-state power into the utilities’ respective
86 service territories.¹⁴

87
88 Big Rivers’ 2023 IRP will include a robust evaluation of all viable resource options
89 and will fully and fairly evaluate all viable resource options for providing an
90 adequate and reliable supply of electricity to meet its forecasted electricity
91 requirements at the lowest possible cost.¹⁵ Big Rivers disputes SREA’s opinions in
92 regards to the adequacy of its IRP and declines its request to re-run the IRP
93 analysis.¹⁶ Big Rivers will remain open to any reliable, relevant, and current

¹² *Id.* at p. 1.

¹³ See Big Rivers’ Response to the Office of the Attorney General’s Initial Data Requests, Item 1 (Mar. 19, 2021) (“Big Rivers’ 2013 resource mix included 87% reliance on coal, while Big Rivers’ portfolio in 2024 will include hydro, gas, solar, and only a 31% reliance on coal.”)

¹⁴ See The Attorney General’s Comments to Big Rivers’ 2020 IRP at pp. 3-4. (filed Sept. 3, 2021)

¹⁵ See 807 KAR 5:058 (“The [IRP] shall include the utility’s resource assessment and acquisition plan for providing an adequate and reliable supply of electricity to meet forecasted electricity requirements at the lowest possible cost.”)

¹⁶ See Post-hearing Comments of the Southern Renewable Energy Association at p. 5.

94 information that may be helpful in its regular review of resource options, as well as
95 its next IRP filing.

96 **IV. Conclusion**

97 Big Rivers appreciates the Commission’s Staff work and recommendations, as
98 well as the Commissioners’ input and feedback during this proceeding. Big Rivers
99 thanks the Attorney General and Sierra Club for their respective comments and
100 agrees with Sierra Club that the efforts of the parties during the course of this case
101 have been productive.

102 As Big Rivers’ 2020 IRP complies with 807 KAR 5:058, the Sierra Club’s and
103 SREA’s criticisms and recommendations should be rejected. The period for
104 comments has expired.

105 Wherefore, Big Rivers respectfully asks the Commission to issue an order
106 setting the date for Big Rivers’ next IRP filing, closing this case, and removing it
107 from the Commission’s docket. In accordance with 807 KAR 5:058, Big Rivers will
108 respond to the Commission Staff’s recommendations in its next IRP filing.

109 On this the 11th day of February, 2022.

110 Respectfully submitted,

111

112 */s/ Tyson Kamuf*

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114 _____
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