

COMMONWEALTH OF KENTUCKY  
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

ELECTRONIC 2022 INTEGRATED RESOURCE PLAN ) CASE NO. 2022-00098  
OF EAST KENTUCKY POWER COOPERATIVE, INC. )

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**ATTORNEY GENERAL’S COMMENTS**

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The Attorney General of the Commonwealth of Kentucky, through his Office of Rate Intervention (“Attorney General”), submits the following comments regarding the East Kentucky Power Cooperative, Inc.’s (hereinafter “EKPC” or the “Company”) 2022 Integrated Resource Plan (“IRP”) in the above-styled matter.

**I. INTRODUCTION**

EKPC is a not-for-profit, member-owned generation and transmission cooperative located in Winchester, Kentucky.<sup>1</sup> Although EKPC does not directly serve any retail customers, the Company provides electricity to 16 owner-member distribution cooperatives<sup>2</sup> with more than 550,000 meters at homes, farms, and businesses in 87 Kentucky counties.<sup>3</sup> EKPC has a diverse mix of energy generation resources including coal, natural gas, landfill gas, solar, and hydroelectric power.<sup>4</sup> More specifically, EKPC owns and operates coal-fired generation at the John Sherman Cooper Station (“Cooper”)

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<sup>1</sup> EKPC’s 2022 Integrated Resource Plan at 1.

<sup>2</sup> Owner-member distribution cooperatives served by EKPC include the following: Big Sandy Rural Electric Cooperative (“RECC”), Blue Grass Energy Cooperative, Clark Energy Cooperative, Cumberland Valley Electric, Farmers RECC, Fleming-Mason Energy Cooperative, Grayson RECC, Inter-County Energy Cooperative, Jackson Energy Cooperative, Licking Valley RECC, Nolin RECC, Owen Electric Cooperative, Salt River Electric Cooperative, Shelby Energy Cooperative, South Kentucky RECC, Taylor County RECC.

<sup>3</sup> EKPC’s 2022 Integrated Resource Plan at 1.

<sup>4</sup> *Id.* at 2 – 3.

in Pulaski County (341 MW) and the Hugh L. Spurlock Station (“Spurlock”) in Mason County (1,346 MW).<sup>5</sup> The Company owns and operates gas-fired generation at the J.K. Smith Station (“Smith”) in Clark County (989 MW winter rating) and Bluegrass Generation Station (“Bluegrass”) in Oldham County (567 MW winter rating).<sup>6</sup> EKPC also owns and operates landfill gas to energy renewable generation facilities in Boone County (4.6 MW), Laurel County (3.0 MW), Barren County (0.9 MW), Greenup County (2.3 MW), Hardin County (2.3 MW), and Pendleton County (3.0 MW).<sup>7</sup> The Company further owns a solar generation facility in Clark County (8.5 MW).<sup>8</sup> EKPC purchases 170 MW of hydroelectric power from the Southeastern Power Administration (“SEPA”) on a long-term basis, which is generated from the Cumberland River hydroelectric power system.<sup>9</sup> In total, EKPC owns and/or purchases 3,438 MW (winter rating) or 3,136 MW (summer rating) of generation.<sup>10</sup> The Company operates within the PJM Interconnection, Inc. (“PJM”), which has more than 180,000 MW of generation capacity.<sup>11</sup>

In the pending IRP, the Company indicates that a 225 MW Simple Cycle Combustion turbine may be necessary by 2032 for peaking/intermediate capacity.<sup>12</sup> EKPC also asserts that it expects to utilize Power Purchase Agreements (“PPAs”) to cover future winter needs as a hedge against energy price exposure, and solar PPAs to meet its sustainability goals on an economic basis.<sup>13</sup>

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<sup>5</sup> *Id.* at 1.

<sup>6</sup> *Id.*

<sup>7</sup> *Id.*

<sup>8</sup> *Id.*

<sup>9</sup> *Id.* at 2.

<sup>10</sup> *Id.*

<sup>11</sup> *Id.*

<sup>12</sup> *Id.* at 25; EKPC’s response to the Attorney General’s First Request for Information (“Attorney General’s First Request”), Items 13(a) – (d).

<sup>13</sup> EKPC’s 2022 Integrated Resource Plan at 8.

## II. RELIABILITY AND AFFORDABILITY OF THE ELECTRIC GRID

The Commission's stated mission, in part, is to foster the provision of *reliable* service at a *reasonable price* to the customers.<sup>14</sup> Further, Kentucky law requires that a utility's IRP, "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."<sup>15</sup> Therefore, the Attorney General respectfully requests the Commission afford considerable weight to ensuring the reliability of energy supply and the reasonableness of rates in any decision on EKPC's pending IRP case.

The Attorney General is concerned with both the reliability and affordability of the electric grid. Utilities across the country are prematurely shuttering fossil fuel baseload generation resources that provide continuous electricity for customers, and instead rapidly adopting renewable generation resources which, in the case of wind and solar, only provide intermittent electricity. These actions are creating serious reliability issues for the future of the electric grid and stranding costs of the prematurely closed fossil fuel generation resources, which are borne by ratepayers.

The intermittent nature of renewable resources such as wind and solar inherently carries reliability risks. Renewable generation cannot be dispatched when the sun is not shining, and the wind is not blowing. Currently, cost-effective battery capacity for wind and solar generation does not exist. Thus, as more and more dispatchable baseload generation plants fueled by coal and natural gas are prematurely shuttered and replaced by non-dispatchable intermittent generation, the reliability of the electric grid significantly

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<sup>14</sup> <https://psc.ky.gov/Home/About#AbtComm>; KRS 278.040; KRS 278.030 (emphasis added).

<sup>15</sup> 807 KAR 5:058, Section 8(1) (emphasis added).

decreases.<sup>16</sup> Additionally, Kentucky’s climate is not adequate for wind or solar capacity to make rapid adoption of renewable resources cost-effective for utility ratepayers.

In the pending IRP case, EKPC appears to share the Attorney General’s reliability and affordability concerns with the electric grid. The Company correctly states that the current path of decarbonization, “is to force retirement of conventional resources through stricter and stricter environmental regulations with little regard to how reliability of the grid will be maintained or how those decisions will impact consumers.”<sup>17</sup> EKPC asserts that it is, “concerned about [the] future reliability of the interconnected electric system and believes that conventional generation resources will continue to be required to facilitate the transition to renewable and low/no carbon emitting resources.”<sup>18</sup> The conventional generation EKPC refers to as being required to maintain reliability is fossil fuel generation (*e.g.*, coal, natural gas, and oil).<sup>19</sup> The Company states that it believes the electric grid can and will transition to newer and cleaner technologies, but prematurely closing fossil fuel plants will cause disruption and add expense to the electric grid.<sup>20</sup> EKPC concludes that it is not prudent to prematurely retire conventional resources until adequate renewables are installed, battery technology matures, and these resources prove they can supply the real time energy for system reliability at a reasonable cost.<sup>21</sup> The Company asserts that other areas of the country that have prematurely retired their fossil fuel resources are now facing

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<sup>16</sup>Even in States that embrace the rush to renewable generation, such as New York, the New York Independent System Operator’s (“NYISO”) recent outlook report is raising the alarm about the unprecedented level of investment needed to meet New York’s climate agenda goals and the need for fossil fuel generation to keep the system reliable. *See* “2021-2040 System & Resource Outlook (The Outlook),” September 22, 2022, accessible at: <https://www.nyiso.com/documents/20142/33384099/2021-2040-Outlook-Report.pdf/a6ed272a-bc16-110b-c3f8-0e0910129ade?t=1663848567361>.

<sup>17</sup> EKPC’s response to the Attorney General’s First Request, Item 3(c).

<sup>18</sup> EKPC’s 2022 Integrated Resource Plan at 2.

<sup>19</sup> *Id.*; EKPC’s response to the Attorney General’s First Request, Item 1(c).

<sup>20</sup> EKPC’s response to the Attorney General’s First Request, Item 1(a).

<sup>21</sup> *Id.*

self-inflicted reliability issues.<sup>22</sup> These issues are the direct result of a lack of adequate supply-side resources when non-dispatchable renewable resources cannot provide energy during critically high load periods.<sup>23</sup> Hence, EKPC affirms that it does not plan to prematurely retire fossil fuel plants that are compliant with environmental regulations and necessary to provide reliable service to the customers.<sup>24</sup>

According to EKPC, it has expressed concerns to federal policymakers that any overly aggressive timeframe for renewable integration into the electric grid greatly jeopardizes the ability to provide reliable power.<sup>25</sup> As one example, EKPC’s President and CEO Anthony “Tony” Campbell raised concerns regarding the electric grid’s reliability issues in his letter to President Biden by stating that, “the reliability of the U.S. power grid may be compromised if policy-makers do not navigate the evolution in the generation portfolio carefully, especially as policies carry us farther from conventional generation technologies.”<sup>26</sup> He went on to assert that, “[t]he emerging picture is of an electric grid that is steadily becoming less fuel secure... I am concerned the U.S. is moving toward a grid featuring reliability similar to California’s, one that is over-reliant on intermittent energy resources, voluntary service curtailments and imports from other regions.”<sup>27</sup> Mr. Campbell concluded that when those tools fail to close the gap, the result is an electric grid that is

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<sup>22</sup> *Id.* at Item 3(c). See “California says it needs more power to keep the lights on,” May 6, 2022, accessible at: <https://www.reuters.com/world/us/california-says-it-needs-more-power-keep-lights-2022-05-06/>; See “California’s grid manager warns of rolling blackouts tonight,” September 6, 2022, accessible at: <https://www.sandiegouniontribune.com/business/energy-green/story/2022-09-06/tuesday-grid-conditions>.

<sup>23</sup> EKPC’s response to the Attorney General’s First Request, Item 3(c).

<sup>24</sup> *Id.*

<sup>25</sup> EKPC’s 2022 Integrated Resource Plan at 36.

<sup>26</sup> EKPC President and CEO Anthony “Tony” Campbell’s Letter to President Biden, July 13, 2021, [https://togetherwesaveky.com/wp-content/uploads/2022/07/2021-07-13\\_TCampbell-to-President-Biden.pdf](https://togetherwesaveky.com/wp-content/uploads/2022/07/2021-07-13_TCampbell-to-President-Biden.pdf).

<sup>27</sup> *Id.*; See “Why California’s Climate Policies are Causing Electricity Blackouts,” August 15, 2020, accessible at: <https://www.forbes.com/sites/michaelshellenberger/2020/08/15/why-californias-climate-policies-are-causing-electricity-black-outs/?sh=bf90ca51591a>.

subject to rolling blackouts, as California learned in the summer of 2020.<sup>28</sup> It is important to note that California is still struggling with potential rolling blackouts in 2022.<sup>29</sup> In fact, the California Independent System Operator (“ISO”) has issued multiple alerts this year asking customers to set thermostats to 78 degrees or higher, avoid charging electric vehicles, avoid using major appliances, and to turn off all unnecessary lighting.<sup>30</sup>

Mr. Campbell further joined Mr. Robert Berry, President and CEO of Big Rivers Electric Corporation, in publishing an Op-Ed concerning reliability and affordability of the electric grid.<sup>31</sup> They state that, “[i]n recent months, electric utility customers across the U.S. have received a shock as they opened their monthly electric power bills.<sup>32</sup> The high costs they are experiencing are largely the result of years of unsound government energy policies, which have cut options to fuel reliable energy.”<sup>33</sup> The Op-Ed goes on to assert that U.S. policymakers have enthusiastically incentivized solar and wind generators, even though the operating characteristics of those technologies do not match up with our country’s energy needs.<sup>34</sup> Mr. Campbell and Mr. Berry state that when, “solar and wind resources do not perform – an occurrence as predictable as the sun setting and the seasons changing – energy producers must turn to reliable 24/7/365 thermal energy resources.”<sup>35</sup>

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<sup>28</sup> *Id.*

<sup>29</sup> See “California says it needs more power to keep the lights on,” May 6, 2022, accessible at: <https://www.reuters.com/world/us/california-says-it-needs-more-power-keep-lights-2022-05-06/>; See “California’s grid manager warns of rolling blackouts tonight,” September 6, 2022, accessible at: <https://www.sandiegouniontribune.com/business/energy-green/story/2022-09-06/tuesday-grid-conditions>.

<sup>30</sup> See “Summary of Restricted Maintenance Operations, Flex Alerts, Transmission and Energy Emergencies Issued from May 2022 to Present,” available at: <http://www.caiso.com/Documents/Grid-Emergencies-History-Report-1998-Present.pdf>; See Actual Flex Alerts from August 2020 to Present: <https://www.flexalert.org/news>.

<sup>31</sup> “Op-Ed: High electric bills are result of years of unsound energy policies,” July 6, 2022, accessible at: <https://www.lanereport.com/157403/2022/07/op-ed-high-electric-bills-are-result-of-years-of-unsound-energy-policies/>

<sup>32</sup> *Id.*

<sup>33</sup> *Id.*

<sup>34</sup> *Id.*

<sup>35</sup> *Id.*

For large-scale energy production, that means natural gas, coal and nuclear.”<sup>36</sup> The Op-Ed avers that when facing continuously stricter regulations and price competition from heavily subsidized renewable resources, coal and nuclear plants are increasingly being driven into retirement.<sup>37</sup> The Attorney General agrees with Mr. Campbell and Mr. Berry’s conclusion in their Op-Ed that an “all-of-the-above” approach utilizing coal, natural gas, solar, hydroelectric power, etc. is required to maintain a reliable and cost-effective electric grid.<sup>38</sup>

In discovery responses, EKPC asserts that the North American Electric Reliability Corp. (“NERC”), a not-for-profit regulatory authority whose mission is to assure the reliability of the bulk power system, has cautioned that the premature retirement of fossil and nuclear-fueled baseload generators could result in reliability impacts.<sup>39</sup> More specifically, NERC issued a long-term grid reliability report in December 2021, which contends that governmental policies to reduce carbon emissions are among the factors increasing the risks to grid reliability.<sup>40</sup> The NERC report identifies reliability risks and capacity shortfalls stemming from premature fossil fuel generation retirements with no ready replacement.<sup>41</sup> The report states that, “[e]nergy risks emerge when variable energy resources (VER) like wind and solar are not supported by flexible resources that include sufficient dispatchable, fuel-assured, and weatherized generation.”<sup>42</sup> NERC’s cautionary

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<sup>36</sup> *Id.*

<sup>37</sup> *Id.*

<sup>38</sup> *Id.*

<sup>39</sup> EKPC’s response to the Attorney General’s Second Request for Information (“Attorney General’s Second Request”), Item 8.

<sup>40</sup>NERC’s 2021 Long-term Reliability Assessment, December 2021 at 5: [https://www.nerc.com/pa/RAPA/ra/Reliability%20Assessments%20DL/NERC\\_LTRA\\_2021.pdf](https://www.nerc.com/pa/RAPA/ra/Reliability%20Assessments%20DL/NERC_LTRA_2021.pdf)

<sup>41</sup>*Id.*

<sup>42</sup>*Id.*

warnings also continue throughout their recent “2022 State of Reliability” report issued in July 2022.<sup>43</sup>

Similarly, the CEO of NERC, Jim Robb, stated in a recent interview that the, “progression of riskier outlooks for the electric grid,” is partly due to the transformation of the grid causing, “a disorderly retirement of older generation, which is happening too quickly.”<sup>44</sup> Mr. Robb goes on to state that the electric grid needs to balance reliability, affordability, and its environmental impact, and it is problematic if one of these three dimensions are overemphasized, instead of recognizing that they all need to be working in tandem.<sup>45</sup>

The National Rural Electric Cooperative Association’s (“NRECA”) CEO Jim Matheson also expressed concerns with the reliability and affordability of the electric grid, stating that, “[t]ransitioning to a lower-carbon electric grid will place electric reliability at risk unless there is sufficient always-available generation and infrastructure to support the nation’s growing electricity demand.”<sup>46</sup> He asserts that in order to lower the overall carbon footprint in this country, more electrification will be needed, which means, “[w]e need to be making a lot more electricity, but instead, we are reducing our capacity with the

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<sup>43</sup> One such example of the cautionary warnings by NERC in their report: “Until storage technology is fully developed and deployed at scale, natural-gas-fired generation will remain a necessary balancing resource to provide increasing flexibility needs. Resource planning and policy decisions must ensure that sufficient balancing resources are developed and maintained for reliability. See “2022 State of Reliability,” July 2022, accessible: [https://www.nerc.com/pa/RAPA/PA/Performance%20Analysis%20DL/NERC\\_SOR\\_2022.pdf](https://www.nerc.com/pa/RAPA/PA/Performance%20Analysis%20DL/NERC_SOR_2022.pdf) at pages 26 - 27.

<sup>44</sup>Matter of Fact with Soledad O’Brien, June 26, 2022, accessible at: <https://www.matteroffact.tv/heat-waves-put-strain-on-american-power-grids/>

<sup>45</sup> *Id.*

<sup>46</sup>“Matheson: Grid Reliability Must Be Top Priority as Nation Reduces Carbon,” September 21, 2022, accessible at: [https://www.electric.coop/nreca-ceo-a-reliable-grid-requires-more-always-available-generation](https://www.electric.coop/matheson-grid-reliability-must-be-top-priority-as-nation-reduces-carbon#:~:text=Congress%20and%20other%20policymakers%20should%20focus%20on%20grid,of%20energy.%20%28Photo%20By%3A%20Yaya%20Ernst%2FGetty%20Images%29%20Matheson; “NRECA CEO: A Reliable Grid Requires More Always-Available Generation,” October 4, 2022, accessible at: <a href=).



shutdown of power plants.”<sup>47</sup> He further states that although solar and wind power can be an important part of a broader energy portfolio, those resources are only available part of the time.<sup>48</sup> Mr. Matheson concludes that, “[w]ith demand for power sharply increasing, always-available generation – nuclear, natural gas or coal – must remain essential elements of the generation portfolio to ensure a reliable and affordable electricity supply. Intermittent renewables alone will not get the job done.”<sup>49</sup>

Fortunately in the pending IRP case, the Company confirms that it has no plans to prematurely close its dispatchable fossil fuel generation resources, which will assist in maintaining reliable and affordable electric generation for its customers.<sup>50</sup> EKPC states that it can operate the Cooper and Spurlock coal-fired generation plants safely, reliably, and in a cost-effective manner for another twenty to thirty years.<sup>51</sup> EKPC further asserts that the Smith and Bluegrass natural gas generation plants can be operated safely, reliably, and in a cost-effective manner for another fifteen to thirty years.<sup>52</sup> The Company supports its decision to maintain its fossil fuel fleet by explaining that the electric grid is designed to provide large amounts of energy within seconds of load demands changing, with tremendous swings in the amount of energy needed minute by minute.<sup>53</sup> The generation resources that can follow this type of load demand pattern, and quickly ramp up to higher

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<sup>47</sup>“Matheson: Grid Reliability Must Be Top Priority as Nation Reduces Carbon,” September 21, 2022, accessible at: <https://www.electric.coop/matheson-grid-reliability-must-be-top-priority-as-nation-reduces-carbon#:~:text=Congress%20and%20other%20policymakers%20should%20focus%20on%20grid,of%20energy.%20%28Photo%20By%3A%20Yaya%20Ernst%2FGetty%20Images%29%20Matheson>

<sup>48</sup> *Id.*

<sup>49</sup>“NRECA CEO: A Reliable Grid Requires More Always-Available Generation,” October 4, 2022, accessible at: <https://www.electric.coop/nreca-ceo-a-reliable-grid-requires-more-always-available-generation>.

<sup>50</sup> EKPC’s response to the Attorney General’s First Request, Items 1(c) and (d), and 3(c).

<sup>51</sup> EKPC’s response to the Attorney General’s Second Request, Items 42 – 47.

<sup>52</sup> *Id.* at Item 49.

<sup>53</sup> EKPC’s response to the Attorney General’s First Request, Item 1(d).

generation levels, are fossil fuel generation resources.<sup>54</sup> The Company further states that providing energy strictly from non-dispatchable intermittent resources will result in periods of severe under and over supply.<sup>55</sup> EKPC asserts that there may come a time when all of these attributes can be provided by renewable energy and demand management resources, but the, “technology is not here today nor is it on the near-term horizon.”<sup>56</sup>

The Attorney General agrees with EKPC that a well-balanced mix of both dispatchable fossil fuel generation and intermittent renewable generation resources ensures affordable and reliable energy that is essential for Kentuckians. The Attorney General appreciates EKPC’s commitment to continue the economic operation of its fossil fuel generation resources in order to secure electric reliability and affordability for its customers in the present as well as in the future. Moreover, the Attorney General commends EKPC for proposing an IRP that takes an “all-of-the-above” approach to its generation planning, especially when advocating this position can be met with contempt and criticism.

### **III. EKPC’S FORECASTED DECREASED ENERGY SUPPLY**

EKPC filed an IRP Revised Table 8-10 into the record on May 17, 2022 (“Revised Table 8-10”).<sup>57</sup> The Revised Table 8-10 appears to indicate that EKPC is forecasting a decreased energy supply, which is an issue that the Attorney General intends to further explore at the hearing on December 13, 2022. Based upon the Revised Table 8-10, EKPC’s energy requirements are forecasted to increase from 14,421.1 GWh in 2022 to 16,802.3 GWh in 2036.<sup>58</sup> However, during that same period EKPC is forecasting a substantial

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<sup>54</sup> *Id.*

<sup>55</sup> *Id.*

<sup>56</sup> *Id.*

<sup>57</sup> EKPC’s 2022 Integrated Resource Plan at 174, Revised Table 8-10, accessible at: <https://psc.ky.gov/pscecf/2022-00098/jessica.fitch-snedegar%40ekpc.coop/05172022031055/174.pdf>.

<sup>58</sup> *Id.*

decrease in the Company's total energy generation production from 13,166.2 GWh in 2022 down to 10,710.5 GWh in 2036.<sup>59</sup> Even when including the forecasted purchased energy with the forecasted total energy generation produced by EKPC there is still a significant decrease of energy supply from 13,603 GWh in 2022 down to 11,146.5 GWh in 2036.<sup>60</sup> In other words, Revised Table 8-10 appears to indicate that EKPC is forecasting to produce and purchase less energy between 2022 and 2036, even though EKPC's forecasted energy requirements are increasing each and every year from 2022 to 2036.<sup>61</sup> Thus, according to the Revised Table 8-10, by 2036 EKPC is forecasting a shortage of 5,655.8 GWh of energy when compared to its forecasted energy requirements of 16,802.3 GWh.<sup>62</sup>

In response to discovery questions concerning the forecasted energy supply shortage, EKPC asserts that it is a member of PJM and as such buys all of its energy from the PJM market and sells all of its generation into the market.<sup>63</sup> The Company states that the generation is dispatched economically, so if EKPC's generation costs less than the market prices, then it will be dispatched to generate, but if it costs more than market prices, then it will not be dispatched.<sup>64</sup> But, the Company also asserts that having its own generation resources set a cap on the maximum amount to be paid for energy through PJM.<sup>65</sup> EKPC asserts that its customers receive the lowest cost energy under this model, and EKPC's energy needs will be met whether or not EKPC is providing the generation.<sup>66</sup> This discovery response seems to indicate that the forecasted energy shortage will be

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<sup>59</sup> *Id.*

<sup>60</sup> *Id.*

<sup>61</sup> *Id.*

<sup>62</sup> *Id.*

<sup>63</sup> EKPC's response to the Attorney General's Second Request, Item 14(d).

<sup>64</sup> *Id.*

<sup>64</sup> *Id.* at Item 38(f)(i).

<sup>65</sup> EKPC's response to the Attorney General's First Request, Item 7(d).

<sup>66</sup> EKPC's response to the Attorney General's Second Request, Item 38(f)(i).

purchased from the PJM energy market, even though these additional purchases are not noted on the Revised Table 8-10.

However, EKPC admits in discovery responses that since the Fall of 2021 market energy prices at PJM have risen, and more often than not, EKPC is able to generate electricity for lower prices than purchasing on the market.<sup>67</sup> Also, EKPC and PJM share responsibility for transmission system planning,<sup>68</sup> so the transmission costs can be higher as a PJM member than as a stand-alone transmission planning entity.<sup>69</sup> Furthermore, there is a growing number of retirements of coal and natural gas-fired generation units within the PJM footprint, and even if PJM is transitioning to intermittent renewable resources at a slower rate than other regional transmission organizations (“RTOs”), EKPC admits that long-term reliability could be impacted if the transition moves forward at a faster rate.<sup>70</sup> Based upon the previously discussed issues and the future uncertainty concerning the reliability and affordability of the electric grid, the Attorney General cautions EKPC of becoming overly reliant upon PJM for its future energy needs.

#### **IV. RECENTLY ENACTED FEDERAL LEGISLATION**

The Infrastructure Investment and Jobs Act was signed into law on November 15, 2021,<sup>71</sup> and in part, provides federal funding to improve energy efficiency and energy infrastructure such as transmission lines.<sup>72</sup> EKPC states that it is currently participating in a working group, led by Kentucky Electric Cooperatives, which is evaluating the opportunities available to electric cooperatives within the Infrastructure Investment and

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<sup>67</sup> EKPC’s response to the Attorney General’s First Request, Item 7(d).

<sup>68</sup> EKPC’s 2022 Integrated Resource Plan at 124.

<sup>69</sup> EKPC’s response to the Attorney General’s First Request, Item 29.

<sup>70</sup> *Id.* at Item 1(b).

<sup>71</sup> CONGRESS.GOV, H.R. 3684 – Infrastructure Investment and Jobs Act, accessible at: <https://www.congress.gov/bill/117th-congress/house-bill/3684/text>.

<sup>72</sup> *Id.*

Jobs Act.<sup>73</sup> Additionally, the so-called Inflation Reduction Act of 2022 became law during the pendency of this IRP case on August 16, 2022.<sup>74</sup> The legislation's inapt name notwithstanding, the Inflation Reduction Act of 2022, in part, provides funding for energy infrastructure, energy efficiency, and potential energy tax credits, which were previously unavailable to cooperatives due to their non-profit status.<sup>75</sup> Due to the two aforementioned laws being recently passed, the Company's pending IRP does not take into account any potential federal funding programs stemming from the newly enacted federal legislation that may be beneficial to its customers.<sup>76</sup> Thus, the Attorney General requests that EKPC continue to review the Infrastructure Investment and Jobs Act and the Inflation Reduction Act of 2022 and seek out federal funding opportunities that assist the Company with the ultimate goal of maintaining a reliable and affordable electric grid for its customers.

## V. CONCLUSION

The Attorney General agrees with EKPC that the only way to achieve a reliable and affordable electric grid is through an "all-of-the-above" energy policy, which requires the continued use of dispatchable fossil fuel generation for the foreseeable future. Therefore, the Attorney General respectfully requests the Commission afford considerable weight to ensuring the reliability of energy supply and the reasonableness of rates in any decision on EKPC's pending IRP case.

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<sup>73</sup> EKPC's response to the Attorney General's Second Request, Items 39(a) and (b).

<sup>74</sup> CONGRESS.GOV, H.R. 5376 – Inflation Reduction Act of 2022, accessible at: <https://www.congress.gov/bill/117th-congress/house-bill/5376/text>.

<sup>75</sup> *Id.*

<sup>76</sup> EKPC's response to the Attorney General's Second Request, Items 1, 2, and 39(a) and (b).

Respectfully submitted,

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**Certificate of Service and Filing**

Pursuant to the Commission's Orders and in accord with all other applicable law, Counsel certifies that the foregoing electronic filing was transmitted to the Commission on October 11, 2022, and there are currently no parties that the Commission has excused from participation by electronic means in this proceeding.

This 11<sup>th</sup> day of October, 2022,



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Assistant Attorney General