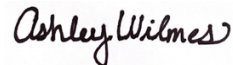


**COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION**

In the Matter of:

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

**JOINT INTERVENORS' RESPONSE TO
COMMISSION STAFF'S REPORT ON
THE 2022 INTEGRATED RESOURCE PLAN OF
EAST KENTUCKY POWER COOPERATIVE**



Ashley Wilmes, Esq.
Kentucky Resources Council
P.O. Box 1070
Frankfort, KY 40602
(502) 551-3675
FitzKRC@aol.com
Ashley@kyrc.org

*Counsel for Joint Intervenors
Kentuckians for the Commonwealth,
Kentucky Solar Energy Society and
Mountain Association*

Dated: March 31, 2023

**JOINT INTERVENORS’ RESPONSE TO COMMISSION STAFF’S
REPORT ON THE 2022 INTEGRATED RESOURCE PLAN
OF EAST KENTUCKY POWER COOPERATIVE**

Pursuant to the Public Service Commission’s (“the Commission”) February 28, 2023, March 9, 2023, and March 16, 2023 Orders in this matter, Kentuckians for the Commonwealth, Kentucky Solar Energy Society, and Mountain Association (collectively, “Joint Intervenors”) respond to *Commission Staff’s Report on the 2022 Integrated Resource Plan of East Kentucky Power Cooperative, Inc.* (“the Report”).

First, Joint Intervenors sincerely appreciate Commission Staff’s thorough and thoughtful examination of the record in this Integrated Resource Plan (“IRP”) proceeding. The seriousness of Staff’s engagement in this IRP proceeding honors the significance of long-range planning, particularly its profound effects on electric affordability and quality of service. As Joint Intervenors previously commented with respect to another utilities’ IRP, East Kentucky Power Cooperative’s (“EKPC”) “customers and Kentuckians generally stand a better chance of benefiting from truly least-cost planning thanks to Staff’s emphasis on fair, full, and integrated evaluation of all potentially cost-effective resource options on both sides of the meter, as prescribed by regulation.”¹

Second, Joint Intervenors emphasize the missed demand-side management opportunities on EKPC’s system generally, and particularly the role that inclusive utility investments in customer efficiency and distributed energy resources could play in meeting system needs. The Report accurately acknowledges that EKPC provided a robust analysis of cost-effective

¹ Joint Intervenors’ Response to Staff’s Report on LGE/KU IRP at 1.

efficiency and demand response potential—an admirable first step and one worth repeating in future IRPs. But inexplicably, that analysis was not carried forward into the IRP. By failing to do so, EKPC left out of the IRP cost-effective potential to reduce energy waste, reduce system generation needs and fuel expense, reduce system peaks, and deliver tangible bill savings to participating and non-participating customers alike. This is a significant and acknowledged shortcoming in EKPC’s planning, and Joint Intervenors appreciate the Report’s critical recommendations aimed at correcting this shortcoming.

Unfortunately, there is also a specific programmatic opportunity that was given short shrift in EKPC’s resource planning and escaped attention in the Report. As raised in Joint Intervenors’ Initial Comment, EKPC’s owner-members’ existing inclusive utility investments program, Kentucky Home Energy Retrofit Rider program (previously the How\$mart program), can cost-effectively expand customer access to efficiency retrofits and distributed generation.² The program has potential to reduce system energy and capacity needs, cost-effectively deferring, downsizing, or even eliminating the need for utility-scale supply-side investments.³ In turn, these programs help customers realize savings in rates and bills. “For example, Ouachita Electric Cooperative in Arkansas credited inclusive utility investments as a key contributor to a 4.5% decrease in rates, after implementing a three-year Pay As You Save efficiency program that reached 10% of its residential members, with those members averaging a greater than 16% reduction in monthly bills.”⁴

² See Joint Intervenors’ Initial Comment, Sec. IV at 30–34.

³ *Id.*

⁴ Joint Intervenors’ Initial Comment at 31–32 (citing National Rural Utilities Cooperative Finance Corporation News, *Solar + Efficiency + Innovation = Lower Rates for Arkansas Co-op*

Six of EKPC’s owner-member distribution cooperatives—Big Sandy Rural Electric Cooperative (“RECC”), Farmers RECC, Fleming-Mason Energy, Grayson RECC, Jackson Energy Cooperative, and Licking Valley RECC—are already among “a set of utilities across ten states that have collectively leveraged in excess of \$50 million directly to customers, which has indirectly supported manufacturers, distributors, and installers of DSM measures,”⁵ with a collective cost recovery rate exceeding 99.5%.⁶ The introduction of new and expanded federal rebates and incentives for efficiency upgrades and customer-sited clean energy resources significantly expands the cost-effectiveness and potential reach of this existing program.⁷

But EKPC did not consider or support expansion of this existing program as part of its integrated resource planning, and EKPC offered no response or comment throughout this proceeding following Joint Intervenors’ Initial Comment. Categorically ignoring EKPC’s potential role in supporting and expanding the Kentucky Home Energy Retrofit Rider Program results in a significant missed opportunity for EKPC to deliver value to its owner-members and retail customers. Particularly with the expansion of federal incentives and rebates, EKPC and its owner-members should not wait another day to proactively support and expand equitable utility investments.

Members (Dec. 16, 2019), <https://www.nrucfc.coop/content/nrucfc/en/news/stories/solar---efficiency---innovation---lower-rates-for-arkansas-co-op.html>).

⁵ Joint Intervenors’ Initial Comment at 32 (citing Energy Efficiency Institute Inc., 2022 PAYS Status Update, http://www.eeivt.com/wp-content/uploads/2022/03/2022-PAYS-Status-Update_3_29_22.pdf).

⁶ *Id.*

⁷ *Id.* at 33.

Finally, it bears noting that recommendations for more fulsome and transparent analyses from EKPC are not new.⁸ From the stakeholder perspective, this pattern of repeated shortcomings notwithstanding Staff recommendations raises concerns that the current IRP process is not working to realize least-cost planning for some utilities' customers. Joint Intervenors recognize that factual points developed in IRP proceedings may carry forward, informing future proceedings that conclude with enforceable orders, but the costs to stakeholders to engage across multiple proceedings are considerable. Kentuckians deserve serious long-range planning proceedings, and Joint Intervenors encourage the Commission to explore avenues to reform the existing IRP process. Iterative planning processes are wasted when a utility merely repeats the same mistakes.

As stated in their Initial Comments, Joint Intervenors participated in EKPC's 2022 IRP "with the aim of ensuring that there has been a full and fair evaluation of all potentially cost-effective resources, and also sharing recommendations to improve EKPC future planning efforts."⁹ To that end, Joint Intervenors, informed in substantial part by the work of Anna Sommer, Earnest White, Chelsea Hotaling, and Stacy Sherwood of Energy Futures Group ("EFG"), provided specific recommendations that EKPC could apply to increase the robustness and transparency of EKPC's future IRPs.¹⁰ EKPC should use the full capabilities of modeling tools to evaluate the economics of all existing resources, and upon finding that a resource such as

⁸ Compare, e.g., Staff's Report at 18 (restating recommendation from 2018 IRP that "[a]ny changes to the DSM programs must be discussed in full, including a transparent analysis of the cost and benefits input") and *id.* at 42 (repeating the same recommendation in response to 2022 IRP shortcomings).

⁹ Joint Intervenors' Initial Comment at 1.

¹⁰ *Id.* at 4–6.

the Cooper Station units is likely to remain uneconomic, to explore diligently all potentially cost-effective solutions (including grid solutions) to meet customer needs.¹¹ To further support EKPC's selection of optimal portfolio options and a least-cost plan, Joint Intervenors also urge EKPC to update its resource calculations in recognition of newly available tax credits, loan and grant opportunities, and direct investment incentives presented by the Inflation Reduction Act.¹² EKPC and the communities it serves are well positioned to benefit from incentives that make solar and storage resources even more affordable, underscoring the importance of evaluating the reliability, affordability, and resilience benefits of distributed energy resources in future IRPs.¹³ Joint Intervenors stand by the recommendations made in both its Initial Comment and Post-Hearing Comment, and appreciate Staff's thoughtful engagement and consideration of Joint Intervenors' submissions.

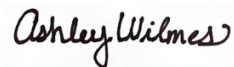
¹¹ *E.g.*, Joint Intervenors' Initial Comment, Sec. III at 23–36; Energy Futures Group Report on EKPC 2022 IRP (corrected), Sec. 5 at 21–26 (reporting economic losses forecasted by EKPC Cooper Station units); Joint Intervenors' Post-Hearing Comment, Sec. IV.C at 25–28 (repeating explanation of EKPC's modeling results showing year-over-year losses).

¹² *See* Joint Intervenors' Initial Comment, Sec. II at 6–15.

¹³ *See Id.*, Sec. V at 34–39.

On the whole, Staff's Recommendations for EKPC's next Integrated Resource Planning effort, if faithfully implemented, will result in a more robust and better integrated least-cost planning analysis. For that, Joint Intervenors continue to express appreciation for the diligent and thoughtful work of Commission Staff.

Respectfully submitted,



Ashley Wilmes
Tom FitzGerald
Kentucky Resources Council
P.O. Box 1070
Frankfort, KY 40602
(502) 551-3675
FitzKRC@aol.com
Ashley@kyrc.org

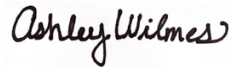
Thomas Cmar
PHV No. PH29923440
Earthjustice
6608 Wooster Pike
Cincinnati, OH 45227
(312) 257-9338
tcmr@earthjustice.org

Cassandra McCrae
PHV No. PH29922777
Earthjustice
1617 JFK Blvd., Ste. 2020
Philadelphia, PA 19103
(215) 671-6493
cmccrae@earthjustice.org

*Counsel for Joint Intervenors
Kentuckians for the Commonwealth,
Kentucky Solar Energy Society and
Mountain Association*

CERTIFICATE OF SERVICE

In accordance with the Commission's July 22, 2021 Order in Case No. 2020-00085, Electronic Emergency Docket Related to the Novel Coronavirus COVID-19, this is to certify that the electronic filing was submitted to the Commission on March 31, 2023; that the documents in this electronic filing are a true representations of the materials prepared for the filing; that no hard copy of this filing will be made; and that the Commission has not excused any party from electronic filing procedures for this case at this time.



Ashley Wilmes