



COMMONWEALTH OF KENTUCKY

BEFORE THE PUBLIC SERVICE COMMISSION OF KENTUCKY

In the Matter of:

| | | |
|---|---|-------------------|
| AN ELECTRONIC EXAMINATION OF THE |) | |
| APPLICATION OF THE FUEL ADJUSTMENT CLAUSE |) | Case No. |
| OF BIG RIVERS ELECTRIC CORPORATION |) | 2022-00268 |
| FROM NOVEMBER 1, 2021 THROUGH APRIL 30, 2022 |) | |

**Responses to Commission Staff's Third Request for Information
dated November 9, 2022**

FILED: November 28, 2022

BIG RIVERS ELECTRIC CORPORATION

**AN ELECTRONIC EXAMINATION OF
THE APPLICATION OF THE FUEL ADJUSTMENT CLAUSE
OF BIG RIVERS ELECTRIC CORPORATION
FROM NOVEMBER 1, 2021 THROUGH APRIL 30, 2022
CASE NO. 2022-00268**

VERIFICATION

I, Natalie R. Hankins, verify, state, and affirm that the data request responses filed with this verification for which I am listed as a witness are true and accurate to the best of my knowledge, information, and belief formed after a reasonable inquiry.

Natalie R. Hankins

Natalie R. Hankins

COMMONWEALTH OF KENTUCKY)
COUNTY OF HENDERSON)

22nd SUBSCRIBED AND SWORN TO before me by Natalie R. Hankins on this the
day of November, 2022.

Russell

Notary Public, Kentucky State at Large

Kentucky ID Number

KYNP14891


My Commission Expires

October 31, 2024

BIG RIVERS ELECTRIC CORPORATION
AN ELECTRONIC EXAMINATION OF
THE APPLICATION OF THE FUEL ADJUSTMENT CLAUSE
OF BIG RIVERS ELECTRIC CORPORATION
FROM NOVEMBER 1, 2021 THROUGH APRIL 30, 2022
CASE NO. 2022-00268

VERIFICATION

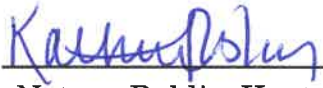
I, Jennifer M. Stone, verify, state, and affirm that the data request responses filed with this verification for which I am listed as a witness are true and accurate to the best of my knowledge, information, and belief formed after a reasonable inquiry.



Jennifer M. Stone

COMMONWEALTH OF KENTUCKY)
COUNTY OF HENDERSON)

22nd SUBSCRIBED AND SWORN TO before me by Jennifer M. Stone on this the
day of November, 2022.



Notary Public, Kentucky State at Large
Kentucky ID Number KYND16891
My Commission Expires October 31, 2024

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November 28, 2022

1 **Item 1)** *Refer to BREC's response to Commission Staff's Second Request*
2 *For Information (Staff's Second Request), Item 2. There are numerous other*
3 *merchant solar energy developers that are seeking or have received*
4 *authorization to construct solar facilities in western Kentucky. Explain*
5 *whether BREC has identified or is in the process of negotiating contracts*
6 *with other potential solar energy developers.*

7

8 **Response)** No, Big Rivers is not pursuing contracts with other potential solar
9 energy developers at this time.

10

11

12 **Witness)** Ronald R. Respher

13

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1 **Item 2)** *Refer to BREC's response to Staff's Second Request, Item 7b. If the*
2 *unit is on Economic Standby and not operating, explain whether the unit is*
3 *consuming fuel and the circumstances under which the unit may or may not*
4 *consume fuel.*

5

6 **Response)** During freezing temperatures, a unit may consume very small amounts
7 of fuel for winterization protection when on Economic Standby status. Otherwise, if
8 the unit is on Economic Standby and not operating, it is not consuming fuel.

9

10

11 **Witness)** Natalie R. Hankins

12

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1 **Item 3)** *Refer to BREC's response to Staff's Second Request, Item 7c.*

2 *a. Explain whether it is accurate to say that if a unit is offered into*
3 *the Day Ahead Market as a Must Run unit and MISO does not select a unit to*
4 *run, then the unit will by online operating at its dispatchable minimum load.*
5 *If not, explain how the unit would operate in this situation.*

6 *b. Explain whether MISO guarantees BREC recovers its cost if the*
7 *unit is offered into the Day Ahead Market as Must Run and it is not selected.*

8 *c. Explain the circumstances under which BREC would offer its*
9 *units into the MISO Day Ahead Market as either Economic or Must Run.*

10

11 **Response)**

12 *a. If the commit status is offered in as Must Run, the unit will be*
13 *committed in the Day Ahead Market, and it will be dispatched economically.*

14 *b. No. If the unit is offered in as Must Run, MISO does not guarantee Big*
15 *Rivers recovers its cost.*

16 *c. As discussed in the Direct Testimony of Natalie R. Hankins filed on*
17 *September 30, 2022, in this matter:*

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1 If a unit is available (i.e. not unavailable due to an outage), the
2 default setting would be to set the Commitment Status on the
3 Generation Offer to “Economic”, to ensure recovery of costs if MISO
4 commits the unit.

5 For coal units expected to operate economically at a steady state
6 for long periods of time (“Baseload Units”), Big Rivers will frequently set
7 the Commitment Status to “Must Run.” “Must Run” status is used to
8 minimize starting and stopping the unit and associated increased
9 maintenance costs. Must Run status might also be used to minimize
10 expensive starts, such as when a unit is projected to generate
11 economically on Friday and Monday, but not on the intervening
12 weekend or during any period when prices are volatile and a stop and
13 start is considered operationally problematic. Big Rivers might offer a
14 unit as Must Run if a steady generation level is needed for performance
15 or environmental testing or to manage coal inventories as units
16 approach retirement. Big Rivers also offers Baseload Units as “Must
17 Run” if a long period of elevated Locational Marginal Prices (“LMP’s”) is
18 expected.”¹
19

20 **Witness)** Natalie R. Hankins

¹ Direct Testimony of Natalie R. Hankins (Sept. 30, 2022), at p. 7 (footnote omitted).

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1 **Item 4)** *Refer to BREC's response to Staff's Second Request, Item 8.*

2 *a. Explain the amount of the MISO penalties and whether these*
3 *penalties were passed on the ratepayers through the FAC or through other*
4 *means, such as an offset to revenues or the Non-FAC PPA.*

5 *b. Explain whether BREC was subjected to any MISO penalties*
6 *during the two previous six month FAC review periods. If so, provide the*
7 *amounts of these penalties and whether they were passed on to BREC*
8 *ratepayers through the FAC or by other means, such as an offset to revenues*
9 *or the Non-FAC PPA.*

10

11 **Response)**

12 *a. The MISO charges related to FFDF¹ and FMPTF² as described in Big*
13 *Rivers' response to the Staff's Second Request, Item No. 8, totaled \$45,573.16 during*
14 *the current Review Period. The charges were not passed to Big Rivers' rate payers*
15 *through the FAC or the Non-FAC PPA, and were not recorded as an offset to*

¹ FFDF = Failure to Follow Dispatch Flags

² FMPTF = Failed Mileage Performance Test Flags

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1 revenues. The penalties were recorded as purchased power cost that is not
2 recoverable by ratepayers.

3 b. Yes, there were MISO charges related to FFDF and FMPTF during the
4 two previous six month FAC review periods. These charges totaled \$18,864.36 from
5 November 1, 2020, to April 30, 2021, and totaled \$43,838.77 from May 1, 2021, to
6 October 31, 2021. As explained in the response to sub-part a, the charges were not
7 passed on to Big Rivers' ratepayers through either the FAC or the Non-FAC PPA, and
8 were not recorded as an offset to revenues.

9

10

11 **Witness)** Jennifer M. Stone

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