

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

**ELECTRONIC TARIFF FILING OF)
KENTUCKY POWER COMPANY)
FOR APPROVAL OF A SPECIAL) Case No. 2022-00387
CONTRACT WITH EBON)
INTERNATIONAL, LLC)**

**ATTORNEY GENERAL AND KIUC RESPONSES TO DATA REQUESTS OF
COMMISSION STAFF**

Come now the intervenors, the Attorney General of the Commonwealth of Kentucky, by his Office of Rate Intervention (“Attorney General”) and Kentucky Industrial Utility Customers (“KIUC”), and provides the attached Responses to Data Requests of Commission Staff filed on February 22, 2023.

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, on March 8, 2023, an electronic copy of the foregoing was served via the Commission's electronic filing system.

this 8th day of March, 2023.

A handwritten signature in blue ink, appearing to read "J. Michael New". The signature is written in a cursive style with a horizontal line extending from the end.

Assistant Attorney General

Response to Data Requests

1. 1. Refer to the Direct Testimony of Stephen J. Baron, page 5, line 13 through page 6, line 16.
 - a. Explain how demand response capacity reductions, which are separately bid and tested, are included in Kentucky Power Company's (Kentucky Power) capacity requirements for PJM Interconnection LLC. (PJM).
 - b. Explain why Kentucky Power would need to interrupt a customer's load to benefit from an interruptible election in PJM' capacity model.

RESPONSE:

- a. It is Mr. Baron's understanding that interruptible load that is accredited as a Demand Response resource is included in an FRR entities' FRR capacity plan pursuant to Section 11.4.7 of PJM Manual M-18 -PJM Capacity Market. (See excerpt below).

Revision: 46, Effective Date: 11/19/2020 PJM © 2020 216
PJM Manual 18: PJM Capacity Market
Section 11: Fixed Resource Requirement Alternative

11.4.7 Load Management Products

A Load Management program (e.g., Firm Service Level or Guaranteed Load Drop program) is eligible to be committed as a Demand Resource (DR) to the FRR Capacity Plan, if the program meets the requirements specified in the *Load Forecasting & Analysis Manual (M-19)* and Section 4.3 of this manual.

In order to commit a Demand Resource to the initial FRR Capacity Plan for a Delivery Year, an FRR Entity must submit no later than 15 business days prior to the initial FRR Capacity Plan submittal deadline a DR Sell Offer Plan as described in Attachment C of this Manual (i.e., a completed DR Plan template and DR Officer Certification Form). The completed DR Plan template must clearly identify in the Summary section the Existing Nominated DR Value or Planned Nominated DR Value in ICAP MWs that the FRR Entity intends to commit to their initial FRR Capacity Plan. Effective with the 2020/2021 Delivery Year, the FRR Entity must further classify the Existing/Planned Nominated DR Value as MWs intend to commit as Annual Capacity Performance for annual period and MWs intend to commit as Summer -Period Capacity Performance for summer period, and MWs intend to commit as part of an Aggregate Resource. Actual deadline date for the DR Plan template and DR Officer Certification is provided in the RPM Auction Schedule posted on the PJM website.

If an FRR Entity intends to commit demand resources located in a pre-identified zone/sub-zone, PJM will grant conditional approval of the total Nominated DR Value in such zone/sub-zone pending the PJM review of DR Sell Offer Plans for the Base Residual Auction for such Delivery Year.

An FRR Entity with PJM approved or conditionally approved Nominated DR Value(s) in zone/sub-zone(s) will be permitted to commit the associated Demand Resource(s) to the FRR

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Capacity Plan, provided credit has been posted with the PJM Treasury Department for any Planned Demand Resource(s).

If a review of the DR Sell Offer Plans for the Base Residual Auction for such Delivery Year reveals that any of the conditionally approved MWs in a pre-identified zone/sub-zone are ascribed to another CSP by a letter of support from an end-use customer, such MWs shall be uncommitted from the FRR Capacity Plan and additional capacity resources shall be committed by the FRR Entity to the FRR Capacity Plan to satisfy the FRR Entity's Preliminary Unforced Capacity Obligation.

The UCAP value of a Demand Resource committed to an FRR Capacity Plan is the Nominated DR Value committed * DR Factor * Forecast Pool Requirement. Effective with the 2019/2020 Delivery Year, the DR Factor is no longer considered in the calculation of the UCAP value of a Demand Resource committed to an FRR Capacity Plan.

The Nominated DR Values (summer, winter, or annual) for a load management program registration are determined in accordance with Section 4.3.7 of this manual and the Daily Nominated DR Value of a Demand Resource for a Delivery Year is established based on confirmed Demand Resource Registrations in "completed" status linked to such Demand Resource in DR Hub system in accordance with Sections 4.3.4 and 4.7.2 of this manual.

A resource provider who has FRR Capacity Plan Commitments for their demand resource must meet (or contract with another party to meet the requirements specified in Section 4.3.1 of this manual.

A resource provider who has FRR Capacity Plan Commitments for their demand resource will be subject to the Load Management Event Compliance (prior to 2019/2020 Delivery Year) or Non-Performance Assessment (effective 2019/2020 Delivery Year) and Load Management Test Compliance in accordance with Section 8 of this manual.

- b. Interruptible load that is accredited as PJM Demand Response load does not have to be interrupted in order to provide benefits to Kentucky Power. However, the Ebon interruptible load is not PJM Demand Response load. Rather, it is interruptible load pursuant to KPCo's Rider DRS, which specifically prohibits the load from being included in the PJM Demand Response program. Under Rider DRS, interruptible load has to be interrupted in order to provide any benefit to KPCo and its other (non-Rider DRS) customers, because it is designed to shave the otherwise applicable KPCo peak loads so that they are reduced from the perspective of PJM's planning and therefore reduced from KPCo's obligation. To the extent that KPCo is unable to interrupt the Ebon load at the time of the PJM 5 CP or the transmission NSPL or some of the 12 CPs used to allocate transmission costs under the AEP East Transmission Agreement, this Ebon interruptible load would be included in KPCo's capacity obligation or transmission obligation.

RESPONSE PROVIDED BY: Stephen J. Baron