

December 13, 2022

Dear John,

Thank you for your December 2 response to our joint letter of Nov. 21.

While your email focuses on our concerns to review the data and assumptions underlying LG&E-KU's DSM planning, it fails to address a primary request of our letter, which is for the companies' DSM filing to be delayed. While we acknowledge that LG&E-KU took steps towards making data available in mid-November (conditional upon signing of NDA's), that did not allow reasonable time for stakeholders to review and provide meaningful feedback and input if the DSM plan were to be filed in December.

We maintain that filing the DSM plan in December is premature, for reasons shared in our previous letters. In our view, the DSM planning process lacks clear objectives on critical issues, including but not limited to targets for energy, capacity, and carbon savings adequate to eliminate the need for new natural gas plants. These targets should be at the foundation of the DSM plan and guide its development, yet the opposite appears to be true. We were told at the November 10 stakeholder meeting that the DSM plan is being developed in isolation from supply planning and discussion of LG&E-KU's plans to procure new natural gas generation are out of place for the DSM group. This is contrary to the direction given in the PSC Staff Report on LG&E-KU's 2021 IRP, which stated:

*“Commission Staff is encouraged by LG&E/KU's statements indicating that they will evaluate new DSM/EE programs along with any requests for a CPCN. However, since all resources were not included in the IRP, **Commission Staff believe that it would be useful for LG&E/KU to provide a more holistic review in any CPCN and DSM/EE program cases.**” (p.66, emphasis added)*

Regarding the events that followed the November 10 DSM Advisory Group meeting concerning data sharing, it was our understanding that the companies' attorney would contact attorney Cassandra McCrae of Earthjustice, to discuss the specific data and documents sought by stakeholders. We were told that anyone would be welcome to join that conversation and that those interested should inform the company. However, Ms. McCrae was not contacted to arrange a meeting. Instead, on November 11 we were informed that data was being made available, on the condition that we each sign an NDA.

We do have objections to the NDA's that were proposed. As we stated previously, the NDA improperly seeks to restrict Advisory Group participants' access to a broad scope of information that should be publicly available. If the DSM filing is postponed, that would provide time for discussion of an appropriate confidentiality agreement and which documents/data should be regarded as confidential and which should be publicly available. We are still open to this

discussion but the question of whether the DSM filing would be postponed has taken precedence.

Regarding our request for data in September, we take issue with the Companies' attempt to blame customer representatives for LG&E-KU's failure to openly provide the information essential for collaborative participation in DSM planning. This lack of openness extends back to the most recent IRP process, in which customers and intervenors engaged in good faith, while the Companies presented "scenarios" that had no relation to the plans they were actually developing. These "actual" plans - to build two new NGCC plants - were revealed during the IRP hearings but not within the IRP documents and not to the DSM Advisory Group, despite their direct relevance to DSM planning.

We understand that on November 18 the Companies notified the Commission of their intent to file an application for approval of a CPCN and DSM plan by December 15, 2022. Once again, we urge the Companies to postpone this application and engage with stakeholders in a truly collaborative DSM planning process.

KRS 278.285(1)(f) states, in part: *"The commission may determine the reasonableness of demand-side management plans proposed by any utility under its jurisdiction. Factors to be considered in this determination include, but are not limited to, the following:...(f) The extent to which customer representatives and the Office of the Attorney General have been involved in developing the plan, including program design, cost recovery mechanisms, and financial incentives, and if involved, the amount of support for the plan by each participant..."*

Should the Companies proceed with filing their DSM plan in December, they should expect our organizations to pursue a vigorous intervention, with a time-consuming discovery process before the Commission. We propose a more constructive process that will save all parties, including the Commission, valuable time and effort, which is to take a step back and re-engage with the DSM Advisory Group in a truly collaborative, participatory process. The DSM Advisory Group has not been involved in "developing the plan" or "program design." We have been told at a high level what the Companies were considering and how the Companies have evaluated potential programs, but we have not seen the underlying models, assumptions, and input data essential for evaluating program options. Nor have we participated in the scoring process - we were told how the Companies and their consultants conducted the scoring of program options, but were never invited to participate in that process.

A re-set of the DSM Advisory Group would enable a sharper focus on the goals of the process, now that we know the Companies foresee the need for additional natural gas generation - unless through DSM we can relieve that need.

We continue to support a collaborative DSM planning process and hope we can move forward together to develop successful DSM programs that benefit all customers.

Sincerely,

Apogee-Climate & Energy Transitions

Cathy Hinko

Homeless and Housing Coalition of Kentucky

John Boone

Kentucky Conservation Committee

Kentuckians For The Commonwealth

Kentucky Interfaith Power & Light

Kentucky Resources Council

Kentucky Solar Energy Society

Metropolitan Housing Coalition

Mountain Association

Renewable Energy Alliance of Louisville