

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

**In the Matter of:**

<b>ELECTRONIC TARIFF FILING OF BIG RIVERS</b>	)	<b>Case No.</b>
<b>ELECTRIC CORPORATION AND KENERGY</b>	)	<b>2023-00312</b>
<b>CORP. TO REVISE THE LARGE INDUSTRIAL</b>	)	
<b>CUSTOMER STANDBY SERVICE TARIFF</b>	)	

**JOINT RESPONSE OF BIG RIVERS ELECTRIC CORPORATION  
AND KENERGY CORP. TO COMMISSION STAFF'S  
FIRST REQUEST FOR INFORMATION**

Big Rivers Electric Corporation (“Big Rivers”) and Kenergy Corp. (“Kenergy”), by counsel, file their joint responses to Commission Staff’s First Request for Information, issued in the above-captioned case on October 10, 2023.

**FILED:        OCTOBER 27, 2023**





IN THE MATTER OF:  
ELECTRONIC TARIFF FILING OF BIG RIVERS ELECTRIC CORPORATION  
AND KENERGY CORP. TO REVISE THE  
LARGE INDUSTRIAL CUSTOMER STANDBY SERVICE TARIFF  
CASE NO. 2023-00312

JOINT RESPONSE OF BIG RIVERS ELECTRIC CORPORATION AND KENERGY CORP.  
TO COMMISSION STAFF'S FIRST REQUEST FOR INFORMATION

**REQUEST NO. 1-1:** *Provide any written communication, or summary of verbal communication, between BREC/Kenergy, Kimberly-Clark Corporation (Kimberly-Clark) and Domtar Paper Company, LLC (Domtar) related to negotiations regarding the Large Industrial Customer Standby Service (LICSS) tariff filed in this case.*

**RESPONSE:** The requested communications are filed herewith under seal as Attachment PSC 1-1 and subject to a request for confidential treatment.

**Witness: Terry Wright, Jr. (Big Rivers)**

IN THE MATTER OF:  
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JOINT RESPONSE OF BIG RIVERS ELECTRIC CORPORATION AND KENERGY CORP.  
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**REQUEST NO. 1-2:** *Provide the name of any other customers that take service under the LICSS tariff. If there are additional customers taking service on the LICSS tariff, provide any written communication, or summary of verbal communication, with those customers regarding the LICSS tariff filed in this proceeding.*

**RESPONSE:** Only Kimberly-Clark Corporation is presently taking service on the LICSS tariff.

**Witness: Nathaniel A. Berry (Big Rivers)**

IN THE MATTER OF:  
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JOINT RESPONSE OF BIG RIVERS ELECTRIC CORPORATION AND KENERGY CORP.  
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**REQUEST NO. 1-3:** *Refer to the March 3, 2023 Order in Case No. 2021-00289, ordering paragraph 3. Provide the cost support for the LICSS rates proposed in the tariff filing.*

**RESPONSE:** Since the March 3, 2023 Order, Big Rivers adopted an approach for the LICSS tariff that aligns with that in its proposed Rate QF – Qualified Cogeneration / Small Power Production Facility Tariff (for Qualifying Facilities or “QF” customers). This approach does not use a quantified, standalone rate, either for the relevant charges or for any credits. Instead, the proposed LICSS rate relies on the Commission-approved LIC demand rates for the demand charges to the customer, the MISO Planning Resource Auction (“PRA”) Auction Clearing Prices (“ACP”) for the credit passed back to the customer for the accredited capacity its generator provides, and the Commission-approved LIC energy rates or the actual locational marginal price (“LMP”) for energy by MISO at the applicable load node for energy sold to the customer, plus incurred transmission charges, MISO fees, or other costs. Aside from the LIC rates that were set by the Commission, none of these are stated rates, per se, and thus there are no quantified charges in the rate schedule for which Big Rivers can provide cost support; instead, the justification for the amounts to be charged a LICSS customer are derived with transparency from other sources based on the actual costs and benefits.

**Witness: John Wolfram**

Case No. 2023-00312  
Response to PSC 1-3  
Witness: John Wolfram  
Page 1 of 1

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**REQUEST NO. 1-4:** *Refer to Case No. 2020-00299, Commission Staff Report, page 38.3*

*Provide an update to the "Big Rivers Coincident and Non-Coincident Peaks" table.*

**RESPONSE:**

Please see the attachment to this response, a table showing Big Rivers' Annual NCP (non-coincident with MISO) from its 2023 Long Term Load Forecast.

Table Notes:

- (1) "MISO PRMR MW" = MISO Adjusted CP + Transmission Losses + MISO PRM
- (2) MISO PRM based on MISO PRM Requirements for PY23-24
- (3) Transmission Losses based on Loss % produced by MISO for PY23-24.
- (4) Non-Member Sales just include KYMEA & OMU; does not include Nebraska

**Witness: Terry Wright, Jr. (Big Rivers)**

Year	Planning Year	Season	BREC NCP w/o Losses	MISO Adjusted CP	Transmission Losses (MW)	MISO PRM (MW)	MISO PRMR MW	Non-Member Sales	Total MISO PRMR + Non-Member Sales MW	BREC Gen Capacity (SAC MW)	Net MISO Capacity Position	Reserve Margin after MISO Req. and Non-Member Sales
2023	PY23-24	Summer	775.0	736.1	19.9	55.9	811.9	250.1	1062.0	1041.2	(20.8)	-2.0%
2023	PY23-24	Fall	718.6	687.6	9.6	103.9	801.1	237.2	1038.3	1106.8	68.5	6.6%
2023	PY23-24	Winter	785.7	745.2	20.1	195.2	960.5	183.2	1143.7	1086.8	(56.9)	-5.0%
2023	PY23-24	Spring	693.9	656.4	7.2	162.6	826.2	222.3	1048.5	1074.5	26.0	2.5%
2024	PY24-25	Summer	820.3	779.1	21.0	59.2	859.4	250.1	1109.5	1041.2	(68.3)	-6.2%
2024	PY24-25	Fall	763.5	725.8	10.2	109.7	845.6	237.2	1082.8	1106.8	24.0	2.2%
2024	PY24-25	Winter	817.4	775.3	20.9	203.0	999.3	183.2	1182.5	1086.8	(95.7)	-8.1%
2024	PY24-25	Spring	724.8	685.6	7.5	169.8	862.9	222.3	1085.2	1074.5	(10.7)	-1.0%
2025	PY25-26	Summer	841.1	798.9	21.6	60.7	881.2	250.1	1131.3	1148.7	17.4	1.5%
2025	PY25-26	Fall	784.5	745.7	10.4	112.7	868.9	237.2	1106.1	1166.8	60.7	5.5%
2025	PY25-26	Winter	819.0	776.8	21.0	203.4	1001.2	183.2	1184.4	1102.8	(81.6)	-6.9%
2025	PY25-26	Spring	726.4	687.1	7.6	170.2	864.9	222.3	1087.2	1161.5	74.3	6.8%
2026	PY26-27	Summer	843.1	800.8	21.6	60.9	883.3	250.1	1133.4	1081	(52.4)	-4.6%
2026	PY26-27	Fall	786.4	747.6	10.5	112.9	871.0	237.2	1108.2	1112.4	4.2	0.4%
2026	PY26-27	Winter	820.4	778.1	21.0	203.8	1002.9	183.2	1186.1	1087.6	(98.5)	-8.3%
2026	PY26-27	Spring	727.9	688.5	7.6	170.5	866.6	100	966.6	1106.7	140.1	14.5%
2027	PY27-28	Summer	845.0	802.6	21.7	61.0	885.2	100	985.2	1078	92.8	9.4%
2027	PY27-28	Fall	788.3	749.4	10.5	113.2	873.1	100	973.1	1112	138.9	14.3%
2027	PY27-28	Winter	822.0	779.7	21.1	204.2	1004.9	100	1104.9	1087.5	(17.4)	-1.6%
2027	PY27-28	Spring	729.6	690.1	7.6	170.9	868.7	100	968.7	1104.3	135.6	14.0%
2028	PY28-29	Summer	847.3	804.8	21.7	61.2	887.7	100	987.7	1075.2	87.5	8.9%
2028	PY28-29	Fall	788.9	749.9	10.5	113.3	873.7	100	973.7	1111.6	137.9	14.2%
2028	PY28-29	Winter	822.7	780.3	21.1	204.4	1005.8	100	1105.8	1087.5	(18.3)	-1.7%
2028	PY28-29	Spring	730.1	690.6	7.6	171.1	869.3	100	969.3	1102	132.7	13.7%
2029	PY29-30	Summer	848.5	805.9	21.8	61.2	888.9	0	888.9	1072.8	183.9	20.7%
2029	PY29-30	Fall	791.3	752.2	10.5	113.6	876.4	0	876.4	1111.2	234.8	26.8%
2029	PY29-30	Winter	824.9	782.4	21.1	204.9	1008.4	0	1008.4	1087.4	79.0	7.8%
2029	PY29-30	Spring	732.2	692.6	7.6	171.6	871.8	0	871.8	1100.1	228.3	26.2%
2030	PY30-31	Summer	851.3	808.6	21.8	61.4	891.8	0	891.8	1070.5	178.7	20.0%
2030	PY30-31	Fall	794.0	754.8	10.6	114.0	879.4	0	879.4	1110.9	231.5	26.3%
2030	PY30-31	Winter	826.4	783.8	21.2	205.3	1010.3	0	1010.3	1087.4	77.1	7.6%
2030	PY30-31	Spring	733.7	694.0	7.6	171.9	873.5	0	873.5	1098.2	224.7	25.7%
2031	PY31-32	Summer	853.3	810.5	21.9	61.6	893.9	0	893.9	1068.5	174.6	19.5%
2031	PY31-32	Fall	796.0	756.7	10.6	114.3	881.6	0	881.6	1110.6	229.0	26.0%
2031	PY31-32	Winter	830.0	787.3	21.3	206.2	1014.7	0	1014.7	1087.3	72.6	7.2%
2031	PY31-32	Spring	736.9	697.0	7.7	172.7	877.4	0	877.4	1096.6	219.2	25.0%
2032	PY32-33	Summer	857.5	814.5	22.0	61.9	898.3	0	898.3	1066.8	168.5	18.8%
2032	PY32-33	Fall	800.0	760.5	10.6	114.9	886.0	0	886.0	1110.3	224.3	25.3%
2032	PY32-33	Winter	830.9	788.1	21.3	206.4	1015.8	0	1015.8	1087.3	71.5	7.0%
2032	PY32-33	Spring	737.9	698.0	7.7	172.9	878.5	0	878.5	1095.3	216.8	24.7%



Planning Year	Season	BREC NCP w/o Losses	MISO Adjusted CP	Transmission Losses (MW)	MISO PRM (MW)	MISO PRMR MW	Non-Member Sales	Total MISO PRMR + Non-Member Sales MW	BREC Gen Capacity (SAC MW)	Net MISO Capacity Position	Reserve Margin after MISO Req. and Non-Member Sales	
2033	PY33-34	Summer	858.9	815.8	22.0	62.0	899.8	0	899.8	1065.5	165.7	18.4%
2033	PY33-34	Fall	801.3	761.7	10.7	115.1	887.5	0	887.5	1110.2	222.7	25.1%
2033	PY33-34	Winter	832.5	789.6	21.3	206.8	1017.7	0	1017.7	1087.3	69.6	6.8%
2033	PY33-34	Spring	739.3	699.3	7.7	173.2	880.2	0	880.2	1094.2	214.0	24.3%
2034	PY34-35	Summer	860.7	817.5	22.1	62.1	901.7	0	901.7	1064.5	162.8	18.1%
2034	PY34-35	Fall	803.1	763.4	10.7	115.3	889.5	0	889.5	1110	220.5	24.8%
2034	PY34-35	Winter	834.2	791.2	21.4	207.2	1019.8	0	1019.8	1087.3	67.5	6.6%
2034	PY34-35	Spring	740.8	700.7	7.7	173.6	882.0	0	882.0	1093.4	211.4	24.0%
2035	PY35-36	Summer	862.7	819.4	22.1	62.3	903.8	0	903.8	1063.6	159.8	17.7%
2035	PY35-36	Fall	805.0	765.2	10.7	115.6	891.6	0	891.6	1110	218.4	24.5%
2035	PY35-36	Winter	836.9	793.8	21.4	207.9	1023.1	0	1023.1	1087.3	64.2	6.3%
2035	PY35-36	Spring	743.1	702.9	7.7	174.1	884.7	0	884.7	1092.6	207.9	23.5%
2036	PY36-37	Summer	865.6	822.1	22.2	62.5	906.8	0	906.8	1062.8	156.0	17.2%
2036	PY36-37	Fall	807.8	767.9	10.8	116.0	894.7	0	894.7	1109.8	215.1	24.0%
2036	PY36-37	Winter	838.7	795.5	21.5	208.3	1025.3	0	1025.3	1087.3	62.0	6.0%
2036	PY36-37	Spring	744.7	704.4	7.7	174.5	886.6	0	886.6	1092	205.4	23.2%
2037	PY37-38	Summer	867.5	824.0	22.2	62.6	908.8	0	908.8	1062.1	153.3	16.9%
2037	PY37-38	Fall	809.6	769.6	10.8	116.3	896.7	0	896.7	1109.7	213.0	23.8%
2037	PY37-38	Winter	840.5	797.2	21.5	208.8	1027.5	0	1027.5	1087.3	59.8	5.8%
2037	PY37-38	Spring	746.3	705.9	7.8	174.9	888.5	0	888.5	1091.4	202.9	22.8%
2038	PY38-39	Summer	869.1	825.5	22.3	62.7	910.5	0	910.5	1061.3	150.8	16.6%
2038	PY38-39	Fall	811.3	771.2	10.8	116.5	898.5	0	898.5	1109.7	211.2	23.5%
2038	PY38-39	Winter	842.2	798.8	21.6	209.2	1029.6	0	1029.6	1087.3	57.7	5.6%
2038	PY38-39	Spring	747.9	707.4	7.8	175.2	890.4	0	890.4	1090.8	200.4	22.5%
2039	PY39-40	Summer	870.7	827.0	22.3	62.8	912.2	0	912.2	1060.6	148.4	16.3%
2039	PY39-40	Fall	812.8	772.6	10.8	116.7	900.2	0	900.2	1109.5	209.3	23.3%
2039	PY39-40	Winter	843.8	800.3	21.6	209.6	1031.6	0	1031.6	1087.1	55.5	5.4%
2039	PY39-40	Spring	749.3	708.8	7.8	175.6	892.1	0	892.1	1090.2	198.1	22.2%
2040	PY40-41	Summer	872.2	828.4	22.4	63.0	913.7	0	913.7	1060.1	146.4	16.0%
2040	PY40-41	Fall	814.3	774.1	10.8	117.0	901.9	0	901.9	1109.4	207.5	23.0%
2040	PY40-41	Winter	845.5	802.0	21.7	210.0	1033.6	0	1033.6	1087.1	53.5	5.2%
2040	PY40-41	Spring	750.7	710.1	7.8	175.9	893.8	0	893.8	1089.7	195.9	21.9%
2041	PY41-42	Summer	873.6	829.7	22.4	63.1	915.2	0	915.2	1059.3	144.1	15.7%
2041	PY41-42	Fall	815.8	775.5	10.9	117.2	903.5	0	903.5	1109.4	205.9	22.8%
2041	PY41-42	Winter	847.5	803.9	21.7	210.5	1036.1	0	1036.1	1087.1	51.0	4.9%
2041	PY41-42	Spring	752.3	711.6	7.8	176.3	895.7	0	895.7	1089.2	193.5	21.6%
2042	PY42-43	Summer	875.4	831.5	22.4	63.2	917.1	0	917.1	1058.7	141.6	15.4%
2042	PY42-43	Fall	817.5	777.1	10.9	117.4	905.4	0	905.4	1109.2	203.8	22.5%
2042	PY42-43	Winter	849.3	805.6	21.8	211.0	1038.3	0	1038.3	1087.1	48.8	4.7%
2042	PY42-43	Spring	753.8	713.0	7.8	176.6	897.5	0	897.5	1088.7	191.2	21.3%
2043	PY43-44	Summer	876.9	832.9	22.5	63.3	918.7	0	918.7	1058.1	139.4	15.2%
2043	PY43-44	Fall	819.0	778.5	10.9	117.6	907.1	0	907.1	1109.2	202.1	22.3%
2043	PY43-44	Winter	851.1	807.3	21.8	211.4	1040.5	0	1040.5	1087.1	46.6	4.5%
2043	PY43-44	Spring	755.3	714.4	7.9	177.0	899.3	0	899.3	1088.2	188.9	21.0%
2044	PY44-45	Summer	878.5	834.4	22.5	63.4	920.3	0	920.3	1057.5	137.2	14.9%
2044	PY44-45	Fall	820.6	780.1	10.9	117.9	908.8	0	908.8	1109.1	200.3	22.0%
2044	PY44-45	Winter	858.4	814.2	22.0	213.2	1049.4	0	1049.4	1087.1	37.7	3.6%
2044	PY44-45	Spring	756.8	715.9	7.9	177.3	901.0	0	901.0	1087.8	186.8	20.7%
2045	PY45-46	Summer	880.1	835.9	22.6	63.5	922.0	0	922.0	1056.9	134.9	14.6%
2045	PY45-46	Fall	822.2	781.6	10.9	118.1	910.6	0	910.6	1109	198.4	21.8%
2045	PY45-46	Winter	869.6	824.8	22.3	216.0	1063.1	0	1063.1	1087.1	24.0	2.3%
2045	PY45-46	Spring	758.3	717.3	7.9	177.7	902.8	0	902.8	1087.2	184.4	20.4%
2046	PY46-47	Summer	881.6	837.3	22.6	63.6	923.6	0	923.6	1056.4	132.8	14.4%
2046	PY46-47	Fall	823.7	783.0	11.0	118.3	912.3	0	912.3	1108.9	196.6	21.6%
2046	PY46-47	Winter	881.0	835.6	22.6	218.8	1077.0	0	1077.0	1087.1	10.1	0.9%
2046	PY46-47	Spring	759.8	718.7	7.9	178.0	904.6	0	904.6	1086.8	182.2	20.1%

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**REQUEST NO. 1-5:** *Refer to Case No. 2020-00299, Commission Staff Report, page 38.4 Explain if any non-member sales agreements have been, or are planned to be, renewed. Include in the response a description of BREC's generation resources including planned additions, retirements, power purchase agreements (PPA) included in the forecasts.*

**RESPONSE:** Big Rivers presently has non-member sales agreements with OMU, KYMEA, and three wholesale customers in Nebraska. Big Rivers has provided notification of non-renewal to the Nebraska customers, which means that service will cease upon expiration of the terms of those contracts.

With respect to the second part of this request, Big Rivers is not sure to which "forecasts" the request refers. A detailed discussion of Big Rivers' generation resources and possible future developments related to its power supply is contained in Big Rivers' recently-filed 2023 Integrated Resource Plan.<sup>1</sup> Generally, however, Big Rivers' resources consist of the following units: (1) Wilson Station – a 417 MW Coal unit with a Foster Wheeler boiler, Westinghouse turbine generator, and an upgraded FGD Wheelabrator Air Pollution Control system using limestone as a reagent and which produces market-grade synthetic gypsum; (2) Sebree Station – houses the Green

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<sup>1</sup> *In the Matter of: Electronic Integrated Resource Plan of Big Rivers Electric Corporation*, Case No. 2023-00310, at Sections 2.2.2 through 2.2.5.

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Units which include two boiler/turbines (231 MW and 223 MW), which were converted from coal-fired to natural gas-fired in 2022, and the Reid Station which is a 65 MW combustion turbine; and (3) a 178 MW PPA with SEPA for hydroelectric capacity. Big Rivers also has a 160 MW solar PPA with Unbridled Solar related to a solar facility being constructed in Henderson/Webster Counties.

**Witness: Terry Wright, Jr. (Big Rivers)**

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**REQUEST NO. 1-6:** *Explain if Midcontinent System Operator, Inc. (MISO) gives accreditation to intermittent resources.*

**RESPONSE:** An intermittent Resource can register as a Dispatchable Intermittent Resource (DIR) and receive accreditation from the MISO Market, but the resource owner would be required to offer their unit into the MISO Market on a daily basis, which includes submitting Unit Status, Limits, Energy Offers, Runtimes, Ancillary Offers, etc. Any new DIR is required by MISO to be dispatchable and to follow MISO dispatch on a 5-minute basis. Registering a resource in this manner would be more involved as the resource owner would have to enter the MISO Interconnection Queue and require an Interconnection Study, which can potentially take years and be costly. This is a more traditional route that an intermittent generator would use to offer its resource into the MISO Market. Because of the complexity involved, a customer desiring to register its intermittent generation to receive a capacity credit would need to enter into a special contract with one of Big Rivers' Members.

**Witness: Terry Wright Jr. (Big Rivers)**

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**REQUEST NO. 1-7:** *For any customer that would take service under the LICSS tariff, provide the customer’s generation technology and capacity. Include in the response if MISO considers each customer intermittent generation.*

**RESPONSE:** The two (2) customers that appear likely to take service under the LICSS tariff are Domtar and Kimberly-Clark. Domtar has an approximately 50 MW wastewood-fueled steam turbine, and Kimberly-Clark has an approximately 14 MW simple cycle natural gas combustion turbine.

According to Domtar, the capacity assigned by MISO for its cogeneration facility was approximately 52 MW. *See* Case No. 2023-00017, Domtar’s Complaint filed March 31, 2023, at line 20, page 8. [REDACTED]

[REDACTED]

[REDACTED]

MISO would not consider these as intermittent generation.

**Witness: Terry Wright, Jr. (Big Rivers)**

IN THE MATTER OF:  
ELECTRONIC TARIFF FILING OF BIG RIVERS ELECTRIC CORPORATION  
AND KENERGY CORP. TO REVISE THE  
LARGE INDUSTRIAL CUSTOMER STANDBY SERVICE TARIFF  
CASE NO. 2023-00312

JOINT RESPONSE OF BIG RIVERS ELECTRIC CORPORATION AND KENERGY CORP.  
TO COMMISSION STAFF'S FIRST REQUEST FOR INFORMATION

**REQUEST NO. 1-8:** *Refer to the Direct Testimony of Nathaniel A. Berry (Berry Direct Testimony) page 4.*

*a. Explain what is meant by “the electric capacity accredited by MISO for the Standby Customer’s generating unit.”*

*b. For each customer taking service under the LICSS tariff, provide the MISO accredited generating unit capacity.*

*c. Provide the MISO Planning Resource Auction (PRA) clearing prices for the current year and any future years that have been released by MISO.*

**RESPONSE:**

a. According to MISO’s Business Practice Manual (BPM) 11 – Resource Adequacy, “all Planning Resources that qualify will have a SAC value determined by MISO.” For every season of the year, MISO looks at the historical performance of the Unit, feeds it through their Loss of Load Expectation (LOLE) model and external calculations, and they produce a Seasonal Accredited Capacity (SAC) Value for each Planning Resource.

b. The SAC Calculation is a proprietary model produced by MISO, so it is not possible to provide the MISO accredited generating unit capacity until the Resource is registered with MISO as a Planning Resource and MISO runs its models.

IN THE MATTER OF:  
ELECTRONIC TARIFF FILING OF BIG RIVERS ELECTRIC CORPORATION  
AND KENERGY CORP. TO REVISE THE  
LARGE INDUSTRIAL CUSTOMER STANDBY SERVICE TARIFF  
CASE NO. 2023-00312

JOINT RESPONSE OF BIG RIVERS ELECTRIC CORPORATION AND KENERGY CORP.  
TO COMMISSION STAFF'S FIRST REQUEST FOR INFORMATION

c. PY22-23 settled at \$236.66/MW-Day, Summer 2023 settled at \$10/MW-Day, Fall 2023 settled at \$15/MW-Day, Winter 2023-2024 settled at \$2/MW-Day, and Spring 2024 settled at \$10/MW-Day. MISO is moving to a sloped Demand Curve in PY25-26, which is projected to cause an increase in Capacity Prices.

**Witness: Terry Wright, Jr. (Big Rivers)**

IN THE MATTER OF:  
ELECTRONIC TARIFF FILING OF BIG RIVERS ELECTRIC CORPORATION  
AND KENERGY CORP. TO REVISE THE  
LARGE INDUSTRIAL CUSTOMER STANDBY SERVICE TARIFF  
CASE NO. 2023-00312

JOINT RESPONSE OF BIG RIVERS ELECTRIC CORPORATION AND KENERGY CORP.  
TO COMMISSION STAFF'S FIRST REQUEST FOR INFORMATION

**REQUEST NO. 1-9:** *Refer to the Berry Direct Testimony, page 5. Explain the process  
BREC undertakes to place its generation capacity into the PRA auction.*

**RESPONSE:** Big Rivers has a fleet of traditional resources that has been registered in the MISO Market for an extended period of time, so Big Rivers does not have to take any registration-related steps to place its generation capacity into the PRA auction. That said, Big Rivers must provide, by October 31<sup>st</sup> of every year, proof that it performed a Generation Verification Test Capacity (GVTC) for the prior year, provide Generation Availability Data in GADs each Quarter, and Confirm the SAC Values calculated by MISO. Otherwise, Big Rivers must determine its Generation Capacity Offers and enter them into the MISO Capacity Auction.

**Witness: Terry Wright, Jr. (Big Rivers)**



IN THE MATTER OF:  
ELECTRONIC TARIFF FILING OF BIG RIVERS ELECTRIC CORPORATION  
AND KENERGY CORP. TO REVISE THE  
LARGE INDUSTRIAL CUSTOMER STANDBY SERVICE TARIFF  
CASE NO. 2023-00312

JOINT RESPONSE OF BIG RIVERS ELECTRIC CORPORATION AND KENERGY CORP.  
TO COMMISSION STAFF'S FIRST REQUEST FOR INFORMATION

**REQUEST NO. 1-10:** *Explain whether customer self-generation is subject to MISO declarations of system emergencies in the same manner as BREC.*

**RESPONSE:** The extent to which customer self-generation is subject to MISO declarations of system emergencies lies within the discretion of MISO. Ultimately, the answer is completely dependent on how the customer registers its self-generation. Assuming that the customer registers its self-generation as a Load Modifying Resource (LMR) – Behind the Meter Generation (BTMG) Option, it would be treated differently than Big Rivers' generation units, which are registered as a traditional generation resource. Big Rivers is subject to a Must Offer obligation and is required to offer its resources into the market on a daily basis. Because Big Rivers must offer its resources on a daily basis, declarations of system emergencies are not as impactful on Big Rivers, as it continues to offer these resources regardless of an emergency.

One potential exception, however, pertains to a Max Gen Event Step 1b, where Big Rivers' Emergency Limits are applied to its generation resources. In this case, an LMR – BTMG would not be subject to a daily unit offer and would not receive an Inter-Control Center Communications Protocol (ICCP) setpoint instruction from MISO. On a daily basis, however, the LMR – BTMG would be required to provide MISO, through MISO's Demand Side Resource Interface (DSRI), with its self-scheduled output (estimated hourly output) along with any remaining capacity it has

IN THE MATTER OF:  
ELECTRONIC TARIFF FILING OF BIG RIVERS ELECTRIC CORPORATION  
AND KENERGY CORP. TO REVISE THE  
LARGE INDUSTRIAL CUSTOMER STANDBY SERVICE TARIFF  
CASE NO. 2023-00312

JOINT RESPONSE OF BIG RIVERS ELECTRIC CORPORATION AND KENERGY CORP.  
TO COMMISSION STAFF'S FIRST REQUEST FOR INFORMATION

available, subject to the amount of volume that clears in the MISO PRA. During an emergency event, the customer's LMR – BTMG would receive a schedule instruction through MISO DSRI. The customer would be required to acknowledge that instruction, and then it would be required to follow that instruction.

In summary, the biggest difference between Big Rivers' obligations and customer obligations is that Big Rivers is required to respond every day of the year, while a customer is only required to respond under system emergencies.

**Witness: Terry Wright, Jr. (Big Rivers)**

IN THE MATTER OF:  
ELECTRONIC TARIFF FILING OF BIG RIVERS ELECTRIC CORPORATION  
AND KENERGY CORP. TO REVISE THE  
LARGE INDUSTRIAL CUSTOMER STANDBY SERVICE TARIFF  
CASE NO. 2023-00312

JOINT RESPONSE OF BIG RIVERS ELECTRIC CORPORATION AND KENERGY CORP.  
TO COMMISSION STAFF'S FIRST REQUEST FOR INFORMATION

**REQUEST NO. 1-11:** *Refer to the Berry Direct Testimony, page 6. Also refer to the March 3, 2021 Order in Case No. 2021-00289, page 20.5 The Commission found BREC should not bundle LICSS Maintenance Power Service and Backup Power Service and the rates should be set so that the embedded and incremental costs of each are accounted for properly. Provide the maintenance and backup rates separately showing the embedded and incremental costs are accounted for properly. Include in the response each embedded and incremental cost for maintenance power and backup power.*

**RESPONSE:** As discussed in the Direct Testimony of Nathan Berry on pages 6-7, Big Rivers proposes in the instant case to remove Maintenance Power Service from the proposed tariff and to redefine Backup Power Service to apply in both scheduled and unscheduled outages. This approach is supported by the fact that Big Rivers is obligated to establish and maintain the capability to provide service at a Standby Customer's full demand level at all times during each and every month. The Standby Customer is charged the standard Commission-approved LIC demand rate for this service. Whether there are scheduled, unscheduled, or no outages during the month does not impact Big Rivers' costs to establish and maintain the capacity required by the Standby Customer.

IN THE MATTER OF:  
ELECTRONIC TARIFF FILING OF BIG RIVERS ELECTRIC CORPORATION  
AND KENERGY CORP. TO REVISE THE  
LARGE INDUSTRIAL CUSTOMER STANDBY SERVICE TARIFF  
CASE NO. 2023-00312

JOINT RESPONSE OF BIG RIVERS ELECTRIC CORPORATION AND KENERGY CORP.  
TO COMMISSION STAFF'S FIRST REQUEST FOR INFORMATION

Also, because the energy charge for Back-up Power Service under the proposed LICSS tariff is the higher of the standard Commission-approved LIC energy rate or the LMP price, Big Rivers is held harmless whether outages are scheduled or unscheduled. Thus, there are not separate costs to Big Rivers for Maintenance Power Service and Backup Power Service, as those terms are used in the existing tariff. For that reason, the proposed tariff defines Backup Power Service to apply in both scheduled and unscheduled outages.

**Witness: Nathaniel A. Berry (Big Rivers)**

IN THE MATTER OF:  
ELECTRONIC TARIFF FILING OF BIG RIVERS ELECTRIC CORPORATION  
AND KENERGY CORP. TO REVISE THE  
LARGE INDUSTRIAL CUSTOMER STANDBY SERVICE TARIFF  
CASE NO. 2023-00312

JOINT RESPONSE OF BIG RIVERS ELECTRIC CORPORATION AND KENERGY CORP.  
TO COMMISSION STAFF'S FIRST REQUEST FOR INFORMATION

**REQUEST NO. 1-12:** *Refer to the Berry Direct Testimony, page 11.*

- a. Define dispatchable.*
- b. Explain if the customers taking service under the LICSS tariff are dispatchable.*
- c. Explain whether BREC and the customers taking service under the LICSS tariff have discussed, or renegotiated, contracts due to MISO accreditation.*

**RESPONSE:**

- a. A resource that is dispatchable has the capability of following MISO's setpoint instructions. If the resource is registered as a traditional resource, it would be required to follow a 5 minute setpoint instruction. If the resource is registered as a LMR-BTMG, it would be required to follow an hourly setpoint instruction. This definition is dependent upon MISO's registration requirements.
- b. Kimberly-Clark is the only customer taking service under Kenergy's Standby Service tariff. Big Rivers believes that Kimberly-Clark is capable of being dispatchable.
- c. Big Rivers is not certain whether such discussions have taken place, but states that any individuals who would have been involved in such discussions are no longer with Big Rivers.

**Witness: Terry Wright, Jr. (Big Rivers)**

IN THE MATTER OF:  
ELECTRONIC TARIFF FILING OF BIG RIVERS ELECTRIC CORPORATION  
AND KENERGY CORP. TO REVISE THE  
LARGE INDUSTRIAL CUSTOMER STANDBY SERVICE TARIFF  
CASE NO. 2023-00312

JOINT RESPONSE OF BIG RIVERS ELECTRIC CORPORATION AND KENERGY CORP.  
TO COMMISSION STAFF'S FIRST REQUEST FOR INFORMATION

**REQUEST NO. 1-13:** *Refer to the March 3, 2021 Order in Case No. 2021-00289, page*

*25.6 Explain whether BREC has taken into account possible changes at MISO, such as seasonal capacity obligations.*

**RESPONSE:** Big Rivers has designed the proposed tariff with an intended degree of flexibility to promote the fair and sensible interconnection and operation of customer-owned generation. Because MISO's rules in this regard are relatively new and subject to ongoing review and revision, Big Rivers' proposed tariff is intended to pass through costs and responsibilities that MISO imposes (or may later impose) as a result of behind-the-meter generation. With specific reference to seasonal capacity obligations, the proposed LICSS Tariff takes into account seasonal capacity obligations, as Backup Power demand is billed at Big Rivers' Standard Rate Schedule LIC – Large Industrial Customer tariff rate, less a credit equal to the Self-Supply Capacity times the MISO Planning Resource Auction (“PRA”) Auction Clearing Prices (“ACP”) for the Big Rivers zone for the applicable resource auction time period. Because the credit equals the Self-Supply Capacity, as accredited by MISO, multiplied by the MISO PRA, it is not impacted by seasonal capacity obligations as the volume would automatically adjust every time that MISO adjusts their accreditation methodology.

**Witness: Terry Wright, Jr. (Big Rivers)**

Case No. 2023-00312  
Response to PSC 1-13  
Witness: Terry Wright, Jr.  
Page 1 of 1

IN THE MATTER OF:  
ELECTRONIC TARIFF FILING OF BIG RIVERS ELECTRIC CORPORATION  
AND KENERGY CORP. TO REVISE THE  
LARGE INDUSTRIAL CUSTOMER STANDBY SERVICE TARIFF  
CASE NO. 2023-00312

JOINT RESPONSE OF BIG RIVERS ELECTRIC CORPORATION AND KENERGY CORP.  
TO COMMISSION STAFF'S FIRST REQUEST FOR INFORMATION

**REQUEST NO. 1-14:** *Refer to the redline version of the proposed BREC Tariff, Third Revised Sheet No. 69.01, unnumbered at 14.*

*a. Explain why the Self-Supply Capacity for a Standby Customer must be accredited by MISO.*

*b. Explain the implications for the Stand-By Customer of having its Self Supply capacity accredited by MISO.*

**RESPONSE:**

a. The Self-Supply Capacity for a Standby Customer needs to be accredited by MISO because MISO is the primary reliability authority responsible for ensuring the grid is stable. MISO needs to have accurate information regarding the quantity of generation and load in the MISO footprint, and in each zone, so that it can notify market participants of potential shortages and send appropriate price signals to market participants to help avoid shortage scenarios. Because MISO performs the reliability function, and because capacity is a major contributor to reliability, MISO's accreditation of behind-the-meter capacity is appropriate. Further, by requiring the Standby Customer's Self- Supply capacity to be accredited by MISO, the Capacity Credit received by the customer under the proposed LICSS tariff is a more accurate pass-through of the credit Big Rivers

IN THE MATTER OF:  
ELECTRONIC TARIFF FILING OF BIG RIVERS ELECTRIC CORPORATION  
AND KENERGY CORP. TO REVISE THE  
LARGE INDUSTRIAL CUSTOMER STANDBY SERVICE TARIFF  
CASE NO. 2023-00312

JOINT RESPONSE OF BIG RIVERS ELECTRIC CORPORATION AND KENERGY CORP.  
TO COMMISSION STAFF'S FIRST REQUEST FOR INFORMATION

receives from MISO, meaning the customer is reimbursed the Capacity Value that Big Rivers receives from the Customer's Self-Supply Capacity in the PRA.

b. By MISO accrediting the capacity, it has the ability to call on the capacity during Emergency Conditions, which could help alleviate shortages and thereby allow MISO to avoid calling for controlled power interruptions. The implication for the customer is that the customer would have to make the generating resource available during Emergency Conditions.

**Witness: Terry Wright, Jr. (Big Rivers)**



IN THE MATTER OF:  
ELECTRONIC TARIFF FILING OF BIG RIVERS ELECTRIC CORPORATION  
AND KENERGY CORP. TO REVISE THE  
LARGE INDUSTRIAL CUSTOMER STANDBY SERVICE TARIFF  
CASE NO. 2023-00312

JOINT RESPONSE OF BIG RIVERS ELECTRIC CORPORATION AND KENERGY CORP.  
TO COMMISSION STAFF'S FIRST REQUEST FOR INFORMATION

**REQUEST NO. 1-15:** *Refer to the redline version of the proposed BREC Tariff, Third Revised Sheet No. 69.03, unnumbered at 16. Explain the removal of Section B.1 and B.2.*

**RESPONSE:** It is unclear if this request seeks an explanation regarding removal of sections from the "Requirements" heading or the "Billing" heading within the referenced tariff sheet; in either event, Big Rivers states as follows.

With respect to the "Requirements" heading, Big Rivers has removed provisions requiring the Standby Customer to cooperate with Big Rivers to schedule Maintenance outages whose purpose was to maximize the value of the Standby Customer's Self-Supply Capacity. This section was removed because Big Rivers will receive no capacity value from the Standby Customer's generation, and it will be passing through any capacity payments received from MISO. Consequently, there is no need for Big Rivers, rather than the customer, to financially optimize the capacity. Backup Power energy usage will be billed at the higher of the Big Rivers LIC tariff rate or the locational marginal price (LMP). If the Standby Customer chooses to schedule the Outage at a time that is not optimal from a market perspective, the customer would potentially have to pay LMP, but Big Rivers would not have any price exposure to the customer.

Big Rivers has also removed provisions requiring that the Standby Customer (i) notify Big Rivers by phone one hour before and after the outage; and (ii) provide basic after-the-fact

IN THE MATTER OF:  
ELECTRONIC TARIFF FILING OF BIG RIVERS ELECTRIC CORPORATION  
AND KENERGY CORP. TO REVISE THE  
LARGE INDUSTRIAL CUSTOMER STANDBY SERVICE TARIFF  
CASE NO. 2023-00312

JOINT RESPONSE OF BIG RIVERS ELECTRIC CORPORATION AND KENERGY CORP.  
TO COMMISSION STAFF'S FIRST REQUEST FOR INFORMATION

information about the outage following its conclusion. While these notifications could help the customer by allowing Big Rivers to purchase power Day-Ahead instead of Real-Time, there is no exposure to Big Rivers, as in either case, the cost will be passed onto the Standby Customer if higher than the energy charge under Big Rivers' LIC tariff. These communications would also be beneficial to the customer as Big Rivers has to update the Demand Side Resource Interface (DSRI) with BTMG availability, so any failure to notify us in a timely manner could result in a failure to respond type of charge under an Emergency Condition, especially if the Status is incorrect. These non-performance charges are passed through to the customer.

Finally, under the "Billing" heading, Big Rivers removed the \$150 per month Administrative Charge. Big Rivers replaced the fixed Administrative Charge with the provision allowing Big Rivers to pass through to the customer the actual costs it incurs, such as charges from ACES, that are caused by the Standby Customer's generator.

**Witness: Terry Wright, Jr. (Big Rivers)**

IN THE MATTER OF:  
ELECTRONIC TARIFF FILING OF BIG RIVERS ELECTRIC CORPORATION  
AND KENERGY CORP. TO REVISE THE  
LARGE INDUSTRIAL CUSTOMER STANDBY SERVICE TARIFF  
CASE NO. 2023-00312

JOINT RESPONSE OF BIG RIVERS ELECTRIC CORPORATION AND KENERGY CORP.  
TO COMMISSION STAFF'S FIRST REQUEST FOR INFORMATION

**REQUEST NO. 1-16:** *Refer to the proposed BREC Tariff, Third Revised Sheet No. 69.04, unnumbered at 19. Explain why the Stand-By Customer is responsible for the ACES Power Marketing charges.*

**RESPONSE:** ACES Power Marketing performs numerous marketing functions for Big Rivers. Some of the functions that ACES performs are the registration of new units, registration renewals, and a 24-hour desk that monitors MISO notifications and instructions. The costs of these and other efforts with respect to a customer's generator (e.g., updating the generator's status within the MISO DSRI Tool), which are incurred as a consequence of a customer's generator, are fairly apportioned to the cost-causing customer.

**Witness: Terry Wright, Jr. (Big Rivers)**

IN THE MATTER OF:  
ELECTRONIC TARIFF FILING OF BIG RIVERS ELECTRIC CORPORATION  
AND KENERGY CORP. TO REVISE THE  
LARGE INDUSTRIAL CUSTOMER STANDBY SERVICE TARIFF  
CASE NO. 2023-00312

JOINT RESPONSE OF BIG RIVERS ELECTRIC CORPORATION AND KENERGY CORP.  
TO COMMISSION STAFF'S FIRST REQUEST FOR INFORMATION

**REQUEST NO. 1-17:** *Refer to the proposed BREC Tariff, Third Revised Sheet No. 69.05, unnumbered at 20. Explain why the provision allowing a member cooperative to enter into special agreements with BREC and Standby Customers is being eliminated.*

**RESPONSE:** Because the Commission's regulations allow for special contracts specifying terms not contained in a utility's tariff, the provision was removed as unnecessary.

**Witness: Terry Wright, Jr. (Big Rivers)**

IN THE MATTER OF:  
ELECTRONIC TARIFF FILING OF BIG RIVERS ELECTRIC CORPORATION  
AND KENERGY CORP. TO REVISE THE  
LARGE INDUSTRIAL CUSTOMER STANDBY SERVICE TARIFF  
CASE NO. 2023-00312

JOINT RESPONSE OF BIG RIVERS ELECTRIC CORPORATION AND KENERGY CORP.  
TO COMMISSION STAFF'S FIRST REQUEST FOR INFORMATION

**REQUEST NO. 1-18:** *Refer to the proposed BREC Tariff, Third Revised Sheet No.*

*69.05, unnumbered at 20.*

*a. Explain whether Paragraph 12 applies regardless of whether or not the generation is dispatchable.*

*b. Explain which of the paragraphs under the Terms and Conditions Section applies if the generation is non-dispatchable and the Stand-by Customer does not wish its generation to be committed in MISO.*

**RESPONSE:**

a. Paragraph 12 is intended to apply regardless of whether or not the generation is dispatchable, as the Standby Customer would still be responsible for the nonperformance of its generating equipment. For example, if the generator resource were to trip offline, it could cause MISO to have to commit another resource, which would trigger a RT RSG Distribution Charge to pay for the cost of the additional commitment.

b. All Terms and Conditions other than Paragraph 12 apply to a Standby Customer generator that is non-dispatchable or if the Standby Customer does not want its generator to be committed by MISO. The Terms and Conditions are still necessary because the customer's generator would still be interconnected to the Big Rivers system. For example, Paragraph 13 is

IN THE MATTER OF:  
ELECTRONIC TARIFF FILING OF BIG RIVERS ELECTRIC CORPORATION  
AND KENERGY CORP. TO REVISE THE  
LARGE INDUSTRIAL CUSTOMER STANDBY SERVICE TARIFF  
CASE NO. 2023-00312

JOINT RESPONSE OF BIG RIVERS ELECTRIC CORPORATION AND KENERGY CORP.  
TO COMMISSION STAFF'S FIRST REQUEST FOR INFORMATION

necessary because if the customer's generator resource were to trip offline, it could cause MISO to have to commit another resource, which would trigger a RT RSG Distribution Charge to pay for the cost of the additional commitment.

**Witness: Terry Wright, Jr. (Big Rivers)**