

COMMONWEALTH OF KENTUCKY  
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

ELECTRONIC APPLICATION OF DUKE )  
ENERGY KENTUCKY, INC. FOR AN )  
ADJUSTMENT TO RIDER NM RATES AND FOR ) CASE NO. 2023-00413  
TARIFF APPROVAL )

**SUPPLEMENTAL RESPONSE OF JOINT INTERVENORS KENTUCKY  
SOLAR ENERGY SOCIETY AND KENTUCKIANS FOR THE  
COMMONWEALTH TO MARCH 22, 2024 REQUEST FOR  
INFORMATION FROM DUKE ENERGY KENTUCKY, INC.**

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Dated: May 20, 2024

**JOINT INTERVENORS KENTUCKY SOLAR ENERGY SOCIETY AND KENTUCKIANS  
FOR THE COMMONWEALTH**

**RESPONSE TO MARCH 22, 2024 REQUEST FOR INFORMATION FROM DUKE  
ENERGY KENTUCKY, INC.**

**Case No. 2023-00413**

**Question 4**

Q4 Identify and provide all documents or other evidence that KSES may seek to introduce as exhibits or for purposes of witness examination in the above-captioned matter.

RESPONSE:

Joint Intervenors have not determined what, if any, documents or other evidence they intend to introduce as exhibits or for purposes of witness examination. Joint Intervenors will update this response timely as that determination is made.

SUPPLEMENTAL RESPONSE:

Joint Intervenors may seek to introduce the documents attached to this supplemental response as exhibits at the hearing in the above-captioned matter.

In addition, the Joint Intervenors may move the Commission to take administrative notice of the following rules, preambles, and orders during the hearing.

US EPA, *Reconsideration of the National Ambient Air Quality Standards for Particulate Matter*, 89 Fed. Reg. 16,202 (Mar. 06, 2024), available at

<https://www.federalregister.gov/documents/2024/03/06/2024-02637/reconsideration-of-the-national-ambient-air-quality-standards-for-particulate-matter>.

US EPA, *Standards of Performance for New, Reconstructed, and Modified Sources and Emissions Guidelines for Existing Sources: Oil and Natural Gas Sector Climate Review*, 89 Fed Reg. 16,820 (Mar. 08, 2024), available at <https://www.federalregister.gov/documents/2024/03/08/2024-00366/standards-of-performance-for-new-reconstructed-and-modified-sources-and-emissions-guidelines-for>.

US EPA, *National Emission Standards for Hazardous Air Pollutants: Coal- and Oil-Fired Electric Utility Steam Generating Units Review of the Residual Risk and Technology Review*, 89 Fed. Reg. 38,508 (May 07, 2024), available at <https://www.federalregister.gov/documents/2024/05/07/2024-09148/national-emission-standards-for-hazardous-air-pollutants-coal-and-oil-fired-electric-utility-steam>.

US EPA, *New Source Performance Standards for Greenhouse Gas Emissions From New, Modified, and Reconstructed Fossil Fuel-Fired Electric Generating Units; Emission Guidelines for Greenhouse Gas Emissions From Existing Fossil Fuel-Fired Electric Generating Units; and Repeal of the Affordable Clean Energy Rule*, 89 Fed. Reg. 39,798 (May 09, 2024), available at <https://www.federalregister.gov/documents/2024/05/09/2024-09233/new-source-performance-standards-for-greenhouse-gas-emissions-from-new-modified-and-reconstructed>.

*PJM Interconnection, L.L.C.*, 186 F.E.R.C. ¶ 61,080 (Jan. 30, 2024), available at <https://pjm.com/directory/etariff/FercOrders/7145/20240130-er24-99-000.pdf>.

ATTACHMENTS:

JI DEK 01-004 Attachment 1 – Letter from Amy Spiller, President, Duke Energy Ohio and Kentucky, to Honorable David Osborne, Speaker, and Members of the Kentucky House of Representatives (Mar. 25, 2024).

JI DEK 01-004 Attachment 2 – PJM Interconnection, *ELCC Class Ratings for the 2025/2026 Base Residual Auction*.

**JI DEK 01-004 Attachment 1**

LETTER FROM AMY SPILLER, PRESIDENT, DUKE ENERGY OHIO AND KENTUCKY, TO  
HONORABLE DAVID OSBORNE, SPEAKER, AND MEMBERS OF THE KENTUCKY HOUSE  
OF REPRESENTATIVES (MAR. 25, 2024)



Amy B. Spiller  
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March 25, 2024

The Honorable David Osborne, Speaker, and  
Members of the Kentucky House of Representatives

**RE: SB 349**

Dear Honorable David Osborne, Speaker, and  
Members of the Kentucky House of Representatives:

In my role as President of Duke Energy Ohio and Kentucky, I lead the talented men and women who work tirelessly – every day – to safely deliver reliable power to our customers in Northern Kentucky. For well over a century, we have provided energy for the business of Kentucky. But SB 349 will change how business is done in the Commonwealth; it will call into question whether new or existing businesses will want to grow in a state that has shown an annual willingness to jeopardize access to affordable, reliable power. This is why my company and so many other organizations, from regional and national business chambers to consumer advocates, are opposing SB 349 as written.

We have all seen the headlines – demand for power is rapidly increasing in parts of the country and there is reported concern of possible energy shortages in the future. Knowing that affordable, reliable energy is a catalyst for growth, opponents of SB 349 welcome conversations around reliability and resource adequacy. But the conversations must be balanced. After all, the issues impacting the provision of safe, reliable, and resilient electric service in the Commonwealth are complex and one cannot responsibly evaluate the issues by narrowly concentrating on one input – or fuel source – to the exclusion of all other inputs. An appropriate examination of the issues requires consideration of the many factors that impact the ability to deliver power into and within the Commonwealth of Kentucky; respectfully, SB 349 is not the answer. If lawmakers truly intend an “all of the above” approach to advance the “long-term, economic health and well-being” of their constituents, they must encourage a comprehensive and collaborative conversation around resource adequacy and deliverability. Such an approach is necessary to avoid more unintended consequences that will only serve to make the grid less reliable, and more expensive for Kentucky consumers.

Duke Energy believes that the best approach to resolving the closely intertwined issues of reliability and affordability is not to rush through legislation developed in one Chamber of the General Assembly. Rather, we would propose creating a working group comprised of utilities, the regional transmission organizations, our fuel suppliers, regulators, legislators, and customers to study the concerns relating to reliability and how best to address them. This diverse group would assess the jurisdictional limits of the state and what viable solutions it might advance. Importantly, this working group should identify the operational impracticalities of and significant financial burden that would be created in trying to transmit electricity from one corner of the

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Members of the Kentucky House of Representatives  
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Commonwealth to the other. SB 349 enables neither such a holistic examination nor objective solution-driven results.

SB 349 does impose undue cost on our customers for a newly formed commission that will duplicate the good work already performed by regulators, grid operators, governmental agencies, and utility companies, all with subject matter expertise. And to the extent this existing, recurring work has a single motivation, it is to strike the right balance between continued access to safe, reliable, affordable power and financially sound utility companies able to invest in their systems to fulfill their service obligations. SB 349 does not strike a balance. The mandates under SB 349 will force continued investment in aging plants and prevent investment in new generation that will carry Kentucky forward. The mandates of SB 349 will ostensibly tax Kentuckians in order to keep uneconomic coal plants online, overlooking the operational reality that uneconomic plants do not reliably dispatch power. Additionally, SB 349's directive that a newly formed commission look across the Commonwealth and determine if there are reliability concerns that could be addressed by denying the closure of a power unit is not realistic. Such a directive ignores the complex structure of transmission systems and resulting significant costs. If such a directive were carried out as contemplated under SB 349, customers of a utility – your constituents – may be required to pay for the operation and maintenance of a power plant that is not serving them.

We have already seen examples of unintended consequences from SB 4, rushed into law last year. That legislation was a significant departure from Kentucky's least-cost energy planning. The Public Service Commission denied our ability to recover costs associated with the future decommissioning our East Bend plant as part of our current rates. This will have the effect of shifting approximately \$50-\$100 million in costs from those customers who are currently benefitting from East Bend's operation to future customers who will be required to pay for these stranded costs in addition to the costs of new generation. SB 349 would also further restrict our ability to manage energy planning effectively, making the process of building new, reliable generation less efficient and more costly for future Kentucky customers.

I urge House Members to vote against SB 349 as written and to explore creating a working group where we can come together to solve this problem in a way that benefits all Kentuckians.

Sincerely,



Amy B. Spiller

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**JI DEK 01-004 Attachment 2**

PJM INTERCONNECTION, *ELCC CLASS RATINGS FOR THE 2025/2026 BASE RESIDUAL  
AUCTION*



## ELCC Class Ratings for the 2025/2026 Base Residual Auction

The following table provides the ELCC Class Ratings applicable to the 2025/2026 Base Residual Auction (BRA) as calculated under the methodology approved by FERC on January 30<sup>th</sup>, 2024 in [Docket No. ER24-99](#).

	2025/2026 BRA ELCC Class Ratings
Onshore Wind	35%
Offshore Wind	60%
Fixed-Tilt Solar	9%
Tracking Solar	14%
Landfill Intermittent	54%
Hydro Intermittent	37%
4-hr Storage	59%
6-hr Storage	67%
8-hr Storage	68%
10-hr Storage	78%
Demand Resource	76%
Nuclear	95%
Coal	84%
Gas Combined Cycle	79%
Gas Combustion Turbine	62%
Gas Combustion Turbine Dual Fuel	79%
Diesel Utility	92%
Steam	75%

- Pursuant to RAA Schedule 9.2, sections C(2) and D(1)(b): No ELCC Class Rating is determined for Combination Resources and ELCC Resources in the Hydropower with Non-Pumped Storage Class, in the Complex Hybrid Class, in the Other Unlimited Resource Class, and in any ELCC Class whose members are so distinct from one another that a single ELCC Class Rating would fail to capture their physical characteristics. In these instances, the Accredited UCAP is based on a resource-specific ELCC analysis.
- For the 2025/2026 Delivery Year, PJM determined that the members of the Gas Combined Cycle Dual Fuel Class are so distinct from one another that a single ELCC Class Rating would fail to capture their physical characteristics. This is due to the Gas Combined Cycle Dual Fuel Class having very few members (less than 10 units) following the dual fuel attestation process for the 2025/26 BRA and there being a large disparity in the observed historical performance during hours of risk across the members of this class. Therefore, no ELCC Class Rating will be determined for the Gas Combined Cycle Dual Fuel Class for the 2025/2026 Delivery Year.