

Kentucky Power Company
KPSC Case No. 2024-00243
AG-KIUC's Second Set of Data Requests
Dated October 9, 2024

DATA REQUEST

- AG_KIUC** Refer to the Company’s response to AG-KIUC 1-3 wherein it states:
2_1 “While there is a potential risk the Developer could ask for renegotiation of the Contract Rate, the Company has taken several steps to mitigate this risk.”
- a. Indicate if the Company is required to or otherwise would seek and obtain approval from the Commission of a renegotiated Contract Rate and/or any other amendments or revisions to the REPA as filed in this proceeding. If so, then describe when and how the Company would seek and obtain approval from the Commission before the Seller proceeds with project development. If not, then explain why the Company would not seek and obtain approval from the Commission. Provide all support relied on for your response.
 - b. Confirm that an increase in the Contract Rate will increase the annual nominal and cumulative net present value harm to customers in the form of a greater rate increase impacts than shown in the Company’s forecasts in this proceeding, all else equal.

RESPONSE

- a. The Company objects to this request to the extent it calls for legal analysis or a legal conclusion, which are not the appropriate subject of discovery. Without waiving this objection, the Company states as follows: If there are price increases exceeding the Capex Cap set forth in Section 6.2 of the REPA (Exhibit ZMY-4) and the Company decides to move forward with the Project despite those cost increases, the Company would present those modifications to the Commission for approval.
- b. Denied. Please see Section 6.2(C) of the REPA (Exhibit ZMY-4).

Witness: Tanner S. Wolfram

Kentucky Power Company
KPSC Case No. 2024-00243
AG-KIUC's Second Set of Data Requests
Dated October 9, 2024

DATA REQUEST

AG_KIUC Refer to the Direct Testimony of Nicole Coon at 4-5 wherein she states:
2_2 “The REPA is a part of the Company’s least-cost, reasonable resource solution resulting from a competitive request for proposals, as described by Company Witness Yetzer.” Confirm there are thermal resources that were ranked lower cost resource solutions resulting from the competitive RFPs compared to the Bright Mountain REPA.

RESPONSE

Confirmed. The Company’s decision to enter into the Bright Mountain REPA does not foreclose its ability to add any thermal resources, including those resources that submitted responses to the RFP. The Company continues to evaluate thermal resources proposals. Nonetheless, as described in the testimony of Company Witness Wolfram, the Bright Mountain REPA provides benefits to the Company’s customers, including the provision of energy that is not tied to volatile fuel prices.

Witness: Tanner S. Wolfram

Kentucky Power Company
KPSC Case No. 2024-00243
AG-KIUC's Second Set of Data Requests
Dated October 9, 2024
Page 1 of 2

DATA REQUEST

- AG_KIUC
2_3** Refer to the Company's response to AG-KIUC 1-4, which sought information on the non-price factors considered by the Company in its evaluation of the thermal and non-thermal resource offers in response to the three RFPs and the direction provided by Kentucky Power Company regarding the non-price factors. One of the non-price factors was the exclusion of all thermal resources from the shortlist, according to the Charles River Associates ("CRA") Report, provided in Public Exhibit ZMY-2 at 19, which states: "No thermal resources were shortlisted due to the volatile regulatory environment related to carbon emissions."
- a. Confirm that the referenced statement in the CRA Report is accurate. If confirmed, then describe how CRA was informed of this AEP/Kentucky Power Company decision to exclude the thermal resources from the shortlist.
 - b. Describe and provide a copy of CRA's independent assessment of AEP/Kentucky Power Company's decision to exclude all thermal resources from the shortlist prior to the submission of the CRA Report provided by the Company as Public Exhibit ZMY-2 and Confidential Exhibit ZMY-2. If CRA did not perform an independent assessment of AEP/Kentucky Power Company's decision to exclude all thermal resources from the shortlist prior to the submission of the CRA Report, then explain why it did not do so.

RESPONSE

The Company objects to this request to the extent that it mischaracterizes the Company's testimony and/or exhibits. Without waiving this objection, the Company states as follows:

- a. The Company confirms that the referenced quote is accurate. The remainder of the question is based on an incorrect statement and is therefore denied. Please see Kentucky Power's response to AG-KIUC 1-5 and subpart (b) to this request.

Kentucky Power Company
KPSC Case No. 2024-00243
AG-KIUC's Second Set of Data Requests
Dated October 9, 2024
Page 2 of 2

b. Please see Kentucky Power's response to AG-KIUC 1-5. CRA did not perform such an independent assessment because there was no such decision made. There were no thermal resources included in the initial shortlist because the Company needed additional time to evaluate the thermal resources given the promulgation of EPA's 111(d) rule. The Company is still evaluating those bids, which may result in one or more of those bids being shortlisted in the future.

Witness: Zachary M. Yetzer

Witness: Tanner S. Wolfram

Kentucky Power Company
KPSC Case No. 2024-00243
AG-KIUC's Second Set of Data Requests
Dated October 9, 2024
Page 1 of 2

DATA REQUEST

- AG_KIUC 2_4** Refer to Company response to AG-KIUC 1-5 and AG-KIUC 1-18 which assert the Company has not made a decision to reject all thermal resource bids, yet Charles River Associates (“CRA”) states in Public Exhibit ZMY-2 at 19 that: “No thermal resources were shortlisted due to the volatile regulatory environment related to carbon emissions. AEP is still evaluating the feasibility of the received proposals under the new EPA carbon pollution standards.”
- a. Please reconcile the statement that “no thermal bids were shortlisted” to the statement “the Company has not made the decision to reject all thermal resource bids.” Address the fact that the Bright Mountain REPA was shortlisted and the fact the Company now seeks a CPCN in this proceeding solely for that resource despite its relative scorecard ranking against the thermal resource offers and why those two facts do not constitute a decision to exclude all thermal resources from consideration by the Company and the Commission at this time and in this proceeding.
 - b. Confirm the Company did not enter into commercial negotiations with any of the bidders who offered thermal resources. If denied, then provide a detailed description of the commercial negotiations with each bidder whose offer was deemed viable and why the negotiations with each such bidder were unsuccessful.
 - c. Explain why the Commission should approve the Bright Mountain REPA when there are existing and presently operating thermal resources that were offered in response to the thermal resource RFP, [REDACTED] of which AEP/Kentucky Power Company ranked [REDACTED] than the Bright Mountain REPA.
 - d. Explain why the Company issued an RFP specifically for thermal resources.
 - e. Explain why the Company issued RFPs solely for PPAs and not for build transfer own assets.
 - f. Has the Company contemplated any RFPs for build-transfer own agreements? Please explain.

RESPONSE

- a. Please see the Company’s response to AG-KIUC 2-3.
- b. Confirmed. As previously stated, the Company continues to evaluate the responses from thermal resources.

Kentucky Power Company
KPSC Case No. 2024-00243
AG-KIUC's Second Set of Data Requests
Dated October 9, 2024
Page 2 of 2

c. First, [REDACTED].

The Commission should approve the Bright Mountain REPA because, as explained by Company Witness Wolfram, the Bright Mountain REPA would provide fuel diversity within the Company's generating fleet. The Company's owned generation fleet, currently, is solely fossil fuel based. Adding the Bright Mountain REPA to the Company's portfolio provides the Company with a non-fuel generating asset that will act as a physical hedge against volatile fuel prices. This is especially true if the Company were to add another thermal resource in the future.

Additionally, as explained in the response to AG-KIUC 2-3, the Company required additional time to evaluate the thermal resources given the promulgation of EPA's 111(d) rule. If the Company had waited for the evaluation of those bids to be complete before filing this Application, the delay could have resulted in increased costs to the Bright Mountain developer, which would have likely increased the cost to customers.

d. Adding thermal resources is consistent with the Company's Preferred Plan in its 2022 IRP. See KPCO_R_AG_KIUC_1_10_ConfidentialAttachment1 for additional detail as to why the Company's Preferred Plan includes the addition of thermal resources.

e-f. At the time the RFP was issued, the Company was not in a position financially to acquire a build transfer own asset. Additionally, as demonstrated in the Company's most recent IRP, there is an energy and capacity need starting in 2026. Given the timeline to construct new assets, the Company determined it was more prudent to evaluate PPA options to help address some of the energy and capacity needs in the nearer term.

Witness: Zachary M. Yetzer

Witness: Tanner S. Wolfram

Kentucky Power Company
KPSC Case No. 2024-00243
AG-KIUC's Second Set of Data Requests
Dated October 9, 2024
Page 1 of 2

DATA REQUEST

- AG_KIUC** Refer to the Direct Testimony of Zachary Yetzer at 5 where he states:
2_5 “CRA provided an independent assessment of Kentucky Power’s 2023 All Source RFP, and the results of that assessment are included as Confidential Exhibit ZMY-2 to my testimony.”
- a. Confirm that the Company received offers for [REDACTED] resources that were lower cost and ranked higher overall than the Bright Mountain REPA. In addition, confirm that neither Witness Yetzer nor Witness Wolfram noted this fact anywhere in their testimonies. If confirmed, then provide all reasons why Witness Yetzer and Witness Wolfram failed to note this fact anywhere in their testimony.
 - b. Refer to Public Exhibit ZMY-2 at 16 wherein Charles Rivers Associates states in its report that “No thermal resources were shortlisted due to the volatile regulatory environment related to carbon emissions. AEP is still evaluating the feasibility of the received proposals under the new EPA carbon pollution standards.”
 - i. Confirm that AEP/Kentucky Power Company made the decision to exclude all thermal resource offers from the shortlist even if they were lower cost and ranked higher than the Bright Mountain REPA. Confirm that CRA did not make this decision.
 - ii. Identify each of the specific decision makers (name, employer, position, job and decision-making responsibilities) at AEP/Kentucky Power Company who made this decision and the role of each decision maker in the decision to exclude all thermal resource offers from the shortlist.
 - iii. Indicate when AEP/Kentucky Power Company made the decision to exclude all thermal resource offers from the shortlist and if that decision was made prior to the issuance of the thermal resource RFP or after the thermal resource offers were received. If the latter, identify all triggering carbon emission standards or concerns that were enacted after the issuance of the thermal resource RFP. Provide a copy of all communications, notes, studies, and analyses that address the exclusion of all thermal resources from the shortlist.
 - iv. Indicate what role CRA played in advising AEP/Kentucky Power Company to exclude all thermal resources from the shortlist or if AEP/Kentucky Power Company made this decision without the advice or concurrence of CRA.

Kentucky Power Company
KPSC Case No. 2024-00243
AG-KIUC's Second Set of Data Requests
Dated October 9, 2024
Page 2 of 2

RESPONSE

The Company objects to this request to the extent it is argumentative and not reasonably calculated to lead to the discovery of admissible evidence in this case. Specifically, the request is premised on the false assumption that the inclusion of the proposed Bright Mountain REPA requires the exclusion of other resources, which is simply not true. Therefore, to the extent the question seeks information about resources that may be the subject of other future applications before the Commission, but which are not relevant to the present application, the request seeks information that is irrelevant in the present case. Without waiving these objections, the Company states as follows:

- a. The statement cannot be confirmed as stated as it misrepresents the Company's testimony. Company Witness Wolfram states that the Bright Mountain REPA was the first step in a process to fill the capacity and energy needs identified in the Company's 2022 IRP. As such, it is clear that his testimony contemplated the Company's continued evaluation of the thermal resource bids received.
- b. i. Not confirmed. There has been no formal decision to not shortlist thermal resource bids. As previously stated, the Company is still in the process of evaluating those bids and, once the evaluation is complete, the Company will shortlist additional projects which may include some of the thermal resources that were bid into that RFP. The evaluation process for the thermal resources took longer than the evaluation process of the Bright Mountain Project so the Company was not ready to shortlist any of the thermal bids on the same timeline as Bright Mountain.
- ii. See the Company's response to part i.
- iii. See the Company's response to part i. The Company has no responsive documents as there has been no formal decision to exclude all thermal resources from the shortlist.
- iv. See the Company's response to part i.

Witness: Tanner S. Wolfram

Kentucky Power Company
KPSC Case No. 2024-00243
AG-KIUC's Second Set of Data Requests
Dated October 9, 2024
Page 1 of 2

DATA REQUEST

- AG_KIUC 2_6** Refer to Company response to AG_KIUC 1-15 and KPSC 1-9 regarding the applicability of PJM located project generated Renewable Energy Certificates (“RECs”) for monetization into the Virginia and Pennsylvania markets.
- a. Confirm that the use of the Generation Attribution Tracking System (GATS) allows for the tracking and recording of characteristic data of generators in PJM footprint, but not the matching of buyers and sellers beyond the “bulletin board” function.
 - b. Explain how the Company expects to monetize the RECs. Will it use the GATs bulletin board function, use a third party brokerage platform, or directly contract with off takers?
 - c. Confirm that the Pennsylvania REC markets are bilateral and do not include a clearing mechanism to match sellers and buyers. If denied, provide all market documentation and descriptions supporting the clearing price process.
 - d. Confirm that the Virginia REC markets are bilateral and do not include a clearing mechanism to match sellers and buyers. If denied, provide all market documentation and descriptions supporting the clearing price process.
 - e. Provide all documents and research in AEP/Kentucky Power Company’s possession regarding evaluation and eligibility of Kentucky Solar project RECs for monetization in Pennsylvania. Specifically, provide any and all analysis of Pennsylvania Act 40 dated October 30, 2017.
 - f. Has the Company identified a counterparty off taker for the RECs associated with the Bright Mountain REPA in Pennsylvania and/or Virginia Markets? If so, please explain. If not, explain when it would expect these transactions to be negotiated. Explain if the RECs will only be monetized after creation and the expected timeline for such monetization (e.g. annually).

RESPONSE

- a. GATS does track and record data from renewable generators within the PJM footprint. It also allows the Company to transfer and receive RECs from counterparties. The Company does not utilize the bulletin board function.
- b. The Company will use either the over-the-counter market via brokers, direct transactions with counterparties, or the Intercontinental Exchange.

Kentucky Power Company
KPSC Case No. 2024-00243
AG-KIUC's Second Set of Data Requests
Dated October 9, 2024
Page 2 of 2

c. The Pennsylvania REC market trades the same as all other REC markets within PJM. They can trade on an exchange, via brokers, or directly with counterparties. The price is determined when both counterparties agree on a price.

d. The Virginia REC market trades the same as all other REC markets within PJM. They can trade on an exchange, via brokers, or directly with counterparties. The price is determined when both counterparties agree on a price.

e. The Company relies on the description of each state's certification requirements listed by PJM GATS. Please see KPCO_AG_KIUC_2_6_Attachment1 for the listing that was pulled from PJM's website. (<https://www.pjm-eis.com/-/media/pjm-eis/documents/rps-comparison.ashx>)

f. At the time of filing these responses, the Company does not have an off taker for the RECs. The Company does not intend to enter into a contract to sell the RECs before the REPA for Bright Mountain is approved by the Commission. The Company anticipates monetizing the RECs as they are applied to the Company's account, to the direct benefit of its customers.

Witness: Nicole M. Coon

Comparison of Renewable Portfolio Standards (RPS) Programs in PJM States

	NJ	MD	DC	PA	DE
Regulation or Legislation	N.J.A.C 14:4-8 - NJ Renewable Portfolio Standards Rules A.B. 3520 (7/1/2010) SB 1925 (7/23/2012) A.B. 3723 (May 2018)	HB 1308 / SB 869 (2004) HB 375 (2008), SB 277 (5/2010), SB791 (5/2012), HB226 (4/2013) HB 1106 (2/2017) SB516 (5/2019), SB65(5/2021)	Bill 15-747 (4/12/2005) Bill 17-0492 (10/6/2008) Bill 19-0384 (8/1/2011) Bill 19-10 (8/9/2011) Act B21-0650 (10/2016) DC Law 22-257 (12/2018)	SB 1030/Act 213 (2004) HB 1203/Act 35 (2007) HB 2200/Act 129 (2008) HB118 / Act 40 (10/30/2017)	SB 74 (2005) SB 19 (2007), SB 328 (2008) SB 119 (7/2010) SB 124 (7/2011) SB 33 (2/2021)
Geographic Eligibility	Energy shall be generated within or delivered into the PJM region. If the latter, the Energy must have been generated at a facility that commenced construction on or after January 1, 2003. Solar resources must be connected with distribution grid serving NJ.	Source must be (1) located in the PJM Region or (2) in a control area that is adjacent to the PJM Region, if the electricity is delivered into the PJM Region. Solar resources must be connected with distribution grid serving MD.	Source must be located within the PJM Interconnection region or within a state that is adjacent to the PJM Interconnection region. Effective 3/22/2019, new facilities must be located in PJM. Solar systems approved after 2/1/2011 must be connected to the DC distribution grid.	Sources located inside the geographical boundaries of this Commonwealth or within the PJM service territory. Beginning October 30, 2017 solar PV systems located out of state will not be eligible to meet solar PV requirement.	"Eligible Energy Resources" include energy resources located within or imported into the PJM region. Customer-sited resources must be located in DE.
Reporting Period	June 1st to May 31 st . Compliance reports due 12/1.	January 1 st to December 31 st . Compliance reports due 4/1.	January 1 st to December 31 st . Compliance reports due 4/1.	June 1 st to May 31 st . Compliance reports due 9/1.	June 1st to May 31 st . Compliance reports due 10/1.
Banking	<ul style="list-style-type: none"> Class I RECs can be banked for compliance in either of the following two energy years. SRECs can be banked for compliance in either of the following four energy years. Class II RECs cannot be banked. 	A Renewable Energy Credit shall exist for 3 years from the date created.	A Renewable Energy Credit shall exist for 3 years from the date created. Effective April 2019, Solar RECs have a lifespan of 5 years.	Alternative Energy credits can be banked for compliance in either or both of the two subsequent reporting years (as of the effective date of this Act)	An unused renewable energy credit shall exist for 3 years from the date created.
Credit Multipliers	No	No (they expired)	No (they expired)	No	a). 300% credit for (1) in-state solar electric or (2) renewable fuel cells installed on or before 12/31/2014. b). 150% credit for wind energy installations sited in Delaware on or before 12/31/2012. c). 350% credit for DPL wind energy installations sited off the DE coast on or before 5/31/2017. d). 110% credit for solar or wind installations sited in Delaware for which at least 50% of the equipment or components are manufactured in Delaware or installed with a minimum 75% state workforce.

Comparison of Renewable Portfolio Standards (RPS) Programs in PJM States

	NJ	MD	DC	PA	DE
Technology - Specific Requirements (set asides)	Solar Offshore wind	Solar PV, and Solar water heat commissioned after 6/1/11 Offshore wind - up to 2.5% beginning in 2017, and an additional 1200 MWs by 2030	Solar, including solar thermal	Solar	Solar Qualified fuel cells can count for up to 30% of the SREC requirement
Class I or Tier I Renewable Energy Sources	Class I renewable sources: <ul style="list-style-type: none"> solar technologies photovoltaic technologies wind Energy fuel cells powered by renewable fuels geothermal technologies wave or tidal action methane gas from landfills or a biomass facility, provided that the biomass is cultivated and harvested in a sustainable manner. In-state hydroelectric facilities <3 MW placed in service after 7/23/2012 	Tier 1 Renewable sources: <ol style="list-style-type: none"> solar and solar water heat; wind; qualifying biomass; methane from a landfill or wastewater treatment plant; geothermal; ocean; a fuel cell powered by methane or biomass; a small hydroelectric plant (less than 30 MW); poultry litter incineration facilities in Maryland. waste-to-Energy facilities in Maryland certain geothermal heating and cooling systems and biomass systems that generate thermal energy 	Tier 1 Renewable sources: <ol style="list-style-type: none"> solar (including solar thermal); wind; qualifying biomass (>65% efficiency); methane from a landfill or wastewater treatment plant; geothermal; ocean, including Energy from waves, tides, currents, and thermal differences; and a fuel cell that produces electricity from a tier 1 renewable source under item (3) or (4) of this subsection. 	Tier I alternative Energy sources: <ol style="list-style-type: none"> Solar photovoltaic and solar thermal energy. Wind power. Low-impact hydropower. Geothermal Energy. Biologically derived methane gas. Fuel cells. Biomass Energy. Coal mine methane. 	Electricity derived from: <ol style="list-style-type: none"> solar; wind; ocean; geothermal; fuel cell capable of being powered by Renewable Fuels; combustion of gas from the anaerobic digestion of organic material; small hydroelectric facility (30 megawatts or less); sustainable biomass, excluding waste to energy; landfill methane gas;
Class II or Tier II Sources	Class II renewable sources: <ul style="list-style-type: none"> resource recovery facility (subject to qualifications) small hydro power facility (less than 30 MW) 	Tier 2 Renewable sources: <ol style="list-style-type: none"> hydroelectric power other than pump storage generation 	Tier 2 requirement was phased out at the end of 2019. Tier 2 Renewable sources: <ol style="list-style-type: none"> hydroelectric power other than pump storage generation <p>For Tier 2 sources, the facility must have existed and been operational as of January 1, 2004.</p>	Tier II alternative Energy sources: <ol style="list-style-type: none"> Waste coal. Distributed generation systems. Demand-side management. Large-scale hydropower (including pumped storage). Municipal solid waste. Generation of electricity utilizing by-products of the pulping process and wood manufacturing process (in-state resources are now Tier 1). Integrated combined coal gasification technology. 	"New Renewable Generation Resources" are those in commercial operation after 12/31/1997. No more than 1% of each year's sales may come from resources that aren't New.

Comparison of Renewable Portfolio Standards (RPS) Programs in PJM States

	NJ				MD				DC				PA				DE		
Alternative Compliance Payment (ACP)	Class I & II (ACP) - \$50/MWh Solar (SACP) – For EY2018 it is \$308/MWh. EY 2019 is \$268/MWh, declining by \$10 each year thereafter.				Tier 1 - \$40 / MWh thru 2016, \$37.50 in 2017 and 2018, \$30 in 2019 thru 2023, declining to \$22.35 in 2030 Tier 2 - \$15 / MWh Solar - (see below)				Tier 1 - \$50/MWh Tier 2 - \$10/MWh Solar - \$500/MWh in 2011 thru 2023, \$400 in 2024 thru 2028, \$300 in 2029 thru 2041, and \$100 in 2042 and thereafter				Tier I (except solar) and Tier II - \$45 / MWh Solar – 200% of the average market value for solar RECs sold in the RTO.				Non-solar ACP is \$25. Solar ACP is \$150.		
Beneficiary of ACP	ACP's fund renewable energy projects through the Clean Energy Program. SACP's will be refunded to ratepayers as a result of A.B. 3520.				MD Strategic Energy Investment Fund, to be used to support the creation of Tier 1 and solar sources in the state.				DC Renewable Energy Development Fund, to be used to support the creation of new solar sources in the District.				PA's Sustainable Energy Funds, to fund projects that increase electric Energy generated from alternative Energy resources.				Delaware Green Energy Fund		
Solar Requirements	The Solar Registration Program was closed to new registrations and replaced by the Transition Incentive effective May 1, 2020. TRECS are worth up to \$152/MWh, and reduce the Class I obligation. Solar ACP Schedule: 2009: \$711 2016: \$323 2023: \$228 2010: \$693 2017: \$315 2024: \$218 2011: \$675 2018: \$308 2025: \$208 2012: \$658 2019: \$268 2026: \$198 2013: \$641 2020: \$258 2027: \$188 2014: \$339 2021: \$248 2015: \$331 2022: \$238 2033: \$128				Yes, see below. Solar ACP Schedule: 2009 thru 2014: \$400 2015: \$350 2016: \$350 2017: \$195 2018: \$175 2019: \$100 2020: \$100 2021: \$80 2022: \$60 2023: \$60 2024: \$60 2025: \$55 2026: \$45 2027: \$35 2028: \$32.50 2029: \$25 \$22.50 in 2030 and thereafter				Yes, see below.				Yes, see below.				Yes, see below.		
RPS Percentages	Solar	Class I	Class II	Total	Solar	Tier I (incl solar)	Tier 2	Total	Solar	Tier I (incl solar)	Tier 2	Total	Solar	Tier I (incl solar)	Tier II	Total	n/a	Solar	Total (incl solar)
2004, or 04/05	0.010	0.740	2.5	3.25															
2005, or 05/06	0.017	0.983	2.5	3.5															
2006, or 06/07	0.0393	2.037	2.5	4.5763	0.00	1.0	2.5	3.5					.0013	1.5	4.2	5.7			
2007, or 07/08	0.0817	2.924	2.5	5.5057	0.00	1.0	2.5	3.5	0.005	1.5	2.5	4.0	.0030	1.5	4.2	5.7			2.0
2008, or 08/09	0.160	3.840	2.5	6.5	0.005	2.005	2.5	4.505	0.011	2.0	2.5	4.5	.0063	2.0	4.2	6.2		0.011	3.0
2009, or 09/10	0.221	4.685	2.5	7.406	0.010	2.01	2.5	4.51	0.019	2.5	2.5	5.0	.0120	2.5	4.2	6.7		0.014	4.0
2010, or 10/11	306 GWh	5.492	2.5	8.297	0.025	3.025	2.5	5.525	0.028	3.0	2.5	5.5	.0203	3.0	6.2	9.2		0.018	5.0
2011, or 11/12	442 GWh	6.320	2.5	9.214	0.05	5.0	2.5	7.5	0.400	4.0	2.5	6.5	.0325	3.5	6.2	9.7		0.20	7.0
2012, or 12/13	596 GWh	7.143	2.5	10.388	0.10	6.5	2.5	9.0	0.500	5.0	2.5	7.5	.0510	4.0	6.2	10.2		0.40	8.5
2013, or 13/14	2.05	7.977	2.5	12.527	0.25	8.2	2.5	10.7	0.500	6.5	2.5	9.0	.0840	4.5	6.2	10.7		0.60	10.0
2014, or 14/15	2.45	8.807	2.5	13.757	0.35	10.3	2.5	12.8	0.600	8.0	2.5	10.5	.1440	5.0	6.2	11.2		0.80	11.5
2015, or 15/16	2.75	9.649	2.5	14.899	0.50	10.5	2.5	13.0	0.700	9.5	2.5	12.0	.2500	5.5	8.2	13.7		1.00	13.0
2016, or 16/17	3.00	10.485	2.5	15.985	0.70	12.7	2.5	15.2	0.825	11.5	2.0	13.5	.2933	6.0	8.2	14.2		1.25	14.5

Comparison of Renewable Portfolio Standards (RPS) Programs in PJM States

	NJ				MD				DC				PA				DE		
2017, or 17/18	3.20	12.325	2.5	18.025	1.15	13.1	2.5	15.6	0.98	13.5	1.5	15.0	.3400	6.5	8.2	14.7		1.50	16.0
2018, or 18/19	4.30	14.175	2.5	20.975	1.50	15.8	2.5	18.3	1.15	15.5	1.0	16.5	.3900	7.0	8.2	15.2		1.75	17.5
2019, or 19/20	4.90	21.0	2.5	23.5	5.50	20.7	2.5	23.2	1.85	17.5	0.5	18.0	.4433	7.5	8.2	15.7		2.00	19.0
2020, or 20/21	5.10	21.0	2.5	23.5	6.0	28.0	2.5	30.5	2.175	20.0	0.0	20.0	.5000	8.0	10.0	18.0		2.25	20.0
2021, or 21/22	5.10	21.0	2.5	23.5	7.5	30.8	2.5	33.3	2.50	26.25								2.50	21.0
2022, or 22/23	5.10	22.0	2.5	24.5	5.5	30.1	2.5	32.6	2.60	32.50								2.75	22.0
2023, or 23/24	4.90	27.0	2.5	29.5	6.0	31.9	2.5	34.4	2.85	38.75								3.00	23.0
2024, or 24/25	4.80	35.0	2.5	37.5	6.5	33.7	2.5	36.2	3.15	45.00								3.25	24.0
2025, or 25/26	4.50	38.0	2.5	40.5	7.0	35.5	2.5	38.0	3.45	52.00								3.50	25.0
2026, or 26/27	4.35	41.0	2.5	43.5	8.0	38.0	2.5	40.5	3.75	59.00								3.75	25.5
2027, or 27/28	3.74	44.0	2.5	46.5	9.5	41.5	2.5	44.0	4.10	66.00								4.00	26.0
2028, or 28/29	3.07	47.0	2.5	49.5	11.0	43.0	2.5	45.5	4.50	73.00								4.25	26.5
2029, or 29/30	2.21	50.0	2.5	52.5	12.5	47.5	2.5	50.0	4.75	80.00								4.50	27.0
2030, or 30/31	1.58	50.0	2.5	52.5	14.5	50.0	2.5	52.5	5.00	87.00								5.00	28.0
2031, or 31/32	1.40	50.0	2.5	52.5					5.25	94.00								5.80	30.0
2032, or 32/33	1.10	50.0	2.5	52.5					5.50	100.00								6.60	32.0
2033, or 33/34									6.00	100.00								7.40	34.0
2034, or 34/35									6.50	100.00								8.40	37.0
2035, or 35/36									7.00	100.00								10.00	40.0
2036, or 36/37									7.50	100.00									
2037, or 37/38									8.00	100.00									
2038, or 38/39									8.50	100.00									
2039, or 39/40									9.00	100.00									
2040, or 40/41									9.50	100.00									
2041, or 41/42									10.00	100.00									

Comparison of Renewable Portfolio Standards (RPS) Programs in PJM States

	IL	OH	NC	MI	VA
Regulation or Legislation	Public Act 095-0481 (August 2007) PA 096-159 (Aug 2009) SB1652 (10/26/2011) HB 2427 (6/28/2014) SB2814 (12/2016) SB2408 (9/2021)	SB 221 (May 2008) SB 315 (9/10/2012) SB 310 (May 2014) HB 6 (Oct 2019)	SB 3 (August 2007) SB 75 (April 2011)	Public Act 295, (October 6, 2008) Public Act 342 / SB 438 (Dec 2016)	SB 1416 (2007) HB 1994 (2009) HB 1022 (7/2010) HB 232 / HB 1102 (7/2012) HB 2261 (2/2013) SB 851 (4/2020)
Geographic Eligibility	Resources must be procured from facilities located in Illinois or states that adjoin Illinois.	The renewable energy requirement must be met by in-state facilities and resources that can be shown to be deliverable into the state.	Utilities may use unbundled RECs from out-of-state renewable energy facilities to meet up to 25% of the portfolio standard. Qualifying out-of-state facilities are (1) hydroelectric power facilities with a generation capacity up to 10 MW, or (2) renewable energy facilities placed into service on or after January 1, 2007.	Renewable energy credits used to satisfy the renewable energy standards shall be either 1) located anywhere in this state or 2) located outside of this state in the retail electric customer service territory of a utility recognized by the Michigan PSC.	From 2021 to 2024: Dominion and APCo may use RECs from any renewable energy facility located in Virginia or located within the PJM region. In 2025 and thereafter, at least 75% of all RECs used by Dominion shall come from RPS eligible resources located in Virginia.
Reporting Period	June 1 st to May 31 st . Compliance reports due 9/1.	January 1 st to December 31 st . Compliance reports due 4/15.	January 1 st to December 31 st .	January 1 st to December 31 st .	January 1 st to December 31 st . Reports due annually on April 30 th .
Banking		RECs have a lifetime of five years following their purchase or acquisition	On or after January 1, 2008 an Energy supplier can receive and accumulate RECs. Excess REC's can be applied to the next year's compliance target.		RECs can be used in the year the renewable energy was generated or the five calendar years thereafter.
Credit Multipliers	No	No	Triple credit for every one REC generated by the first 20 MW of a biomass facility located at a "cleanfields renewable energy demonstration park."	<ul style="list-style-type: none"> Solar receives an additional 2 credits per MWh Lesser bonuses awarded for on-peak production, storage, and using in-state labor or equipment 	No
Technology - Specific Requirements (set asides)		<ul style="list-style-type: none"> 0.5% from solar energy resources by 12/31/2026. 	<ul style="list-style-type: none"> 0.2% solar by 2018 0.2% energy recovery from swine waste by 2018 900,000 MWh of electricity derived from poultry waste by 2015. 	None.	Dominion shall meet 1% of requirements in any given compliance year with solar, wind, or anaerobic digestion resources of 1 MW or less located in Virginia.

Comparison of Renewable Portfolio Standards (RPS) Programs in PJM States

	IL	OH	NC	MI	VA
Renewable Energy Sources	<p>Renewable energy resources:</p> <ul style="list-style-type: none"> wind, solar thermal energy, photovoltaic cells and panels, biodiesel, crops and untreated and unadulterated organic waste biomass, anaerobic digestion, in-state landfill gas, hydropower that does not involve new construction or significant expansion of hydropower dams, waste heat to power systems, or qualified combined heat and power systems 	<p>Renewable Energy sources:</p> <ul style="list-style-type: none"> solar photovoltaics (PV), solar thermal, wind, geothermal, biomass, biologically derived methane gas, landfill gas, certain non-treated waste biomass products, fuel cells that generate electricity and qualified hydroelectric facilities. certain cogeneration and waste heat recovery system technologies run-of-the-river hydroelectric systems on the Ohio River exceeding 40 MW capacity biological methane gas not converted into electricity. 	<p>Renewable sources:</p> <ul style="list-style-type: none"> solar-electric photovoltaics, solar thermal, wind, hydropower up to 10 MW, ocean or wave energy, biomass, landfill gas, waste heat from renewables, and hydrogen derived from renewables. energy efficiency technologies (up to 25% of requirement), including CHP systems powered by non-renewable fuels. electricity demand reduction (up to 100%) 	<p>Eligible Renewables include:</p> <ul style="list-style-type: none"> biomass, solar and solar thermal, wind, landfill gas, water released through a dam, waves, tides, or currents, geothermal, municipal solid waste <p>Credits from Energy Optimization and Advanced Cleaner Energy Systems (defined below) can be used to satisfy up to 10% of the renewable energy requirement</p>	<p>RPS Eligible sources:</p> <ul style="list-style-type: none"> Solar, Wind (onshore and offshore), certain Hydro, certain Waste-to-Energy and Landfill Gas in VA, certain Biomass in VA
Alternative Energy Sources		n/a	n/a	<p>Energy Optimization may include: energy efficiency, load management, or energy conservation.</p> <p>Advanced Cleaner Energy System is any of the following:</p> <ul style="list-style-type: none"> Gasification, industrial cogeneration, and coal-fired facilities that capture and sequester (CCS) 85% of carbon dioxide emissions 	
Alternative Compliance Payment (ACP)	None.	REC - \$45/MWh Solar - \$300 for 2014, 2015, and 2016; \$250 for 2017 and 2018; and \$200 for 2019.	None. Recoverable costs are capped.	Not applicable for the Renewable Energy Requirement.	<p>Deficiency payments (2021): Renewables - \$45/MWh Distributed Gen - \$75/MWh</p> <p>Increasing by one percent annually after 2021.</p>

Comparison of Renewable Portfolio Standards (RPS) Programs in PJM States

	IL				OH			NC				MI			VA	
Beneficiary of ACP	n/a				Ohio Advanced Energy Fund, which provides financial support to renewable energy and energy efficiency projects within the state.			n/a				n/a			An account administered by the Department of Mines, Minerals and Energy	
Solar Requirements	Yes, see below.				Yes, through 2019 (see below).			Yes, see below.				n/a			n/a	
RPS Percentages	For Electric Utilities:															
	Wind	Solar	Dist. Gen.	Total		Solar	Total	Solar	Swine Waste	Poultry Litter (GWh)	Total		Total	APCo	DOM	
2009, or 09/10	3.0			4.0%		0.004%	0.25%									
2010, or 10/11	3.75			5.0%		0.010%	0.50%	0.02%								
2011, or 11/12	4.50			6.0%		0.030%	1.0%	0.02%								
2012, or 12/13	5.25	0.0035		7.0%		0.060%	1.5%	0.07%	0	0	3.0%		2%			
2013, or 13/14	6.00	0.12	0.040	8.0%		0.090%	2.0%	0.07%	0.07%	170	3.0%		3.33%			
2014, or 14/15	6.75	0.27	.0675	9.0%		0.12%	2.5%	0.07%	0.07%	700	3.0%		5%			
2015, or 15/16	7.50	0.60	0.100	10.0%		0.12%	2.5%	0.14%	0.14%	900	6.0%		10%			
2016, or 16/17	8.625	0.69	0.115	11.5%		0.12%	2.5%	0.14%	0.14%	900	6.0%		10%			
2017, or 17/18				13.0%		0.15%	3.5%	0.14%	0.14%	900	6.0%		10%			
2018, or 18/19				14.5%		0.18%	4.5%	0.20%	0.20%	900	10.0%		10%			
2019, or 19/20				16.0%		0.22%	5.5%	0.20%	0.20%	900	10.0%		12.5%			
2020, or 20/21				17.5%		0%	5.5%	0.20%	0.20%	900	10.0%		12.5%			
2021, or 21/22				19.0%		0%	6.0%	0.20%	0.20%	900	12.5%		15%	6%	14%	
2022, or 22/23				20.5%		0%	6.5%							7%	17%	
2023, or 23/24				22.0%		0%	7.0%							8%	20%	
2024, or 24/25				23.5%		0%	7.5%							10%	23%	
2025, or 25/26				25.0%		0%	8.0%							14%	26%	
2026, or 26/27				28.0%		0%	8.5%							17%	29%	
2027, or 27/28				31.0%										20%	32%	
2028, or 28/29				34.0%										24%	35%	
2029, or 29/30				37.0%										27%	38%	
2030, or 30/31				40.0%										30%	41%	
2035, or 35/36				-										45%	59%	
2040, or 40/41				50.0%										65%	79%	
2045														80%	100%	
2050														100%		

Comparison of Renewable Portfolio Standards (RPS) Programs in PJM States

	IN	WV	KY	TN	
Regulation or Legislation	SB 251 (May 2011)	None. HB2010 (January 2015) repealed the Alternative and Renewable Energy Portfolio standard	None.	None.	
Geographic Eligibility	Clean energy must be generated by a facility located in a control area that is part of a regional transmission organization of which an electricity supplier is a member. At least 50% must originate in Indiana.				
Reporting Period	January 1 st to December 31 st . Reports due annually on March 1 beginning in 2014				
Banking					
Credit Multipliers	None.				
Technology - Specific Requirements (set asides)	None.				
Renewable Energy Sources	Clean energy resources: wind; solar energy; photovoltaic cells and panels; dedicated crops grown for energy production; organic waste biomass; hydropower; fuel cells; hydrogen; energy from waste to energy facilities; energy storage systems or technologies; geothermal energy; coal bed methane; industrial byproduct technologies that use fuel or energy that is a byproduct of an industrial process; waste heat recovery; demand side management or energy				

Comparison of Renewable Portfolio Standards (RPS) Programs in PJM States

	IN			WV			KY			TN		
	efficiency initiatives; nuclear energy; combined heat and power systems; natural gas that displaces electricity from coal; clean coal technology; and net metered distributed generation facilities											
Alternative Energy Sources	See above.											
Alternative Compliance Payment (ACP)	None. It is a voluntary goal.											
Beneficiary of ACP	n/a											
Solar Requirements	n/a											
RPS Percentages			Total (% of 2010 sales)									
2010, or 10/11												
2011, or 11/12												
2012, or 12/13												
2013, or 13/14			4.0%									
2014, or 14/15			4.0%									
2015, or 15/16			4.0%									
2016, or 16/17			4.0%									
2017, or 17/18			4.0%									
2018, or 18/19			4.0%									
2019, or 19/20			7.0%									
2020, or 20/21			7.0%									
2021, or 21/22			7.0%									
2022, or 22/23			7.0%									
2023, or 23/24			7.0%									
2024, or 24/25			7.0%									
2025, or 25/26			10.0%									

DATA REQUEST

- AG_KIUC 2_7 Refer to Company response and KPSC 1_9_ConfidentialAttachment2.xlsx
- a. [REDACTED]
 - b. Provide a narrative discussion regarding the derivation of the [REDACTED]
 - c. Provide a narrative discussion regarding the derivation of the [REDACTED]
 - d. Provide a narrative discussion regarding the derivation of the [REDACTED]
 - e. Explain if the Company expects increases in renewable generation to coincide with increase in Renewable Portfolio Standard (RPS) targets. Could increases in renewable generation to meet RPS targets increase the supply of RECs available in the market and result in decreased REC values?

RESPONSE

- a. Confirmed. This is a conservative approach.
- b. The growth in RPS REC demand within PJM from the previous year is divided by the total maximum demand RPS REC demand (which is expected in 2050) is then multiplied by the difference between RPS REC price in 2050 and the Tier 1 REC Price in the previous year. The product of those numbers is then added to the previous year's price. The total demand for RECs in PJM with RPS requirements and how those interact with the calculation in column AA is described in KPSC 1-9.
- c. The Ceiling Calc column calculation and back up detail can be found on the "Max Calc" tab within KPCO_R_KPSC_1_9_ConfidentialAttachment2. In addition to the description of how this column was calculated the Company recorded the various states with an RPS requirements alternative compliance payments ("ACPs"). The Company first calculated a simple average for the ACPs and then calculated a weighted average of the ACPs in each respective year. The Company took the minimum of these two calculations to be the "ceiling price" that is found in the Ceiling Calc" column on the "PJM REC Demand" tab.

Kentucky Power Company
KPSC Case No. 2024-00243
AG-KIUC's Second Set of Data Requests
Dated October 9, 2024
Page 2 of 2

d. Column AD is the combination of the “Minimum Value” found in column AC and the known, settled prices from the Evolution Markets broker quotes. As described in KPSC 1-9, the prices in years 2022-2028 in column AD come from the Evolution Markets broker quotes, which was provided in KPCO_R_KPSC_1_9_ConfidentialAttachment1. Year 2029 split the difference between the Evolution Markets broker quote for 2028 and the calculated “Minimum Value” in 2029 by two and added that difference to the Evolution Market price from 2028. For years 2030 – 2056 the price was pulled from the “Minimum Value” column.

e. Based off the Company and its affiliates interaction with renewable generation projects, there currently is not enough renewable generation in the pipeline to meet applicable RPS requirements and the demand from corporations purchasing RECs to meet their sustainability goals. It should also be noted that the Company’s REC forecast did not account for load growth for any of the states with an RPS requirement.

While an increase in renewable generation can be expected to lead to more RECs in the market, that would not necessarily mean that prices would go down. There are more factors to the price than just the supply from renewable generation, particularly including changes in demand.

Witness: Nicole M. Coon

Kentucky Power Company
KPSC Case No. 2024-00243
AG-KIUC's Second Set of Data Requests
Dated October 9, 2024

DATA REQUEST

AG_KIUC 2_8 Refer to Company response to AG_KIUC 1_14.

- a. Is the Company aware of any long-term REC contract processes and/or financial products available to utilities and/or developers to reduce risk of REC pricing? Explain.
- b. Confirm that it is possible to transact and/or contract the energy portion of a project's output separate from the renewable attributes of a project (RECs).

RESPONSE

- a. There are two possible ways to reduce risk of REC pricing of which the Company is aware. The first is the ability to sell RECs in the forwards market. RECs are able to be traded out into the future and that market is currently liquid through year 2029. This is also shown in the Evolution Markets broker quotes that were provided in the Company's response to KPSC 1-9, showing known, settled prices for RECs through 2028. The second is to enter into a contract with a customer through Option B in Rider R.P.O. and negotiate terms in which the price paid for the REC is locked in for the term of the contract.
- b. Confirmed; Contracts for a standalone product (i.e., energy only, capacity only, or RECs only) are possible. However, in this instance, the Company preferred to purchase a bundled product as it had a need for both Capacity and Energy, and believes that by monetizing the RECs, it can "Buy-down" or reduce the Contract Rate.

Witness: Nicole M. Coon

Witness: Zachary M. Yetzer

Kentucky Power Company
KPSC Case No. 2024-00243
AG-KIUC's Second Set of Data Requests
Dated October 9, 2024

DATA REQUEST

- AG_KIUC 2_9** Refer to “KPCO_R_AG_KIUC_1_15_Attachment1” and the historical REC data provided S&P Capital IQ.
- a. Provide all documentation, memos, narratives, and definitions from S&P describing the definitions used to determine these indices and the assignment of costs for each state, TIER, and indication of solar vs. non-solar REC attributes.
 - b. Provide the associated market volumes assumed for each of these trade indices data points if applicable. If these indices are derived based on fundamental forecasts, provide all documentation used to support the methodology for their derivation.

RESPONSE

a.&b. According to S&P’s website and within KPCO_R_AG_KIUC_1_15_Attachment1: Data is compiled from a range of market indicatives and do not necessarily represent completed trades. California RPS figures do not contain data from Evolution Markets. California prices are representative of the renewable and environmental attributes used for compliance purposes with the state’s renewable portfolio standard. California prices do not include the value of electricity. They also state that data for RECs index is provided by Evolution Markets and Tradition Financial Services. The Company does not possess the trade volume data used in S&P’s analysis.

Witness: Nicole M. Coon

Kentucky Power Company
KPSC Case No. 2024-00243
AG-KIUC's Second Set of Data Requests
Dated October 9, 2024
Page 1 of 2

DATA REQUEST

- AG_KIUC 2_10** Refer to Company response to AG_KIUC_1-15(e) that states, “The RECs generated by the project can be used to fulfill the needs of the Company’s obligations under Rider R.P. O. Rider R.P.O. gives customers the option to offset their usage with RECs that are procured by the Company. Kentucky Power would be able to use the RECs generated through the Project to fulfill this offering to customers.”
- a. Confirm that the Tariff R.P.O. Option A rate is \$0.50 per kWh for solar RECs, which is equivalent to \$5.00 per mWh.
 - b. Confirm that the Tariff R.P.O. Option A rate values the Bright Mountain REPA RECs at \$5.00 per mWh to the extent the Company uses “the RECs generated through the Project to fulfill this offering to customers.”
 - c. Confirm the modeled expected REC benefits are computed assuming a REC price ranging from \$34-35/MWh.
 - d. Confirm that Tariff R.P.O. Option A is a voluntary program and customers may terminate within 30 days after the Company notices customers of a rate change.
 - e. Provide a monthly history of the number of RECs transferred to customers through Tariff R.P.O. Option A subscriptions from the first effective date of Tariff R.P.O. to the most current month for which actual data is available, the price per month for each 100 kWh block in each of those months; the revenues received pursuant to this rate; the number of RECs acquired by the Company externally to supply these subscriptions by source and the price on average that month paid to each source; the number of RECs acquired through PPAs or REPAs used to supply these subscriptions whereby the RECs were transferred from the seller to the Company by source and the price on average that month paid to each source; and the number of RECs used to supply these subscriptions obtained due to the Company’s owned or contracted generation by source (generating unit).
 - f. Provide the source of and support for the \$0.50 per month per 100 kWh block presently reflected in Tariff R.P.O. Option A.
 - g. Explain how the Company would expect to use Tariff R.P.O. to help reduce risk of REC monetization if the price of Tariff R.P.O. would value the RECs at only \$5/mWh.
 - h. Why didn’t the Company use a projection of \$5/mWh for REC value in the economic analysis supporting the REPA if it plans to use Tariff R.P.O. as a backstop to monetizing the RECs in VA and PA? Explain.

Kentucky Power Company
KPSC Case No. 2024-00243
AG-KIUC's Second Set of Data Requests
Dated October 9, 2024
Page 2 of 2

RESPONSE

a., b., d., e., and f. The Company objects to these requests on the basis that it is overly broad, unduly burdensome and not reasonably calculated to lead to the discovery of admissible evidence. In support of these objections, that Company states that the RECs generated by the Project would only be eligible to fulfill the obligations under Option B of Rider R.P.O.

c. Denied. The range of REC prices can be found in KPCO_R_KPSC_1_7_ConfidentialAttachment1 and KPCO_R_KPSC_1_9_ConfidentialAttachment2.

g. The Company could use the RECs to fulfill a request from a larger customer who may want to contract under Option B of Rider R.P.O to purchase the electrical output and all associated environmental attributes from a renewable energy generator through a bilateral contract. In that contract, the Company could negotiate terms in which the price paid for the REC is locked in for the term of the contract. In recent years, there has been an increase in economic development projects across all utilities where the customer requires or requests their electrical energy be sourced from a renewable resource in order to support their sustainability goals.

h. Please see the Company's responses to the previous subsections of this question.

Witness: Tanner S. Wolfram

Witness: Nicole M. Coon

Kentucky Power Company
KPSC Case No. 2024-00243
AG-KIUC's Second Set of Data Requests
Dated October 9, 2024

DATA REQUEST

- AG_KIUC
2_11** The Company states that the development costs it seeks authorization to defer “include expenses the Company incurred related to internal resource support and outside services that are reasonable and necessary to develop and finalize the REPA, and obtain to approval,” according to the Company’s Application at 10.
- a. Provide a list of the internal and external costs separated into incremental and non-incremental cost categories and the estimated amounts for each cost and category. Also provide all support for the estimated costs.
 - b. For those internal costs identified as incremental on the list provided in response to part (a) of this question, provide all support for the conclusion they are incremental and all criteria used to make that determination.

RESPONSE

- a. The Company considers all development costs for which it is seeking deferral authority to be incremental. Please see [KPCO_R_AG_KIUC_2_11_Attachment1](#) for the requested support.
- b. The Company considers the internal costs associated with the development of the RFP and bid analysis to be incremental because they are costs directly assigned to Kentucky Power by AEP Service Corporation that would not otherwise be allocated to Kentucky Power in the normal course and captured through traditional ratemaking, as such a process for generation resources occurs on a non-recurring and extremely limited basis.

Witness: Tanner S. Wolfram

Kentucky Power Company
KPSC Case No. 2024-00243
AG-KIUC's Second Set of Data Requests
Dated October 9, 2024

DATA REQUEST

- AG_KIUC** Refer to KPCO_R_KPSC_1_7_PublicAttachment1.xlsx.
2_12
- a. Why aren't RECs expected to be monetized in 2027 and 2028? Explain.
 - b. Confirm that Witness Coons describes a present value of \$87.202 million in benefits, but fails to describe the \$101.805 million in present value costs, resulting in a net present value harm of \$14.604 million over the 15-year contract period.
 - c. Confirm that the costs of the project exceed the benefits in every year of the 15-year contract period.

RESPONSE

- a. RECs are expected to be monetized in 2027 and 2028. Please refer to KPCO_R_KPSC_1_7_ConfidentialAttachment1 for the values.
- b. Denied. The Company presents both the costs and benefits in the Attachments to its response to KPSC 1-7. Additionally, Company Witness Coon's testimony demonstrates that the Project would result in an estimated monthly increase of \$0.34 for the average residential customer which, by definition, demonstrates the Project is a slight net cost to customers.
- c. The Company's response to KPSC 1-7 speaks for itself.

Witness: Nicole M. Coon

Kentucky Power Company
KPSC Case No. 2024-00243
AG-KIUC's Second Set of Data Requests
Dated October 9, 2024

DATA REQUEST

**AG_KIUC
2_13** Confirm it is the Company's intent to include all costs and benefits of the REPA in Tariff P.P.A., except for the effects of the energy expense savings (avoided energy expenses), which it plans to reflect in the FAC. If this is not correct, then provide a detailed description as to the form of recovery and/or credits through each of the Company's tariffs.

RESPONSE

Confirmed in part. The Company will receive actual energy revenues from the PJM spot energy market, which will be credited through the FAC, to the direct benefit of customers.

Witness: Tanner S. Wolfram

VERIFICATION

The undersigned, Nicole M. Coon, being duly sworn, deposes and says she is a Regulatory Consultant Principal for American Electric Power Service Corporation, that she has personal knowledge of the matters set forth in the foregoing responses and the information contained therein is true and correct to the best of her information, knowledge, and belief.

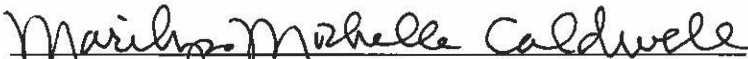


Nicole M. Coon

Commonwealth of Kentucky)
)
County of Boyd)

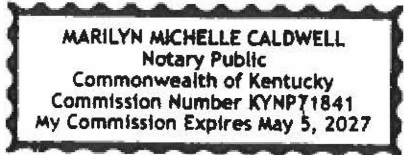
Case No. 2024-00243

Subscribed and sworn to before me, a Notary Public in and before said County and State, by Nicole M. Coon, on October 21, 2024.


Notary Public

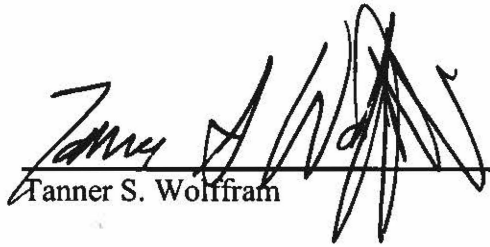
My Commission Expires May 5, 2027

Notary ID Number KYNP71841



VERIFICATION

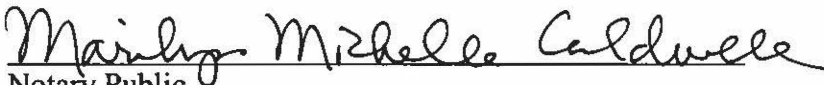
The undersigned, Tanner S. Wolfram, being duly sworn, deposes and says he is the Director of Regulatory Services for Kentucky Power, that he has personal knowledge of the matters set forth in the foregoing responses and the information contained therein is true and correct to the best of his information, knowledge, and belief.

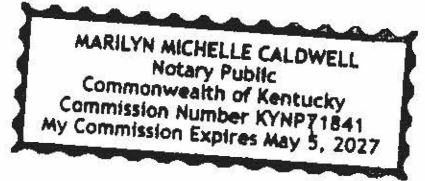

Tanner S. Wolfram

Commonwealth of Kentucky)
)
County of Boyd)

Case No. 2024-00243

Subscribed and sworn to before me, a Notary Public in and before said County and State, by Tanner S. Wolfram, on October 21, 2024.


Marilyn Michelle Caldwell
Notary Public



My Commission Expires May 5, 2027

Notary ID Number KYNP71841

VERIFICATION

The undersigned, Zachary M. Yetzer, being duly sworn, deposes and says he is the Regulated Infrastructure Development Manager for American Electric Power Service Corporation, that he has personal knowledge of the matters set forth in the foregoing responses and the information contained therein is true and correct to the best of his information, knowledge, and belief.



Zachary M. Yetzer

__ State of Ohio __)
)
__ County of Franklin)

Case No. 2024-00243

Subscribed and sworn to before me, a Notary Public in and before said County and State, by Zachary M. Yetzer, on 10/17/24.



Notary Public



ASHLEY R LAWSON
Attorney at Law
NOTARY PUBLIC, STATE OF OHIO
My Commission Has No Expiration Date
Section 147.03 O.R.C.

My Commission Expires N/A

Notary ID Number —