

Kentucky Power Company  
KPSC Case No. 2024-00243  
AG-KIUC's First Set of Data Requests  
Dated September 11, 2024  
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**DATA REQUEST**

- AG\_KIUC**     Refer to the Direct Testimony of Witness Coon at page 4, lines 20-26,  
**1\_15**           which states, “REC Revenues - The proposed renewable generator will  
generate one REC for each MWh of renewable energy produced and those  
RECs will be transferred to the Company. This calculation is the product  
the RECs generated by the Project and the forecasted REC market price.  
These RECs could be monetized in various REC markets or used to fulfill  
the Company’s obligations, if any, under Rider R.P.O. (Renewable Power  
Option Rider).”
- a. Explain how the Company derived the REC market price assumptions.
  - b. Provide the forecasted REC revenue assumptions (\$/MWh) assumed for each year of the delivery period.
  - c. Provide all industry documentation, memos, and research in the Company’s possession forecasting REC pricing consistent with any part of the delivery period.
  - d. What REC market(s) does the Company assume the REC would be monetized in?
  - e. Explain how the Company expects to use RECs to fulfill the Company’s obligations. Explain if the Company will assume responsibility for the REC revenue forecast assumed.
  - f. Provide historic price and project data demonstrating that Kentucky sited solar projects generated RECs and successfully monetized those RECs in PJM and/or other markets.

**RESPONSE**

- a.-c. Please see the Company’s response to KPSC 1-9.
- d. The Company anticipates the RECs to be monetized in the Virginia and Pennsylvania markets. These markets trade RECs that are generated by projects located within the PJM footprint. The Project will be located within the PJM footprint.
- e. 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.
- f. The Company does not have the ability to see historic prices for specific Kentucky sited solar projects that are not owned by the Company. The Company is providing

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historical prices for RECs in the Pennsylvania and Virginia markets in KPCO\_R\_AG\_KIUC\_1\_15\_Attachment1. The RECs from the Bright Mountain project would qualify for sale in the Virginia and Pennsylvania markets.

**November 25, 2024 Supplemental Response**

Upon further research, the Company located a report, attached as KPCO\_SR\_AG\_KIUC\_1\_15\_Attachment1, that can be pulled from PJM GATS which shows the monthly generation, RECs traded, RECs retired and the weighted average price for solar resources in Kentucky. While this report's detail is not down to specific project level or which markets within PJM the RECs were sold into, it does give insight into how Kentucky solar projects are participating in the REC markets within PJM, prices for the RECs are increasing year over year, and similar to the Company's REC forecast, prices for 2024 KY RECs are around the \$30 range with the max weighted price being almost \$35.

Witness: Nicole M. Coon

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

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 November 25, 2024

Marilyn Michelle Caldwell  
Notary Public

My Commission Expires May 5, 2027

Notary ID Number KYNP71841

