

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

**In the Matter of:**

**THE ELECTRONIC APPLICATION OF )  
EAST KENTUCKY POWER COOPERATIVE, )  
INC. FOR 1) A CERTIFICATE OF PUBLIC )  
CONVENIENCE AND NECESSITY TO )  
CONSTRUCT A NEW GENERATION )  
RESOURCE; 2) A SITE COMPATIBILITY )  
CERTIFICATE; AND 3) OTHER GENERAL RELIEF )**

**CASE NO.  
2024-00310**

**RESPONSES TO ATTORNEY GENERAL’S SECOND INFORMATION REQUEST**

**TO EAST KENTUCKY POWER COOPERATIVE, INC.**

**DATED DECEMBER 2, 2024**

COMMONWEALTH OF KENTUCKY

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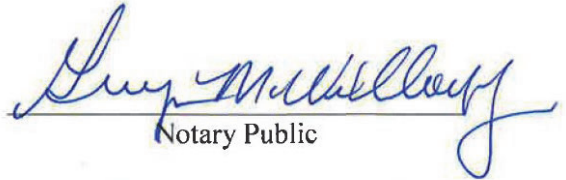
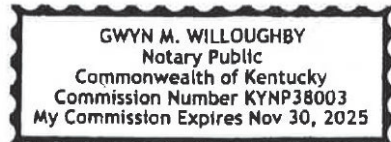
CERTIFICATE

STATE OF KENTUCKY )  
 )  
COUNTY OF CLARK )

Julia J. Tucker, being duly sworn, states that she has supervised the preparation of the responses of East Kentucky Power Cooperative, Inc. to the Attorney General’s Second Request for Information in the above-referenced case dated December 2, 2024, and that the matters and things set forth therein are true and accurate to the best of her knowledge, information and belief, formed after reasonable inquiry.



Subscribed and sworn before me on this 16th day of November 2024.

  
Notary Public

**EAST KENTUCKY POWER COOPERATIVE, INC.  
CASE NO. 2024-00310  
SECOND REQUEST FOR INFORMATION RESPONSE**

**ATTORNEY GENERAL'S REQUEST DATED DECEMBER 2, 2024**

**REQUEST 1**

**RESPONSIBLE PARTY:                 Julia J. Tucker**

**Request 1.**                 See Response to AG DR 1-8. Generally, discuss whether the recent election results are forecasted to impact the referenced “regulatory constraints.”

a. Specifically discuss whether the RICE units are a reasonable investment in all potential near-term regulatory environments.

b. Discuss EKPC’s position generally with respect to generation planning in an uncertain regulatory environment.

**Response 1.**                 While the recent election results will likely delay implementation of some of the regulatory constraints imposed by the current administration, there is no guarantee that a subsequent administration would not impose similar or more-stringent regulation upon EKPC. Federal environmental policy over the past two decades has been inconsistent and often results in wild swings in policies and priorities. For a utility that must make major investments with service lives of multiple decades, the uncertainty arising from the lack of a consistent federal strategy on energy issues makes resource planning unnecessarily complex.

a. The RICE units are a very reasonable investment in both the current and reasonably foreseeable regulatory landscape. The units have a favorable heat rate (the efficiency of converting fuel into electrical energy). They have very flexible and desirable operating characteristics such as the availability to ramp up and down quickly to follow load.

Solar generation is quickly becoming more prevalent in the PJM market as well as within Kentucky. The addition of solar generation changes the way that traditional generation is dispatched. Solar has no variable operating cost, so it will dispatch any time the sun is providing fuel to the resource. Traditional generation will need to be dispatched to meet morning load demand, then as solar ramps up during the day, traditional generation will need to reduce its generation levels in order to balance electric supply to the load. In the evening, the opposite will occur as traditional generation will need to ramp up as solar generation reduces due to sun setting. Conventional baseload units will struggle to meet this demand because the ability to quickly change load levels is not generally an attribute of a large machine. Conventional combustion turbines (CT) can ramp a little faster than the traditional baseload machines, but they require 15 to 30 minutes to start and become available for load following. The RICE units will start up quickly and be available for ramp much faster and more efficiently than the CTs. The level of solar generation penetration might vary based on the administration in office, but there will be some level of solar generation regardless of administration. While the growth rate of solar investments is unknown, there is no one suggesting that the amount of solar investments will decrease over current levels.

Additionally, the RICE units are not currently subject to the suite of requirements set forth by the EPA in the Green House Gas Rule. Refer to the Application, Exhibit 7, Direct Testimony

of Jerry B. Purvis and EKPC's response to Commission Staff's first request for information, Item 11.

b. It is prudent for EKPC to continue with all the projects it is currently seeking approval for because that will help ensure long-term stability in its energy portfolio by diversifying its fuel sources and reducing its carbon footprint now, instead of being forced to do so at a later time at the risk of even greater cost. Dispatchable generation will always be crucial to providing a reliable and stable electric system. All of the pending CPCN applications, and the New ERA CPCN application to be filed in early 2025, are part of a well-designed, comprehensive resource plan to provide the reasonable, least-cost solution for EKPC's owner-members. The Commission should look at the plan in total, because that is how it was assembled.

**EAST KENTUCKY POWER COOPERATIVE, INC.  
CASE NO. 2024-00310  
SECOND REQUEST FOR INFORMATION RESPONSE**

**ATTORNEY GENERAL'S REQUEST DATED DECEMBER 2, 2024**

**REQUEST 2**

**RESPONSIBLE PARTY:                Julia J. Tucker**

**Request 2.**                See Response to Staff DR 1-1 wherein it states, “EKPC does expect that some large data center load will materialize,” and “service of these loads would be above and beyond the forecast”

   a. Discuss generally how EKPC will go about procuring resources needed to serve that load when and if necessary.

   b. Discuss what steps EKPC will take to minimize the impact to existing customers from serving new data center load.

**Response 2.**                a. EKPC would explore all options to reliably serve the load as it has an obligation to do so in accordance with Kentucky law. However, EKPC may initially contract with a reliable generation-backed resource through a Purchased Power Agreement (“PPA”) to supply both energy and capacity for the load. A longer-term solution may involve building dedicated assets.

Whatever mix of supply is chosen, the risk associated with securing the supply must be borne by the load and not the balance of EKPC's membership.

b. EKPC intends to file a tariff applicable to data centers in 2025 that will encourage economic development while minimizing any negative impacts to existing owner-members – all while meeting EKPC's obligation to serve.