

**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	:	CASE NO. 2024-00310
CONSTRUCT A NEW GENERATION RESOURCE; 2) A	:	
SITE COMPATIBILITY CERTIFICATE; AND 3) OTHER	:	
GENERAL RELIEF.	:	

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**BRIEF OF  
NUCOR STEEL GALLATIN**

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Nucor Steel Gallatin (“Nucor”) submits this Brief in support of its recommendations regarding East Kentucky Power Cooperative, Inc.’s (“EKPC” or “Company”) Application for a Certificate of Public Convenience and Necessity (“CPCN”) to construct a new electric generating station using Reciprocating Internal Combustion Engine (“RICE”) generators near Liberty, Kentucky (“Liberty RICE Facility”).

As an initial matter, EKPC’s status as a non-profit cooperative utility differentiates it from an investor-owned utility with respect to building new generation. Whereas an investor-owned utility has an incentive to maximize its rate base for the benefit of shareholders, an electric cooperative lacks such an incentive. Because an electric cooperative’s costs and margins are flowed through to its member-owners, a cooperative is more likely to propose a new generation build only when necessary.

Here, EKPC has demonstrated a need for additional capacity. EKPC currently owns and operates approximately 2,963 MW of net summer generating capacity and 3,265 MW of net winter generating capacity.<sup>1</sup> In recent years, the Company has experienced several peaks in excess of that generating capacity. EKPC experienced an all-time peak of 3,754 MW during Winter Storm Gerri in January 2024 as well as peaks of 3,747 MW during Winter Storm Elliott

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<sup>1</sup> Application at 2; Direct Testimony of Don Mosier (“Mosier Testimony”) at 4:8-10.

in December 2022 and 3,744 MW during Winter Storm Enzo in January 2025.<sup>2</sup> EKPC therefore does not currently have enough generating capacity to serve what is increasingly becoming its “*new normal*” winter demand. Additionally, EKPC projects that its residential, small commercial, and large commercial sales will grow at compound annual growth rates of 1.0%, 0.2%, and 1.5% respectively from 2025-2039, exacerbating this issue.<sup>3</sup> And the Effective Load Carrying Capability paradigm has reduced the amount of EKPC’s accredited generating capacity in PJM, introducing a risk that EKPC may not carry enough available capacity to offset its required load obligation purchase from the PJM capacity market.<sup>4</sup> Accordingly, EKPC’s claims of additional capacity need are well-founded.

EKPC provided several reasons why constructing the 214 MW Liberty RICE Facility is a reasonable means of addressing some of this capacity need. The Liberty RICE Facility is compliant with existing environmental rules and regulations, provides operational flexibility by ramping up and down in less than 10 minutes, helps to stabilize the grid in light of intermittent renewable resources deployed in or near EKPC’s territory, lessens reliability concerns in the southern portion of EKPC’s system, and provides a hedge against volatile market pricing and emergency energy needs during extreme weather events.<sup>5</sup> Approval of the Liberty RICE Facility CPCN would also be consistent with the Commission’s stated preference for Kentucky utilities to have “*steel in the ground.*”<sup>6</sup>

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<sup>2</sup> Mosier Testimony at 5:11-14; Direct Testimony of Julie J. Tucker (“Tucker Testimony”) at 5:11-13 and 11:13-17; EKPC Response to Staff Third Request for Information, Response 8.

<sup>3</sup> Tucker Testimony at 10:17-20. These numbers exclude electric vehicle projections. Including these projections, residential, small commercial, and large commercial sales are projected to grow at compound annual growth rates of 1.4%, 0.9%, and 1.2%, respectively.

<sup>4</sup> Tucker Testimony at 14:1-23.

<sup>5</sup> Mosier Testimony at 6:4-10 and 8:10-21; Tucker Testimony at 19:21-23, 20:12-21:6, and 25:7-14; Direct Testimony of Brad Young at 8:10-17; Direct Testimony of Craig A. Johnson at 8:16-9:23; Direct Testimony of Darrin Adams at 10:15-11:18; Direct Testimony of Jerry B. Purvis at 5:3-4.

<sup>6</sup> Order, Case No. 2023-102 (January 25, 2024) at 9.

Respectfully submitted,

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