

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

<b>ELECTRONIC APPLICATION OF EAST</b>	<b>)</b>	
<b>KENTUCKY POWER COOPERATIVE, INC.</b>	<b>)</b>	
<b>FOR 1) A CERTIFICATE OF PUBLIC</b>	<b>)</b>	
<b>CONVENIENCE AND NECESSITY TO</b>	<b>)</b>	<b>Case No. 2024-00310</b>
<b>CONSTRUCT A NEW GENERATION</b>	<b>)</b>	
<b>RESOURCE; 2) A SITE COMPATIBILITY</b>	<b>)</b>	
<b>CERTIFICATE; AND 3) OTHER GENERAL</b>	<b>)</b>	
<b>RELIEF</b>	<b>)</b>	

**ATTORNEY GENERAL'S POST-HEARING BRIEF**

On September 20, 2024, East Kentucky Power Cooperative, Inc. (“EKPC”) filed an application with the Commission seeking the issuance of a Certificate of Public Convenience and Necessity (“CPCN”) to construct a 214 MW generating station and related facilities near Liberty, Kentucky. The generation station will be composed of 12 Wartsila W18V50DF engines (“RICE”) that burn natural gas. Ultra-low sulfur diesel provides backup capabilities for up to 72 hours. The parties engaged in extensive discovery over the five-month period following filing of the application, and a hearing was held in this matter on March 17-18, 2025.

In order for the Commission to issue the CPCN, EKPC is required to demonstrate that the proposed construction is necessary and not wastefully duplicative.<sup>1</sup> EKPC has made such a demonstration here, and the Commission should issue the CPCN.

EKPC needs additional generation resources. EKPC completed a Long-Term Load

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<sup>1</sup> KRS 278.020; *Kentucky Utilities Co v. Public Service Comm’n*, 252 S.W.2d 885 (Ky. 1952).

Forecast (“LTLF”) in 2024. The LTLF showed increases of greater than 200 MW in the 2025/26 winter peak compared to the 2022 IRP.<sup>2</sup> EKPC also utilized a 7% reserve margin to address the possibility of winter storms and generator outages. When compared to its available resources, EKPC expects to be short 200 MW of capacity in 2026/2027 for its winter peak, 454 MW when considering the reserve margin.<sup>3</sup> This deficit will grow as additional load joins the system.

Given this deficit, EKPC must add generating resources. Failure to do so will leave it exposed to the increasingly-volatile PJM market. It would not be prudent for EKPC to rely simply on the PJM market to address its capacity deficit. As reliable, dispatchable resources are retired from the PJM grid and are replaced by unreliable, intermittent resources, PJM will be hard-pressed to serve its rapidly increasing load. Market prices will reflect this constrained supply, and we are already seeing this. Thus, EKPC plan to serve its native load through “steel in the ground,” as opposed to simply planning to meet its PJM requirements, is prudent and the correct public policy for the Commonwealth.

Importantly, EKPC specifically chose RICE technology, in part, because these engines are able to ramp up and down quickly to fill the gaps when intermittent resources become unavailable, which is a regular, though not always predictable, occurrence.<sup>4</sup> While EKPC must take steps to keep its system operating, this is further evidence of the impact of intermittent installations on grid reliability generally. Further, much of the

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<sup>2</sup> See Direct Testimony of Julia Tucker at 12.

<sup>3</sup> See Direct Testimony of Julia Tucker at 15.

<sup>4</sup> Application at 7; Direct Testimony of Brad Young at 8.

construction of these intermittent generating sources is by merchant generators that do not serve EKPC ratepayers but are nonetheless, interconnected to its facilities. As we see here, the interconnection of that merchant generation affects the resource selection of the load-serving utility. The Attorney General is hopeful that EKPC's construction and operation of dispatchable resources will reap benefits for its owner-members in addition to simply serving native load. By filling the gaps when others do not show up, EKPC's prudent planning may generate dividends in an increasingly constrained market.

For the foregoing reasons, the Commission should approve EKPC's request for a CPCN to construct needed generation facilities.

Respectfully submitted,

RUSSELL COLEMAN  
ATTORNEY GENERAL

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*Certificate of Service and Filing*

Pursuant to the Commission's Order dated March 17, 2020 in Case No. 2020-00085, and in accord with all other applicable law, Counsel certifies that, on April 11, 2025, a copy of the forgoing was served on the individuals on the e-service list.

this 11<sup>th</sup> day of April, 2025.

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Assistant Attorney General