

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

**ELECTRONIC APPLICATION OF EAST)
KENTUCKY POWER COOPERATIVE,)
INC. FOR 1) CERTIFICATES OF PUBLIC)
CONVENIENCE AND NECESSITY)
TO CONSTRUCT GENERATION)
RESOURCES; 2) FOR A SITE COMPATIBILITY)
CERTIFICATE RELATING TO THE SAME;)
3) APPROVAL OF DEMAND SIDE MANAGEMENT)
TARIFFS; AND 4) OTHER GENERAL RELIEF)**

CASE NO.
2024-00370

**SUPPLEMENTAL RESPONSES TO JOINT INTERVENORS' SUPPLEMENTAL
REQUESTS FOR INFORMATION TO EAST KENTUCKY POWER COOPERATIVE,
INC. DATED JANUARY 17, 2025**

EAST KENTUCKY POWER COOPERATIVE, INC.
CASE NO. 2024-00370
SUPPLEMENTAL REQUEST FOR INFORMATION RESPONSE

JOINT INTERVENORS' REQUEST DATED JANUARY 17, 2025

REQUEST 5

RESPONSIBLE PARTY: **Objection: Legal**

Request 5. Please refer to your response to JI 1-6. With regards to the NewERA program financial support that EKPC has been selected to receive, identify and produce: (1) EKPC's Letter of Interest in applying for such financial support, (2) EKPC's application for such financial support, and (3) RUS and/or USDA's notice informing EKPC that it has been selected to receive such financial support.

Response 5. Objection. The projects proposed in this proceeding do not qualify for the NewERA funding and therefore the information requested is not relevant to this proceeding.

Supplemental Response. EKPC stands by its original objection. The projects proposed in the proceeding do not qualify for the NewERA funding and therefore the information requested is not relevant to this proceeding.

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REQUEST 6

RESPONSIBLE PARTY: Julia J. Tucker

Request 6. Please refer to your response to JI 1-8. Confirm that EKPC did not carry out any capacity expansion modeling supporting the proposed Cooper CCGT plant. If not confirmed, identify such modeling and produce any modeling input and output files, workpapers, workbooks, and other documents used in carrying out such modeling.

Response 6. EKPC did model the proposed Cooper CCGT as stated in its response to Joint Intervenor's First Request for Information, Item 8 and its response to Staff's First Request for Information, Item 19. Confidential modeling files were provided within EKPC's response to Staff.

Supplemental Response. EKPC did not complete capacity expansion optimization modeling.

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REQUEST 8

RESPONSIBLE PARTY: Thomas J. Stachnik

Request 8. Please refer to your response to JI 1-11. With regards to the statement that “our projections indicate that EKPC will be able to implement the complete proposed portfolio of projects (RICE, Cooper CC, Co-firing and New ERA renewables) which meets generation needs and environmental compliance requirements with modest rate increases, averaging less than 2% per year over the next 20 years.”

a. Explain how you determined the referenced “modest rate increases,” including identifying any modeling that went into such determination.

b. State whether each of the following categories of costs are reflected in this projected “modest rate increase”. For each category that is not included, explain why not:

- i. Capital
- ii. Fixed O&M
- iii. Variable O&M
- iv. Fuel
- v. Gas pipeline infrastructure
- vi. Transmission upgrades and/or additions

c. Produce any modeling input and output files, workpapers, workbooks, and other documents used in determining the projected “modest rate increase.”

Response 8.

a. and c. Please see attached for the Long-Range Financial Forecast (“LRFF”) Summary. EKPC is also uploading an Excel spreadsheet of the last page of the LRFF Summary which is the LRFF. Both of these attachments are being filed under seal pursuant to a motion for confidential treatment. See attachments *Confidential-JI2.8.c1.pdf* and *Confidential-JI2.8.c2.xlsx*.

b. All of the above were included in the modelling.

Supplemental Response 8c. EKPC’s forecast was prepared using UIPlanner software. As such the inputs, outputs, etc. are not simple excel calculations. The software is a multidimensional database with a calculation engine to prepare the detailed forecast. Our forecast data resides in this proprietary software model. The key outputs of the model are in the forecast file that was previously provided, “CONFIDENTIAL – EKPC Financial Forecast July 2024.pdf”. Off-systems sales revenue, capacity revenues, purchased power, MWh sales to members, etc. are included in the financial summary on the final page thereof. The capital expenditures chart on page 5 reflects accurately the capital expenditures that are included in the model, including expenditures on new generation assets as well as ongoing generation and transmission capital expenditures.

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REQUEST 22

RESPONSIBLE PARTY: Julia J. Tucker

Request 22. Please refer to Attachment JJT-2, EKPC's 2025-2039 Load Forecast. Sec. 3.0, p. 12, explains that the "preliminary forecast is revised based on mutual agreement of EKPC staff and owner-member's President/CEO and staff."

a. Provide documentation of all revisions made to the preliminary forecast. If no such documentation exists, please explain why not.

b. Identify each revision proposed, including explanation of the basis for each such revision.

c. For each revision identified in response to subpart (b), state whether EKPC staff and owner-member's President/CEO and staff did or did not mutually agree to revise the preliminary forecast accordingly.

Response 22.

a. - c. Meaningful revisions to preliminary forecasts are to the large commercial class related to expected growth during the short-term period through 2029. As explained in the

response to item 31 of Joint Intervenor's first data request, this is confidential information between the owner-member and large commercial consumers. All revisions were mutually agreed upon by EKPC and owner-member President/CEO and staff.

Supplemental Response. The NDA signed by the Joint Interveners in this proceeding does not cover Owner-Member to commercial member confidential conversations as EKPC was not a party to these discussions.

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REQUEST 38

RESPONSIBLE PARTY: Thomas J. Stachnik and Mark Horn

Request 38. Please refer to your response to JI 1-45. With regards to the pipeline expansion for which “the interstate pipeline company will recoup its capital investment from EKPC over a twenty-year period”

a. State whether EKPC intends to recover from its owner-members and their ratepayers the costs that the interstate pipeline company will recoup from EKPC.

 i. If so, explain how.

 ii. If not, explain why not and how EKPC intends to pay for those costs.

b. State whether the costs of the pipeline expansion was factored into any economic evaluation of the Cooper Co-Fire and/or Cooper CCGT.

 i. If so, explain how and produce any supporting documentation.

 ii. If not, explain why not.

c. Identify the extent to which the cost of securing a natural gas supply for the Cooper site would change if gas supply were needed only for the Cooper CCGT and not for the Cooper Co-Fire project. Explain your answer and produce any supporting analysis or documentation.

Response 38.

a. EKPC intends to recover from its Owner-Members and their ratepayers the cost that the interstate pipeline will recoup from EKPC.

i. The fixed cost directly related to the pipeline expansion will likely be recovered through base rates.

b. The costs of the pipeline expansion were qualitatively considered in the Cooper cofire and Cooper CCGT evaluation. There was a need for additional capacity which the Cooper CCGT would fill. Based on factors including but not limited to transmission and potential fuel availability, Cooper was determined to be the best site to locate the CCGT. Furthermore, based on the green-house gas rules, Cooper must either add Carbon Capture and Sequestration technology (which is not feasible nor economic), shut down or co-fire with natural gas. The pipeline expansion will allow Cooper 2 to retain approximately 225 MW of reliable baseload capacity. In addition, the fuel cost used in the economic evaluations was delivered gas cost, which means the gas cost includes the fees associated with the pipeline expansions.

c. From the perspective that securing a natural gas supply for the Cooper site is a reference to the pipeline expansion to be completed by the interstate pipeline company, the interstate pipeline company has designed the pipe to meet the needs for the Cooper Co-Fire project, the Cooper CCGT project, a potential future expansion case for Cooper, and potential economic development projects in the area. EKPC is currently the anchor shipper for the proposed pipeline expansion project. All future shippers have open access to the interstate pipeline company's natural gas transportation infrastructure. Should an economic development project have the need

to flow natural gas on this pipeline expansion, EKPC as the anchor shipper, the Owner-Members, and the ratepayer would ultimately benefit from a Facilities Rate Adjustment that works as a credit mechanism to reduce EKPC's rate for the balance of the Term. Theoretically, installing a smaller pipe in the ground compared to a pipe of a larger size, the cost for the smaller physical pipe itself would be slightly lower, but the all-in cost of a pipeline expansion project is more than just the size of the pipe. When all the cost of securing natural gas are fully evaluated, if the smaller pipe required compression to move more molecules of natural gas or if a higher pressure was required, the cost of the smaller pipe would actually be higher. As designed, neither the Cooper Co-Fire project nor the Cooper CCGT project require additional compression for the pipeline expansion. As negotiations continue on the Precedent Agreement for Cooper, supporting analysis and documentation is confidential.

Supplemental Response 38c. EKPC stands by its original response. The Precedent Agreement is still under negotiations and until such time as the agreement is finalized, both the draft Precedent Agreement and the information pertaining to it are highly confidential. The pipeline project is being constructed as an expansion project by the pipeline owner/operator using their capital, assuming a Precedent Agreement is negotiated successfully. Therefore, EKPC will not be determining the specifications of the pipeline that will be constructed such as size or hydraulic capacity. EKPC will merely be tapping into the pipeline for its needs at Cooper Station.

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REQUEST 41

RESPONSIBLE PARTY: Scott Drake

Request 41. Please refer to your response to JI 1-61.

a. Explain in detail how EKPC and its owner-member expert staff decided whether potential DSM programs were “top priority,” and provide any documentation of such decision making.

b. State whether EKPC and its owner-member expert staff ever considered whether achieving all or most of the Realistic Achievable Potential for the Residential and Commercial/Industrial Sectors identified in the 2024 Potential Study should be identified as a “top priority” in deciding what DSM programs to propose. If not, explain why not.

Response 41.

a. Owner-Members and EKPC have energy advisors that implement existing DSM programs in homes and businesses of end-use members in all 16 Owner-Member cooperatives service territories. Many energy advisors hold residential building science certifications from RESNET and BPI. These individuals interact with end-use members on a daily basis engaging

them on their needs with respect to efficient use of energy. The group of Owner-Member and EKPC energy advisors are experts in their field, all have at least 15 years' experience performing this work, and, as a group, hold more direct knowledge of rural Kentucky DSM program needs than any group of similar experts. This group of experts met on March 25, 2024. Based on cost-effective DSM programs identified by the 2024 Potential Study, the group of experts pinpointed needed changes to existing DSM programs and which new DSM programs are most needed by and most useful for the rural end-use members. EKPC is requesting Commission approval for the DSM programs recommended by the experts. No documentation of the decision making was generated.

- b. See Response 41a. Above.

Supplemental Response.

b. EKPC considered achieving the cost-effective DSM programs recommended by the expert energy advisors and member service staff as needed and useful for the rural Kentuckians we serve.

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REQUEST 43

RESPONSIBLE PARTY: **Julia J. Tucker**

Request 43. Please refer to your response to Staff 1-1. With regards to the “well-designed, comprehensive resource plan” referenced therein:

a. State whether there are any other resource proposals besides the three pending CPCN applications and the to-be-filed NewERA CPCN application that are “part of” the referenced resource plan. If so, identify each such proposal.

b. Explain how you believe the Commission should go about looking “at the plan in total.”

c. Explain in sufficient detail to allow independent verification how you determined that the referenced resource plan is the “least-cost solution,” and provide all analyses, modeling input and output files, workpapers, workbooks, and other documentation supporting that determination.

Response 43a through c. See Response to Commission Staff’s Second Request for Information Item 1.

Supplemental Response. All modeling files, assumptions, and resource selection explanation has been provided within this case.

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REQUEST 47

RESPONSIBLE PARTY: Jerry Purvis

Request 47. Please refer to your response to JI 1-43. With regards to the feasibility of gas co-firing at the Spurlock 3 and 4 CFB units:

a. Confirm that your responses to subpart JI 1-43(a) and (b) should have referenced Attachment BY-3 to the application, rather than Attachment BY-1. If not confirmed, identify where in Attachment BY-1 the feasibility of gas co-firing at the Spurlock 3 and 4 CFB units is addressed.

b. Confirm that the Burns MCDonnell Project Scoping Report provided in Attachment BY-3 identifies as risks that “conversion of the Unit 3 and Unit 4 CFB’s for co-firing natural gas requires novel design solutions that are unproven” and that the proposed co-firing modifications for the Unit 3 and Unit 4 CFB boilers “have not been executed to BMcD’s knowledge.”

c. Referring to p. 7-2 of Attachment BY-3, identify and produce any report or other documentation of the Reaction Engineering, Inc. model results that “show that co-firing the units on 50% gas at full load appears technically feasible.”

d. Explain in detail any other engineering studies or research that Burns McDonnell or EKPC carried out or reviewed to determine if conversion of Spurlock Units 3 and 4 for co-

firing natural gas is “feasible, doable and practicable.” Identify and produce any documentation of such studies and research.

Response 47.

- a. Confirmed.
- b. Confirmed. Burns & McDonnell's Project Scoping Report (PSR) provided in Attachment BY-3 does identify the novel and unproven design solutions associated with converting the Spurlock Unit 3 and 4 CFB's and the lack of known execution experience converting similar commercial CFB units as potential project risks. It should be noted that the available and anticipated gas-firing technology associated with converting the Spurlock Units 3 & 4 CFB's to co-fire on gas is well established and proven for startup (the technology is not unproven or novel in and of itself). However, its application in co-firing gas in a CFB boiler is limited in practice and experience. Therefore, this was identified as a potential project risk.
- c. See attachment *Confidential-JI2.47c.pdf* for documentation supporting that statement filed under seal.
- d. No additional engineering studies or research was performed outside of the CFD modeling referenced in 2.47.c, above, as part of the PSR.

Supplemental Response. All modeling files, assumptions, and resource selection explanations have been provided within this case. In addition, EKPC is filing a confidential summary of the REI Report under seal pursuant to a motion for confidential treatment. The actual REI Report is protected under attorney work product privilege.

ATTACHMENT FILED UNDER SEAL
PURSUANT TO A MOTION FOR
CONFIDENTIAL TREATMENT

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REQUEST 49

RESPONSIBLE PARTY: Gregory Cecil

Request 49. Please provide the confidential version of the corrected report by Energy Future's Group on behalf of the Joint Intervenors in Case No. 2022-00098.

Note: Although previously in the possession and control of the Joint Intervenors during the pendency of Case No. 2022-00098, that filing was made under seal and Joint Intervenors possession and use the confidential document is restricted pursuant to a non-disclosure agreement.

Response 49. This confidential document was provided via email by counsel on January 12, 2025 at 8:20 p.m.

Supplemental Response. EKPC provided the document it filed in that proceeding. It appears the document requested in this request was filed on behalf of the Joint Intervenors in that proceeding. Joint Intervenors filed a motion on November 1, 2022 for leave to file the amended Energy Future's report. The Commission granted the Joint Intervenors' motion on December 7, 2022. Since this was a report prepared for and filed by the Joint Intervenors, it should be in their possession or could be obtained from Energy Futures who prepared the report on behalf of the Joint Intervenors.