

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

ELECTRONIC APPLICATION OF KENTUCKY)	
UTILITIES COMPANY AND LOUISVILLE GAS)	
AND ELECTRIC COMPANY FOR)	CASE NO. 2025-00045
CERTIFICATES OF PUBLIC CONVENIENCE)	
AND NECESSITY AND SITE COMPATIBILITY)	
CERTIFICATES)	

RESPONSE OF
KENTUCKY UTILITIES COMPANY
AND
LOUISVILLE GAS AND ELECTRIC COMPANY
TO
THE SOUTHERN RENEWABLE ENERGY ASSOCIATION'S INITIAL
REQUEST FOR INFORMATION
DATED MARCH 28, 2025

FILED: April 17, 2025

VERIFICATION

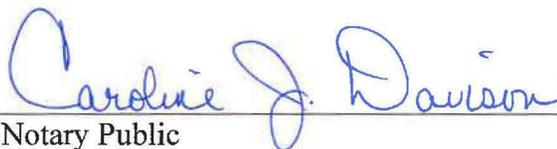
COMMONWEALTH OF KENTUCKY)
)
COUNTY OF JEFFERSON)

The undersigned, **Lonnie E. Bellar**, being duly sworn, deposes and says that he is Senior Vice President Engineering and Construction for PPL Services Corporation and he provides services to Louisville Gas and Electric Company and Kentucky Utilities Company, and that he has personal knowledge of the matters set forth in the responses for which he is identified as the witness, and the answers contained therein are true and correct to the best of his information, knowledge and belief.



Lonnie E. Bellar

Subscribed and sworn to before me, a Notary Public in and before said County and State, this 10th day of April 2025.



Notary Public

Notary Public ID No. KYNP63286

My Commission Expires:

January 22, 2027



**KENTUCKY UTILITIES COMPANY
AND
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**Response to Southern Renewable Energy Association's Initial Request for
Information**

Dated March 28, 2025

Case No. 2025-00045

Question No. 1

Responding Witness: Lonnie E. Bellar / John Bevington

- Q-1. Reference: Direct Testimony of Lonnie E. Bellar ("Bellar Direct"), page 3, lines 7 through 10. In terms of efforts to "induce data centers to locate in Jefferson County," please explain the Companies' role including the foundation or basis for that role.
- A-1. The Companies' role in inducing data centers is the same as with any economic development project, which is to provide accurate and timely information to economic development prospects so they will consider locating or expanding in Kentucky, particularly in the Companies' service territories. The Companies file an annual economic development report with the Commission each year that highlights and summarizes all activities outside of the process of an individual project. See attachment being provided in a separate file.

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Question No. 2

Responding Witness: Lonnie E. Bellar / Charles R. Schram

- Q-2. Reference: Bellar Direct, page 5, line 20 through page 6, line 14. In developing the proposed resource plan, what role, if any, did ownership of the proposed generation assets by the Companies serve in the decision process? If the Companies' ownership of the proposed generation assets did not influence the decision process, please confirm this fact.
- A-2. It is unclear what is intended by this request. The Companies sought to determine which resources would result in safe and reliable service at the lowest reasonable cost. Mr. Schram's testimony addressed why ownership is preferable to contracting in certain circumstances, e.g., regarding BESS ownership rather than contracting for battery storage services, at least for the time being.¹ See also the response to Question No. 1-4.

¹ See, e.g., Direct Testimony of Charles R. Schram at 13-14.

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Question No. 3

Responding Witness: Lonnie E. Bellar

- Q-3. Reference: Bellar Direct, page 7, lines 15 through 17. In that the Brown BESS project remains “pending final determination of critical equipment and appropriate contracting,” please explain whether the Companies expect a similar determination for the proposed BESS facility at the Cane Run Generation Station. If yes, indicate the date by which the Companies expect the final determination. If no, explain why there are different expectations for Brown BESS and the proposed BESS facility at the Cane Run Generation Station.
- A-3. The cited testimony notes that the Companies will finalize expectation of in-service date for the Brown BESS “pending final determination of critical equipment availability and appropriate contracting.” The removal of “availability” in this request may inadvertently focus the response on equipment attributes when, in fact, the testimony focuses on the how the *availability* of the chosen equipment will impact the in-service date. Assuming the request is properly focused on the accurate testimony, yes, the Companies will refine the Cane Run BESS in-service date based upon the final determination of critical equipment availability and appropriate contracting for the project. The Companies expect to complete equipment and installation contracting in first or second quarter of 2026.

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Question No. 4

Responding Witness: Robert M. Conroy / Charles R. Schram / Stuart A. Wilson

Q-4. Reference: Direct Testimony of Robert M. Conroy (“Conroy Direct”), page 7, line 12 through page 8, line 9. In developing the proposed resource plan, what role, if any, did considerations regarding ownership of versus contracting for the necessary resources serve in the decision process? If the proposed resource plan was developed without any consideration of ownership versus contracting, please confirm this fact.

A-4. Not confirmed.

First, the Commission order cited in Mr. Conroy’s testimony does not say utilities must consider whether to own or contract for resources generally, and it does not say a utility must consider whether to purchase or contract for each and every resource it might consider acquiring; rather, the Commission stated, “[T]his Commission expects LG&E/KU to own or contract for the necessary resources, not depend on a capacity market where someone else is in charge of weatherization, maintenance and fuel assurance of those resources.”² Nowhere in that sentence or its context in the Commission’s order does there appear a requirement to “consider[] ... ownership versus contracting.”

Second, the Companies can analyze and potentially act on only those proposals they receive. In their June 2022 request for proposals (“RFP”), which sought proposals from all technology and offer types, the Companies received zero fossil fuel-fired proposals other than their own, and they received no nuclear proposals. Thus, in their May 2024 RFP, the Companies sought only renewable energy proposals, and most of the proposals they received and considered were contract offers, including offers to lease battery storage. Therefore, although the Commission order cited in Mr. Conroy’s testimony does not say the Companies

² *Electronic Joint Application of Kentucky Utilities Company and Louisville Gas and Electric Company for Certificates of Public Convenience and Necessity and Site Compatibility Certificates and Approval of a Demand Side Management Plan and Approval of Fossil Fuel-Fired Generating Unit Retirements*, Case No. 2022-00402, Order at 177 (Ky. PSC Nov. 6, 2023).

must consider contracting for resources, the Companies did indeed consider doing so in their 2025 CPCN Resource Assessment.

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Question No. 5

Responding Witness: Lonnie E. Bellar / Robert M. Conroy

Q-5. Reference: Conroy Direct, page 9, lines 1 through 11. Explain how the Companies’ proposal demonstrates an engagement of an “all-of-the-above approach to electric generation resources” given that only one (1) of the eight (8) resources, natural gas, identified in this testimony will serve as the electric generation resource for the two (2) new generation facilities, Brown 12 and Mill Creek 6.

A-5. The statute quoted in the cited portion of Mr. Conroy’s testimony states, “The energy needs of the Commonwealth are best met by continuing to engage in an all-of-the-above approach to electric generation resources, including but not limited to coal, oil, natural gas, wind, solar, hydropower, nuclear, and any future or emerging technologies like hydrogen power[.]”³ Coal is the dominant fuel source for the Companies’ generating fleet today. Thus, as noted in Mr. Conroy’s testimony, the two new gas-fired generating facilities will help diversify the Companies’ generating fleet, which is consistent with the language of the statute. The Companies are also proposing the Cane Run BESS, which this request ignores, and the Ghent 2 SCR, which will improve the unit’s viability in the years to come. Thus, the four total facilities the Companies are proposing in this proceeding cover three different technology types.

Moreover, the Companies solicited and analyzed proposals for three additional technology types: wind, solar, and pumped hydro. Therefore, the Companies’ 2025 CPCN Resource Assessment truly was an “all-of-the-above” analysis. Note that the Companies’ existing and approved resource portfolio includes coal, natural gas, solar, hydropower, DSM-EE, CSR, and BESS, and the Companies have a wind turbine for research purposes at the E.W. Brown Generating Station.

³ KRS 164.2807(1)(c).

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Question No. 6

Responding Witness: Lonnie E. Bellar / John Bevington / Robert M. Conroy

- Q-6. Reference: Direct Testimony of John Bevington ("Bevington Direct"), page 13, line 6 through page 14, line 14; and Conroy Direct, page 3, line 9 through page 5, line 14. Given the service obligation, as identified and described in the Conroy Direct testimony, explain how the Companies have the discretion to withdraw or terminate a transmission service request ("TSR") concerning a potential customer.
- A-6. The Companies could withdraw or terminate a TSR for a number of reasons consistent with their obligation to serve, including without limitation if the prospective customer or customer seeking to expand service chose not to or did not move forward with the studied service.

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Question No. 7

Responding Witness: Lonnie E. Bellar / Charles R. Schram

Q-7. Reference: Application, pages 11 and 12, paragraph 17. The Application states, at pertinent part, "the Companies will construct Brown 12, Mill Creek 6, the Cane Run BESS, and the Ghent 2 SCR primarily through a self-build process." Also reference the Volume I, page 8-13 (PDF 98) of the Companies' 2024 Joint Integrated Resource Plan in KY PSC Case No. 2024-00326, which states that "As needed, the Companies use an RFP process to obtain offers for energy and capacity from the electricity market."

- a. Did the Companies engage in a request for proposals (RFP) process prior to deciding to construct the proposed projects through a self-build process?
- b. If the Companies engaged in an RFP process, did the Companies bid the self-build proposals into the RFP process?
- c. If the Companies did not engage in an RFP process to obtain offers for energy and capacity from the electricity market, please explain the Companies' decision.
- d. Please provide any applicable documentation that was used to support the decision about whether to conduct an RFP process, including any memoranda, workpapers, emails, and other communications that discuss the decision about whether an RFP process was needed.

A-7.

- a. No.
- b. Not applicable.
- c. See the response to Question No. 4 and the response to AG-KIUC 1-27.
- d. See the response to part (c). The Companies have no additional responsive documents.