

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

In the Matter of:

**ELECTRONIC 2025 JOINT INTEGRATED
RESOURCE PLAN OF EAST KENTUCKY
POWER COOPERATIVE, INC.**

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Case No. 2025-00087

SIERRA CLUB’S POST-HEARING COMMENTS

Sierra Club respectfully submits these post-hearing comments regarding East Kentucky Power Cooperative, Inc.’s (“EKPC” or “the Company”) 2025 Integrated Resource Plan (“2025 IRP”).

An IRP should be a space for thoughtful consideration and testing of major resource decisions. Unfortunately, here EKPC predetermined too many major resource decisions and failed to adequately explore alternatives at the Company’s coal units and other replacement alternatives to the new natural gas combined cycle plant (“NGCC”) at the Cooper coal plant site.

In addition to this flaw, at the March 10, 2026 hearing the Company revealed that it intends to treat data center demand wholly outside of future IRP processes.¹ The Commission should reject the Company’s plan to treat load growth and demand forecasting for out-of-state billionaire corporations in a different – and less transparent – manner than the Company and the Commission provide for everyone else. The Company asserted at the hearing that non-disclosure

¹ *Electronic 2025 Integrated Resources Plan of East Kentucky Power Cooperative, Inc.*, Case No. 2025-00087, Hearing Video Transcript, Testimony of Julia Tucker, at 3:15:00 to 3:16:10, available at <https://www.youtube.com/watch?v=w1rEnbu-Q70> (hereafter “Hearing Video Transcript”).

agreements it signed with potential large load data center customers – which are not part of the record here – preclude the Company from revealing to the public any meaningful information about potential data center loads until after an electric service agreement is signed, including whether the Company is even in discussion with large load data center customers about locating in its service territory.² This means that until the Company signs a contract with a large load data center customer, the public will be completely in the dark about that prospect and will have no information on any aspect of the project, including the location, size, projected demand in megawatts, employment figures, tax revenues, or any necessary zoning changes associated with the project. The Commission should direct the Company to end this secretive approach to public engagement, as it directly contradicts the Commission’s instructions to the Company in approving EKPC’s new large-load tariff in October 2025. In that docket, Case No. 2025-00140, the Commission specifically instructed the Company to “proactively address community concerns through an engagement program that includes early intervention, transparent communication . . . and being upfront about potential impacts includes aesthetics and noise abatement programs.”³ The approach taken by the Company since that time is neither transparent nor, apparently, early, and these errors could be compounded in the future by excluding data center demand forecasts from future IRPs.

I. EKPC’s 2025 IRP Did Not Adequately Evaluate Whether Coal Retirements Are the Least Cost Option for EKPC’s Customers.

EKPC’s 2025 IRP includes major changes to EKPC’s coal units and a major new gas resource. In its preferred plan, EKPC has elected to mothball Cooper unit 1 until 2032, to co-fire

² *Id.* at 3:12:30 to 3:12:55.

³ *Electronic Tariff Filing of East Kentucky Power Cooperative, Inc. to Establish a New Tariff for Data Center Power*, Case No. 2025-00140, Order at 23 (Oct. 30, 2025) (hereafter “Data Center Tariff Order”).

Cooper unit 2 with up to 100% gas, and co-fire Spurlock units 1-4 with up to 50% gas.⁴ The Company did not model any other alternatives for its six remaining coal units.

EKPC conducted capacity expansion modeling for the IRP, but assumed several generation resource decisions were already locked in place rather than evaluating alternative scenarios for its aging coal fleet. For example, as part of its modeling inputs, the Company locked in the co-firing of Cooper unit 2 (up to 100% gas) and Spurlock units 1-4 with up to 50% gas, but the IRP did not consider any other options for these existing coal units.⁵ EKPC essentially pre-set the model to assume that Cooper unit 1 would be in “mothball” status until 2032 with the Cooper combined cycle gas turbine (“CCGT”) coming online in 2030.⁶ The Company did not consider any coal unit retirements prior to the 2032 retirement of Cooper unit 1 and did not consider full gas conversion at any of the other existing coal units.⁷ (For Cooper unit 2, the Company modelled up to 10% co-firing, but retained the ability to co-fire with coal.) With these pre-modeling determinations to co-fire nearly all of the coal units and build a new NGCC, the model could only optimize for other new builds around those large resource decisions, and could not test whether other options for the coal units represented the least-cost option for ratepayers.

The Company decided to mothball Cooper unit 1 as a back-up resource and co-fire all of its remaining coal units with natural gas; but it should have also considered full gas conversion (i.e., only 100% gas operation) or retirement of some of its coal units. In its preferred plan, the Company modelled up to 50% co-firing on gas for Spurlock units 1-4, and allows for up to 100%

⁴ Company Response to PSC 2-10; Company Response to PSC 2-23; EKPC IRP pp. 138-139.

⁵ Company response to PSC 2-10.

⁶ Company response to AG 1-25b.

⁷ Company response to SC 2-10.

gas at Cooper unit 2, but with the possibility of co-firing with coal.⁸ EKPC should have considered alternatives that entailed: retirement rather than mothballing Cooper unit 1, full gas conversion scenarios for Cooper unit 2 without the possibility to co-fire with coal, and full gas conversion for Spurlock units 1 and 2 rather than capping gas co-firing at 50% for these units.

As Sierra Club explained in comments, the poor performance and high costs of Cooper unit 1 should result in its retirement, and EKPC should have modeled the cost of alternatives with full gas conversion for Cooper unit 2 and full gas conversion of Spurlock units 1 and 2.⁹ Sierra Club's comments demonstrated that the price of gas would have to rise far more than expected to make it more favorable economically to run EKPC's Cooper and Spurlock units on coal compared to gas, and thus, "it would make sense to only burn gas" at these units.¹⁰

In its Response to Comments, the Company badly misconstrues Sierra Club's position. According to EKPC, the Sierra Club "calls for the retirement of Cooper Unit 2 and Spurlock Units."¹¹ Sierra Club did neither.¹² Instead, as summarized above, Sierra Club clearly stated (in a bold header) that "II. The IRP should consider full gas conversion or retirement of some of its coal units."¹³ Sierra Club's comments also specifically addressed Cooper unit 2 and Spurlock units 1-4, stating, "similar circumstances for Cooper 2 and Spurlock 1 and 2 should lead EKPC to consider full gas

⁸ Company response to PSC 2-10; Company response to SC 2-10.

⁹ Sierra Club Comments on EKPC's 2025 IRP at 4-9 (Sept. 11, 2025) (hereafter "Sierra Club Comments").

¹⁰ *Id.* at 10.

¹¹ Comments of EKPC at 6 (Sept. 19, 2025).

¹² In addition, the Company inaccurately complains that Sierra Club "did not provide the backup calculation" for the annual costs to keep Cooper unit 1 mothballed as opposed to retiring the unit. Comments of EKPC at 8 (Sept. 19, 2025). In fact, Sierra Club cited EKPC's Confidential version of the 2025 IRP. Sierra Club Comments at 8, n.16 (citing the 2025 IRP at p. 93).

¹³ Sierra Club Comments at 4.

conversion or retirement of these units.”¹⁴ In fact, Sierra Club consistently stated that position in its comments. For example, the Comments begin a section on the Spurlock units by stating, “[t]he Company should also consider alternative options, at the minimum a full gas conversion, for some of the Spurlock units.”¹⁵ That position is consistent with Sierra Club’s recommendation on Cooper unit 1 that, “[t]he Company should have at least considered retiring Cooper Unit 1 in its modeling prior to 2032 given the unit’s poor performance.”¹⁶ Sierra Club never called for the retirement of Cooper unit 2 or the Spurlock units – the IRP is supposed to evaluate reasonable options so that the Company can make informed decisions in the best interest of ratepayers. Here, the Company fell short. As Sierra Club’s comments concluded:

The Company should have modeled alternative portfolios to assess the best options at its coal units. By predetermining the decisions at these units, it removes the usefulness of the IRP process which is a forum for exploring a multitude of options to achieve a low-cost, low-risk plan for ratepayers.¹⁷

The Commission should instruct EKPC to consider alternative generation portfolios in future IRPs that offer a range of outcomes for the Company’s aging coal-fired units. Rather than locking in continued operation and a specified level of gas co-firing, as the Company’s analysis did here, the IRP should test a range of portfolio options to determine the least-cost option for ratepayers.

II. The Commission Should Reject EKPC’s Intention to Address Data Center Demand Forecasts and Load Growth Outside of Future IRPs.

Large load data centers are a relatively new issue for utilities nationwide. There are currently no large load data centers operating in Kentucky, despite the availability of tax

¹⁴ *Id.* at 5.

¹⁵ *Id.* at 8.

¹⁶ *Id.*

¹⁷ *Id.* at 9.

incentives aimed at enticing data centers to locate their businesses in the Commonwealth. As of the March 10, 2025 hearing in this matter, no large load data centers have signed electric service agreements with EKPC,¹⁸ (nor any other utility in the state, as far as Sierra Club is aware). As explained by Sierra Club in other dockets before this Commission, the national boom in data center construction poses new opportunities and challenges to Kentucky and presents issues that utilities and utility commissions across the country must confront. EKPC's 2025 IRP did not initially forecast any data center load growth. In response to a request by Commission Staff, the Company modelled a plan to serve a hypothetical 1 GW of new load, resulting in nearly 1,500 MW of new NGCC capacity in 2031.¹⁹ After the Company filed the 2025 IRP, on October 30, 2025, the Commission approved the Company's large load tariff in Case No. 2025-00140.²⁰ While there are a range of utility practices for incorporating potential data centers into load forecasts and resource planning, Sierra Club believes it is important for the Commission to provide direction to utilities in Kentucky to help guide the way in which utilities forecast data center load growth and plan new generation projects to meet projected demand.

That guidance will be critical in this instance, as EKPC appears poised to: (1) negotiate with potential large load data centers in secret, with non-disclosure agreements shielding even the fact that discussions are taking place from the public;²¹ (2) negotiate data center-specific terms under a "special contract for service" that will set out the terms of the data center's rate, as approved in Case No. 2025-00140;²² (3) exclude data center load growth forecasts from future IRPs.²³ The Commission has not endorsed that approach in other cases, and specifically

¹⁸ Hearing Video Transcript at 3:12:40.

¹⁹ Sierra Club Comments at 13; EKPC Response to Staff 1-1.

²⁰ Data Center Tariff Order at 24.

²¹ Hearing Video Transcript 3:13:00 to 3:13:30.

²² Data Center Tariff Order at 5.

²³ Hearing Video Transcript: 3:12:30 to 3:18:35.

instructed the Company to engage the public early and transparently in approving the data center tariff in Case No. 2025-00140.²⁴

The Company's approach to public disclosure of potential new data center load conflicts with the Commission's Order approving EKPC's data center tariff and the practice of other utilities in Kentucky. At the March 10, 2026 hearing, the Company refused to answer basic questions about its discussions with large load data center customers, including: whether the Company is in discussions with large-load data centers,²⁵ and when and how the company intends to alert the public to the potential for a large-load data center locating in their community.²⁶ The Company confirmed that it would not provide the public with *any information* until there is a signed contract in place.²⁷ Under the Company's large load data center tariff approved by the Commission, a "special contract for service" between EKPC and a data center customer will include basic project details that will, under the Company's preferred approach, be shielded from public knowledge until the contract is finalized, including: the location of the data center, the duration of the contract, the size of the project, capacity and load ramp schedules, electric rates and pricing structures, the level of firmness of service and curtailment, and confidentiality obligations, among others.²⁸ But the Commission encouraged EKPC to engage the public early and transparently, including by "engaging with local community representatives, local authorities, and multiple stakeholders early during the project conceptual phase *before project plans are finalized* and to *share information about the project's scope, including size, timeline and potential impacts.*"²⁹ Moreover, EKPC's approach to

²⁴ Data Center Tariff Order at 22-24.

²⁵ Hearing Video Transcript at 3:12:30 to 3:12:55.

²⁶ *Id.* at 3:16:15 to 3:17:45.

²⁷ *Id.* at 3:13:00 to 3:13:30.

²⁸ Data Center Tariff Order at 5.

²⁹ *Id.* at 23 (emphasis added).

discussing potential data center projects is inconsistent with that taken by Louisville Gas & Electric Company and Kentucky Utilities Company, which provided far more information to the public through their joint IRP docket, including the project location by county, the data center size in megawatts, the data center type (whether it is a developer seeking tenants or data center customer), and the Company's estimated likelihood of the project being built in the Companies' service territory.³⁰

Given EKPC's lack of transparency around potential data center developments, the Commission should be particularly alarmed by Company Witness Julia Tucker's testimony at the hearing that the Company did not intend to include data center load growth forecasts in future IRPs.³¹ The Company has no large load data centers currently operating in its service territory. It has no large load customers taking service under the tariff approved in Case No. 2025-00140. It has not negotiated a final, signed special contract for service under that tariff. And it has not evaluated whether in practice any such special contracts for service actually protect existing customers from costs associated with data center developments in the way the Company and the Commission anticipate.

Under these circumstances, public and Commission oversight of the Company's plans through the IRP process is critically important to ensure the Company appropriately evaluates, plans for, and serves any new data center demand. To allow otherwise would set up a system where the Company could negotiate in secret with large out-of-state corporations like Facebook, Google, or Salesforce; shield project details from the public through use of non-disclosure agreements until all of those details are settled; and develop and implement plans to serve the

³⁰ See generally, *Electronic 2024 Joint Integrated Resource Plan of Louisville Gas and Electric Company and Kentucky Utilities Company*, Case No. 2024-00326.

³¹ Hearing Video Transcript at 3:15:00 to 3:16:10.

electricity needs of those multi-national corporations outside the regular IRP process. The Commission should not endorse a two-tiered system that treats billion-dollar data center companies differently than all other customers.

III. Conclusion

Sierra Club appreciates the opportunity to participate in this IRP process. As explained above, Sierra Club recommends the Commission instruct the Company to take specific steps to refine its modeling approach in future IRPs to ensure that customers are not unnecessarily saddled with the ongoing costs of aging coal-fired resources where those may not be the least-cost alternative. Future IRPs should test whether this is so, rather than hard-coding coal-fired power as an input into each modeling run. Additionally, as the Company and the Commission grapple with the initial wave of potential data centers in Kentucky, the Commission should establish processes that ensure timely and transparent community engagement. To further these goals, the Commission should reject the Company's plan – articulated publicly in the hearing in this matter – to evaluate data center load growth outside of future IRPs.

Dated: April 13, 2026.

Respectfully submitted,

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CERTIFICATE OF SERVICE

This is to certify that the foregoing copy of Sierra Club's Post-Hearing Comments in this action is being electronically transmitted to the Commission on April 13, 2026, and that there are currently no parties that the Commission has excused from participation by electronic means in this proceeding.

/s/ Joe F. Childers
JOE F. CHILDERS