COMMONWEALTH OF KENTUCKY

BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

ELECTRONIC 2025 INTEGRATED RESOURCE	**)**	
PLAN OF EAST KENTUCKY POWER	**)**	**CASE NO.**
COOPERATIVE, INC.	**)**	**2025-00087**

RESPONSES TO ATTORNEY GENERAL'S SECOND INFORMATION REQUEST

TO EAST KENTUCKY POWER COOPERATIVE, INC.

DATED AUGUST 14, 2025

COMMONWEALTH OF KENTUCKY

BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

ELECTRONIC 2025 INTEGRATED RESOURCE PLAN OF EAST KENTUCKY POWER COOPERATIVE, INC.	)))	**CASE NO. 2025-00087**

CERTIFICATE

STATE OF KENTUCKY)
)
COUNTY OF CLARK)

Christopher E. Adams, being duly sworn, states that he has supervised the preparation of the responses of East Kentucky Power Cooperative, Inc. to the Attorney General's Second Request for Information in the above-referenced case dated August 14, 2025, and that the matters and things set forth therein are true and accurate to the best of his knowledge, information and belief, formed after reasonable inquiry.

Christopher E. Adams

Subscribed and sworn before me on this 26 day of August, 2025.

KATHY L. MCINTOSH
Notary Public
Commonwealth of Kentucky
Commission Number KYNP96402
My Commission Expires Jan 30, 2029

Notary Public

COMMONWEALTH OF KENTUCKY

BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

ELECTRONIC 2025 INTEGRATED RESOURCE PLAN OF EAST KENTUCKY POWER COOPERATIVE, INC.	)))	**CASE NO. 2025-00087**

CERTIFICATE

STATE OF KENTUCKY)
)
COUNTY OF CLARK)

Gregory H. Cecil, being duly sworn, states that he has supervised the preparation of the responses of East Kentucky Power Cooperative, Inc. to the Attorney General's Second Request for Information in the above-referenced case dated August 14, 2025, and that the matters and things set forth therein are true and accurate to the best of his knowledge, information and belief, formed after reasonable inquiry.

Gregory H. Cecil

Subscribed and sworn before me on this 26 day of August, 2025.

KATHY L. MCINTOSH
Notary Public
Commonwealth of Kentucky
Commission Number KYNP96402
My Commission Expires Jan 30, 2029

Notary Public

COMMONWEALTH OF KENTUCKY

BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

ELECTRONIC 2025 INTEGRATED RESOURCE PLAN OF EAST KENTUCKY POWER COOPERATIVE, INC.	))))	**CASE NO. 2025-00087**

CERTIFICATE

STATE OF KENTUCKY)
)
COUNTY OF CLARK)

Scott Drake, being duly sworn, states that he has supervised the preparation of the responses of East Kentucky Power Cooperative, Inc. to the Attorney General's Second Request for Information in the above-referenced case dated August 14, 2025, and that the matters and things set forth therein are true and accurate to the best of his knowledge, information and belief, formed after reasonable inquiry.

Scott Drake

Subscribed and sworn before me on this 26 day of August, 2025.

Notary Public

GWYN M. WILLOUGHBY
Notary Public
Commonwealth of Kentucky
Commission Number KYNP38003
My Commission Expires Nov 30, 2025

COMMONWEALTH OF KENTUCKY

BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

ELECTRONIC 2025 INTEGRATED RESOURCE PLAN OF EAST KENTUCKY POWER COOPERATIVE, INC.	)))	**CASE NO. 2025-00087**

CERTIFICATE

STATE OF KENTUCKY)
)
COUNTY OF CLARK)

Craig Johnson, being duly sworn, states that he has supervised the preparation of the responses of East Kentucky Power Cooperative, Inc. to the Attorney General's Second Request for Information in the above-referenced case dated August 14, 2025, and that the matters and things set forth therein are true and accurate to the best of his knowledge, information and belief, formed after reasonable inquiry.

Craig Johnson

Subscribed and sworn before me on this 28 day of August, 2025.

Notary Public

JEANNIE M. JONES
NOTARY PUBLIC
STATE AT LARGE
KENTUCKY
COMMISSION # KYNP41703
MY COMMISSION EXPIRES JANUARY 15, 2028

COMMONWEALTH OF KENTUCKY

BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

ELECTRONIC 2025 INTEGRATED RESOURCE PLAN OF EAST KENTUCKY POWER COOPERATIVE, INC.	)))	**CASE NO. 2025-00087**

CERTIFICATE

STATE OF KENTUCKY)
)
COUNTY OF CLARK)

Denise Foster Cronin, being duly sworn, states that she has supervised the preparation of the responses of East Kentucky Power Cooperative, Inc. to the Attorney General's Second Request for Information in the above-referenced case dated August 14, 2025, and that the matters and things set forth therein are true and accurate to the best of her knowledge, information and belief, formed after reasonable inquiry.

Denise Foster Cronin

Subscribed and sworn before me on this 19 day of August, 2025.

KATHY L. MCINTOSH
Notary Public
Commonwealth of Kentucky
Commission Number KYNP96402
My Commission Expires Jan 30, 2029

Notary Public

COMMONWEALTH OF KENTUCKY

BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

ELECTRONIC 2025 INTEGRATED RESOURCE PLAN OF EAST KENTUCKY POWER COOPERATIVE, INC.	)))	**CASE NO. 2025-00087**

CERTIFICATE

STATE OF KENTUCKY)
)
COUNTY OF CLARK)

Jerry Purvis, being duly sworn, states that he has supervised the preparation of the responses of East Kentucky Power Cooperative, Inc. to the Attorney General's Second Request for Information in the above-referenced case dated August 14, 2025, and that the matters and things set forth therein are true and accurate to the best of his knowledge, information and belief, formed after reasonable inquiry.

Jerry Purvis

Subscribed and sworn before me on this 25 day of August, 2025.

Notary Public

KATHY L. MCINTOSH
Notary Public
Commonwealth of Kentucky
Commission Number KYNP96402
My Commission Expires Jan 30, 2029

COMMONWEALTH OF KENTUCKY

BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

ELECTRONIC 2025 INTEGRATED RESOURCE PLAN OF EAST KENTUCKY POWER COOPERATIVE, INC.	)))	**CASE NO. 2025-00087**

CERTIFICATE

STATE OF KENTUCKY)
)
COUNTY OF CLARK)

Julia J. Tucker, being duly sworn, states that she has supervised the preparation of the responses of East Kentucky Power Cooperative, Inc. to the Attorney General's Second Request for Information in the above-referenced case dated August 14, 2025, and that the matters and things set forth therein are true and accurate to the best of her knowledge, information and belief, formed after reasonable inquiry.

Julia J. Tucker

Subscribed and sworn before me on this 27 day of August, 2025.

Notary Public

KATHY L. MCINTOSH
Notary Public
Commonwealth of Kentucky
Commission Number KYNP96402
My Commission Expires Jan 30, 2029

COMMONWEALTH OF KENTUCKY

BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

ELECTRONIC 2025 INTEGRATED RESOURCE PLAN OF EAST KENTUCKY POWER COOPERATIVE, INC.	)))	**CASE NO. 2025-00087**

CERTIFICATE

STATE OF KENTUCKY)
)
COUNTY OF CLARK)

Jacob R. Watson, being duly sworn, states that he has supervised the preparation of the responses of East Kentucky Power Cooperative, Inc. to the Attorney General's Second Request for Information in the above-referenced case dated August 14, 2025, and that the matters and things set forth therein are true and accurate to the best of his knowledge, information and belief, formed after reasonable inquiry.

Jacob R. Watson

Subscribed and sworn before me on this 27 day of August, 2025.

Notary Public

KATHY L. MCINTOSH
Notary Public
Commonwealth of Kentucky
Commission Number KYNP96402
My Commission Expires Jan 30, 2029

COMMONWEALTH OF KENTUCKY

BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

ELECTRONIC 2025 INTEGRATED RESOURCE PLAN OF EAST KENTUCKY POWER COOPERATIVE, INC.	)))	**CASE NO. 2025-00087**

CERTIFICATE

STATE OF KENTUCKY)
)
COUNTY OF CLARK)

Brad Young, being duly sworn, states that he has supervised the preparation of the responses of East Kentucky Power Cooperative, Inc. to the Attorney General's Second Request for Information in the above-referenced case dated August 14, 2025, and that the matters and things set forth therein are true and accurate to the best of his knowledge, information and belief, formed after reasonable inquiry.

Brad Young

Subscribed and sworn before me on this 21 day of August, 2025.

KATHY L. MCINTOSH
Notary Public
Commonwealth of Kentucky
Commission Number KYNP96402
My Commission Expires Jan 30, 2029

Notary Public

EAST KENTUCKY POWER COOPERATIVE, INC.
CASE NO. 2025-00087
SECOND REQUEST FOR INFORMATION RESPONSE

ATTORNEY GENERAL'S REQUEST DATED AUGUST 14, 2025
REQUEST 1
RESPONSIBLE PARTIES: Denise Foster Cronin and Christopher E. Adams

Request 1. Refer to EKPC's response to the Attorney General's First Request for Information ("Attorney General's First Request"), Items 1 (a)- (b).

a. Based upon the North American Electric Reliability Corporation's ("NERC") 2025 Summer Reliability Assessment, what specific states in New England, parts of the Midwest, and the Southwest Power Pool are at risk for electricity supply shortfalls during periods of more extreme summer weather?

b. In the response, EKPC states that PJM issued a Summer 2025 outlook indicating that it is preparing to call on contracted demand response resources to reduce electricity use under extreme scenarios, and then EKPC provided a link to the summer 2025 outlook. This link does not work. Provide an active/working link to PJM's Summer 2025 outlook.

c. In the response, EKPC asserts that the Federal Energy Regulatory Commission ("FERC") issued a press release referencing both NERC's and PJM's assessments, and the FERC Chairman emphasized that PJM's announcement is significant in that it is the first time PJM expects to rely upon demand response to manage summer operations. EKPC provided a link to the FERC release, but the link does not work. Provide an active/working link to the FERC release.

i. Does EKPC believe it is possible for PJM to rely upon demand response to manage summer operations? Explain the response in detail.

ii. Does EKPC believe the best approach is for PJM to rely upon demand response to manage operations, or does EKPC believe the best approach would be to have enough reliable thermal generation to manage the summer operations. Explain the response in detail.

d. Provide a copy and or active link to PJM's Vice President of Market Design and Economics, Adam Keech's pre-filed testimony to FERC that is referenced in this response.

e. As a PJM member, expound upon how PJM will facilitate the development of new resources.

f. As a PJM member, expound upon how PJM will enhance the Effective Load Carrying Capability ("ELCC") model to accurately account for supply during the hours of highest risk.

g. As a PJM member, expound upon how PJM will explore opportunities to increase the participation of demand resources.

h. As a PJM member, expound upon what Mr. Keech means when he states that PJM intends to also engage with stakeholders, regulators, and state policymakers on the larger issues outlined in Manu's testimony.

i. Provide a copy and/or active link to CEO Manu's testimony as referenced in (h).

Response 1.

a. NERC's analysis evaluates regions of the country, not individual states or utilities within states. Some of the regions align with Regional Transmission Organization boundaries.

NERC's report included the following visual highlighting the regions at elevated risk of electricity supply shortfalls under more extreme summer conditions. This determination of elevated risk is based on analysis of plausible scenarios, including 90/10 demand forecasts and historical high outage rates as well as low wind or solar PV energy conditions.

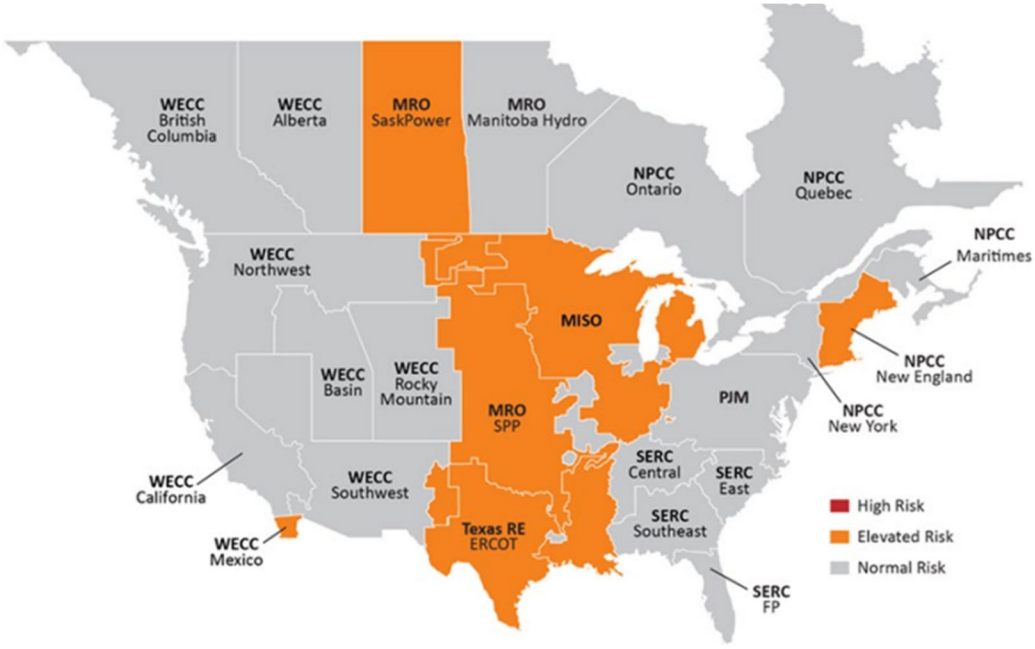


Figure 1: Summer Reliability Risk Area Summary

Seasonal Risk Assessment Summary	
High	Potential for insufficient operating reserves in normal peak conditions
Elevated	Potential for insufficient operating reserves in above-normal conditions
Normal	Sufficient operating reserves expected

b. See attachment *AG DR2 Response 1b - PJM Summer Outlook 2025.pdf* for PJM issued a news release on the 2025 summer assessment, which may be found on the PJM website: 20250509-pjm-summer-outlook-2025-adequate-resources-available-for-summer-amid-growing-risk.pdf [To access the report, press CTL+click.]

c. See attachment *AG DR2 Response 1c - FERC Releases 2025 Summer Assessment.pdf* for the FERC staff report may be found at: 2025 Summer Energy Market and Electric Reliability Assessment | Federal Energy Regulatory Commission [To access the report, press CTL+click.]

The FERC's press release regarding the 2025 summer assessment may be found at: FERC Releases 2025 Summer Assessment | Federal Energy Regulatory Commission [To access the press release, press CTL+click.]

i-ii. Demand Resources committed as Capacity Resources in the Reliability Pricing Model (RPM) Capacity Market have an obligation to perform when PJM dispatches them under emergency conditions. EKPC offers a portion of the demand resources secured through its Kentucky PSC approved tariff into the PJM RPM Capacity Market. Such resources provide a contribution to reliability assurance for the region. In the PJM region utilities and non-utilities (outside of Kentucky) offer Demand Resources into the RPM Capacity Market.

Unlike Generation Capacity Resources, Demand Resources do not have an obligation to offer into the RPM Capacity Market in future years after they clear in an RPM Capacity Market auction. Demand Resources accounted for 8 GW of the total 134.2 GW, or about 6%, of the 2026/2027 BRA cleared capacity[1]. Since this resource is based on end consumers' (residential, commercial and industrial) willingness to contract with a Load Serving Entity (or Curtailment Service Provider in a state other than Kentucky) to provide demand response based on their own evaluation of the economics and likelihood of

[1] https://www.pjm.com/-/media/DotCom/markets-ops/rpm/rpm-auction-info/2026-2027/2026-2027-bra-report.pdf

curtailment, there is a measure of uncertainty from Delivery Year to Delivery Year as to the quantity of Demand Resources that will offer into the auction. Even if there were certainty, EKPC believes it is important to have sufficient reliable thermal Generation Capacity Resources available to operate the system reliably during peak conditions.

d. See attachment *AG DR2 Response 1d - Adam Keech's Statement.pdf* for Adam Keech's pre-filed testimony.

e. It is EKPC's understanding that PJM's market signals are intended to incent the development of new generation resources or the deactivation of existing resources. If independent power producers see the prices rise to the level needed to support investment, they should, all else being equal, make such investments. Entities like EKPC, who develop Integrated Resource Plans and are rate-regulated, plan to meet their forecasted load obligations and are not solely considering the PJM administered market prices when making such decisions. Also, since PJM must study each new generation before it connects to the transmission grid and participates in the PJM administered markets, PJM plays a role in facilitating their development. PJM recently implemented the Reliability Resource Initiative to expedite the study of 51 generation projects in an effort to accelerate the time by which those resources could be constructed and placed into service.

f. It is EKPC's understanding that the marginal ELCC accreditation methodology used for all capacity resource types is intended, among other things, to assess whether a specific class of resource, and separately individual resources within a class, is available to operate during the time the PJM region is needing that resource to operate, including the times of highest system risk. The methodology factors historic performance of the resources as well as weather patterns

in determining an accreditation for resource classes and individual resources. In a sense, the past is used to predict what percentage of output PJM may expect to be delivered from a resource in the future. Although this may be an improvement over the prior methodology which was based on forced outage rates and overstated the capacity contribution of intermittent resources, in EKPC's view it is overly punitive for thermal generation resources and any resource that made an investment to address whatever may have been the cause for an outage that appears in the historic data used in calculating the ELCC values. It assumes that outages that occur in the winter are caused by the ambient temperature (and thus will happen again in the future on similarly cold days), and it does not factor in the additional capability thermal resources have in the winter. Recognizing these potential shortcomings of the current ELCC methodology and acknowledging the system challenges on the horizon presented with large load additions and generation deactivations, PJM initiated stakeholder discussions focused on refinements that could be made and filed with FERC for implementation in the 2028/28 Delivery Year RPM Capacity Market auctions and going forward. To date, stakeholders have not endorsed, with sufficient vote, any of the proposals that have been developed through these discussions.

g. Although Adam Keech noted in the quote, which appears to be the basis for this question, that PJM will explore opportunities to increase participation of demand resources, it is unclear to EKPC what specific market design changes PJM may be considering.

h. EKPC believes that Mr. Keech was alluding to the PJM Board considering the action that it subsequently took on August 8, 2025. The PJM Board initiated an expedited stakeholder process called the Critical Issue Fast Path (CIFP) to address the potential reliability concerns associated with the high volume of anticipated large load interconnections on the horizon.

PJM noted that its 2025 long-term load forecast shows a peak load growth of 32 GW from 2024 to 2030. PJM expressed concern about the upward price pressure and future resource inadequacy created by this dynamic even though PJM processed over 46,000 MW of new generation resources through the interconnection queue and is currently studying 11,000 MW as a result of the Reliability Resource Initiative. The CIFP process has not officially begun; however, PJM presented a conceptual framework of a multi-faceted proposal to initiate stakeholder thinking about how to tackle the challenge. Ultimately, this process is intended to provide stakeholder feedback and solution options to the PJM Board for their consideration. The Board will determine what to do. It has expressed its desire to file reforms with the Federal Energy Regulatory Commission in December 2025.

EAST KENTUCKY POWER COOPERATIVE, INC.
CASE NO. 2025-00087
SECOND REQUEST FOR INFORMATION RESPONSE

ATTORNEY GENERAL'S REQUEST DATED AUGUST 14, 2025
REQUEST 2
RESPONSIBLE PARTY: Christopher E. Adams

Request 2. Refer to EKPC's response to the Attorney General's First Request, Items 1 (c) – (d).

a. EKPC asserts that coal and natural-gas fired generation resources along with nuclear generation are assets that provide reliable and necessary capacity during peak periods as evidenced by Winter Storms Elliott, Gerri, and Enzo. Expound upon how these resources provided reliable and necessary capacity during Winter Storms Elliott, Gerri, and Enzo.

b. EKPC asserts that coal and natural-gas fired generation and nuclear are fuel-secure and dispatchable, with the ability to fill the gap left by intermittent renewable resources when the sun does not shine or the wind does not blow.

i. Explain how important it is to have dispatchable, thermal generation to the electric grid.

ii. Explain how dispatchable, thermal generation provides customers with 24 hours a day/7 days a week electricity, versus the intermittent nature of solar and wind energy.

iii. Explain whether it is currently feasible (from a cost perspective as well as providing continuous electricity to customers) for an electric grid to exclusively rely upon intermittent renewable resources.

iv. Explain whether it is currently feasible (from a cost perspective as well as providing continuous electricity to customers) for an electric grid to predominately rely upon intermittent renewable resources.

v. If the electric grid were exclusively dependent on intermittent renewable resources, without battery storage, explain whether there would be brownouts/blackouts when the sun does not shine or wind does not blow.

Response 2.

a and b (i-v). Coal, natural-gas with dual fuel backup, and nuclear resource are fuel-secure, meaning the fuel necessary to dispatch the asset is available via on-site storage. This provides a significant reliability advantage over resources without access to on-site fuel storage. The historic forced outage rate for winter in PJM leading up to Winter Storm Elliott was just 4.7%. Total peak forced outages in PJM reached 24% during Winter Storm Elliott[2]. The bulk of these outages (70%) were caused by natural gas supply issues to gas-fired resources, with coal making up just 16%. Those gas-fired assets without dual-fuel capability experienced the most forced outages. According to PJM's analysis,

> ...dual-fuel units performed extremely well, with an average forced outage rate of 5.6% with respect to fuel-related outages. Whereas gas units with firm and non-firm fuel supply arrangements experienced forced outage rates of 13.8% and

[2] https://www.pjm.com/-/media/DotCom/library/reports-notices/special-reports/2023/20230717-winter-storm-elliott-event-analysis-and-recommendation-report.pdf

> 33.9%, respectively. While this performance data is representative of only the Winter Storm Elliott period, it does highlight the importance of having secure fuel arrangements to minimize the risk of losing access to fuel supply when it is most urgently needed.

Nuclear resources performed exceptionally well during Winter Storm Elliott, with just a 2% forced outage rate overall. PJM also reported that, "[Solar] ... only met or exceeded its capacity expectations during a few hours each afternoon, which was not coincident with the peak electric demand periods." As discussed in 2024-00129, solar provides an annual energy benefit, but does not provide that same benefit coincident with winter peak load periods.

EAST KENTUCKY POWER COOPERATIVE, INC.
CASE NO. 2025-00087
SECOND REQUEST FOR INFORMATION RESPONSE

ATTORNEY GENERAL'S REQUEST DATED AUGUST 14, 2025
REQUEST 3
RESPONSIBLE PARTY: Christopher E. Adams

Request 3. Refer to EKPC's response to the Attorney General's First Request, Item 2(a). EKPC asserts that it has filed for the addition of two solar generation plants (Case No. 2024-00129), a 214 MW Reciprocating Internal Combustion Engine ("RICE") facility (Case No. 2024-00310), a 745 MW Natural Gas Combined Cycle ("NGCC") generator, and the natural gas co-fire conversion of five of its current coal-fired generators (Case No. 2024-00370).

a. Explain in detail whether EKPC has changed any of its aforementioned plans for generation based upon any or all of President Trump's Executive Orders as cited to in the below footnote, including but not limited to, the new July 7, 2025 Executive Order entitled Ending Market Distorting Subsidies for Unreliable, Foreign Controlled Energy Sources. This July 7, 2025 Executive Order asserts in part that: It is the policy of the United States to (a) rapidly eliminate the market distortions and costs on taxpayers by so-called "green" energy subsidies; (b) build upon and strengthen the repeal of, and modifications to, wind, solar, and other "green" energy tax credits in the One Big Beautiful Bill Act; and (c) end taxpayer support for unaffordable and unreliable "green" energy sources and supply chains built in, and controlled by, foreign adversaries. If not, explain why not.

b. Explain in detail whether EKPC has changed any of its aforementioned plans for generation based upon the new legislation signed into law on July 4, 2025, entitled the One Big Beautiful Bill Act. If not, explain why not.

c. EKPC asserts that it filed to build two solar generation plants in Case No. 2024-00129. Pursuant to that case docket the Commission granted this request on December 26, 2024. Explain whether EKPC still plans to proceed with the two solar generation plants in light of the aforementioned President Trump Executive Orders and the passage of the One Big Beautiful Bill Act into law. If EKPC still plans to proceed with the two solar generation plants, explain in detail why and how this is beneficial to customers.

d. Explain why EKPC finds it a reasonable expenditure of funds, which the customers will have to pay for, to add two solar generation plants to its electric grid, even though no electricity will be provided when the sun does not shine.

Response 3.

a-d. No, the executive order does not change EKPC's planned generation portfolio regarding those assets approved in 2024-00129, 2024-00310, or 2024-00370. EKPC is committed to serving its Owner-Members with reliable and competitively priced energy. Tax incentives for the two solar farms approved in 2024-00129 are expected to be available and therefore, the projects are anticipated to provide competitively priced energy to hedge EKPC's Owner-Members from market price volatility throughout the year. The Liberty RICE unit approved in 2024-00310 provides necessary winter capacity, competitively priced energy, and ancillary service benefit to the EKPC portfolio. The merits of the Liberty RICE project, as discussed in 2024-00310, remain

unchanged due to the executive order. The Cooper CCGT provides necessary winter capacity and is expected to be the least-cost thermal asset in EKPC's fleet, as discussed in 2024-00370. The natural gas pipeline needed to supply the Cooper CCGT is capable of providing enough natural gas to supply the co-fire conversion of Cooper 2. As shown in 2024-00370, the expected dispatch cost for Cooper 2 is nearly cut in half, making the asset more valuable to EKPC's Owner-Members. In addition, retaining the ability for Cooper 2 to dispatch coal increases the reliability of the unit should natural gas be curtailed for any reason. The co-fire conversions of the Spurlock plant provide competitively priced fuel optionality, the ability for EKPC to reduce its carbon emissions at the largest source in EKPC's generation fleet, and provides the needed natural gas pipeline to ensure Spurlock station remains a valuable site for future generation expansion for EKPC in the future. The referenced executive orders do not change the prudency of the projects approved in 2024-00370.

EAST KENTUCKY POWER COOPERATIVE, INC.
CASE NO. 2025-00087
SECOND REQUEST FOR INFORMATION RESPONSE

ATTORNEY GENERAL'S REQUEST DATED AUGUST 14, 2025
REQUEST 4
RESPONSIBLE PARTIES: Christopher E. Adams and Scott Drake

Request 4. Refer to EKPC's response to the Attorney General's First Request, Item 2(b).

a. EKPC states that renewable generation, specifically solar, provides cost-effective energy which is anticipated to offset economic energy purchases from the PJM energy market. Explain whether solar provides cost-effective energy without any cost subsidies included in the calculation.

b. EKPC asserts that solar energy will not provide capacity during winter peak; however, it is anticipated to provide some summer capacity according to PJM ELCC capacity accreditation.

i. Provide a copy of PJM's ELCC capacity accreditations.

ii. Provide the capacity that solar will provide based upon PJM's ELCC capacity accreditation.

iii. Provide the capacity that EKPC's natural gas plants will provide based upon PJM's ELCC capacity accreditation.

iv. Provide the capacity that EKPC's coal plants will provide based upon PJM's ELCC capacity accreditation.

c. EKPC asserts that demand-side management and energy efficiency provide energy and capacity reductions. Explain which customer classes participate in EKPC's demand-side management and energy efficiency programs

Response 4.

a. In EKPC's experience, solar projects are not currently cost-competitive without subsidies.

b (i-iv). Refer to the attached PDF document, *AG DR2 Reponse4.pdf.* The PJM ELCC accreditation for fixed-tilt solar is currently 10%, but reduces to 3% in the 2034/2035 delivery year. Natural gas plants are divided into three categories for EKPC. The Cooper CCGT, the Cooper 2 co-fired 100% on natural gas, and the Liberty RICE assets are expected to receive between 78% and 85% ELCC accreditation. The dual-fuel combustion turbines ("CTs") are expected to receive between 79% and 83% ELCC accreditation. The single-fuel CTs are expected to receive between 60% and 78% ELCC accreditation. The coal and primarily coal co-fired assets are expected to receive between 79% and 86% ELCC accreditation.

d. All rate classes are eligible for some form of demand-side management and energy efficiency program. In general, residential end-use retail members ("retail members") are eligible to participate in energy efficiency programs and small-scale demand-side management programs. Industrial retail members are eligible to participate in demand response through the interruptible

tariff. EKPC just received Commission approval for two (2) energy efficiency programs targeting commercial and small industrial end-use members.

EAST KENTUCKY POWER COOPERATIVE, INC.
CASE NO. 2025-00087
SECOND REQUEST FOR INFORMATION RESPONSE

ATTORNEY GENERAL'S REQUEST DATED AUGUST 14, 2025
REQUEST 5
RESPONSIBLE PARTY: Christopher E. Adams

Request 5. Refer to EKPC's response to the Attorney General's First Request, Item 2(c). Expound on the statement that battery energy storage systems ("BESS") were not chosen as a resource in any of the top five plans by the Resource Optimizer due to overall cost. Be sure to provide the overall cost of the BESS, and how much electricity and how many hours of electricity it would contribute to the electric grid.

Response 5. The BESS was not chosen by the resource optimizer because the total capital cost was modeled at $2,190/kW for a 4-hour, 400 MW capacity, BESS at a total capital cost of $824 million. The dollar per kilowatt estimate sourced from the National Renewable Energy Lab's ("NREL") Annual Technical Bulletin ("ATB"). EKPC assumed that a 4-hour BESS would need to provide at least 200 MW per hour for 8 hours in total to adequately provide a reliable source of energy during extreme conditions which would prevent an energy storage device from being re-charged. This equates to a 400 MW BESS system, which is enough capacity to discharge the battery for 200 MW per hour over two four-hour periods, the morning and evening peaks, during the winter period without needing to re-charge the battery in between those peaks.

EAST KENTUCKY POWER COOPERATIVE, INC.
CASE NO. 2025-00087
SECOND REQUEST FOR INFORMATION RESPONSE

ATTORNEY GENERAL'S REQUEST DATED AUGUST 14, 2025
REQUEST 6
RESPONSIBLE PARTY: Jacob R. Watson

Request 6. Refer to EKPC's response to the Attorney General's First Request, Item 3(a). In this question the Attorney General asked why EKPC did not state that a strategic objective is to ensure affordable electric service as it did in the Company's 2022 IRP. EKPC asserts in its response that, "[t]he EKPC Board of Directors voted in 2024 to change the company's mission statement to replace affordable with competitive," but it does not change the philosophy of least-cost planning.

a. Explain in detail why EKPC's Board of Directors voted to change the Company's mission statement to replace affordable with competitive.

b. Does EKPC's Board of Directors believe that its ratepayers want and need affordable electric rates? If not, explain why not.

c. Does EKPC believe that its ratepayers want and need affordable electric rates? If not, explain why not.

d. If the answer to (b) and (c) are in the affirmative, explain why EKPC would not still have the word "affordable" as part of the mission statement.

Response 6.

a. The rationale was simple. Today, across Kentucky, and not just in EKPC's Owner-Member's territories, too many people struggle to afford the cost of electricity. The cost of electricity is not going to go down and will in fact continue to rise across the nation. The Board believes that remaining competitive with other electricity suppliers means EKPC is doing the best it can to mitigate these cost increases to the benefit of its Owner-Members, making their costs as affordable as possible. The use of "competitive" is a better measure of holding costs down than the difficulty to define "affordable". "Affordable" to a family at or near the poverty line is far from what the average consumer considers it. The ambiguity surrounding affordability makes it difficult to quantify, track, and measure. Moving to the "competitive" terminology allows EKPC to quantify and benchmark to neighboring utilities.

b. Yes. The words "affordable" and "competitive" are not mutually exclusive if EKPC remains competitive with, and strives to be cheaper than, neighboring utilities. Remaining competitive is being as affordable, or more affordable, than neighboring utilities. A service or product that reaches as diverse a population as electricity cannot guarantee affordability for everyone. The term "affordable" is too relative to each individual and cannot be gauged at a system level. What is "unaffordable" to those Kentucky citizens that are near or below the poverty level should be addressed by programs such as Low Income Home Energy Assistance Program ("LIHEAP") and other statewide, legislative measures.

c. See response to a.

d. See response to a.

EAST KENTUCKY POWER COOPERATIVE, INC.
CASE NO. 2025-00087
SECOND REQUEST FOR INFORMATION RESPONSE

ATTORNEY GENERAL'S REQUEST DATED AUGUST 14, 2025
REQUEST 7
RESPONSIBLE PARTY: Christopher E. Adams

Request 7. Refer to EKPC's response to the Attorney General's First Request, Item 3(b). EKPC asserts that the proposed solar projects provide economic value to retail members by providing low-cost energy to offset market purchases throughout the study period.

a. Explain whether the solar power is actually low-cost when all subsidies are removed.

b. Explain whether EKPC has recalculated the proposed solar project costs without subsidies from the federal government. If so, provide the updated calculations. If not, explain why not.

c. Explain whether EKPC still anticipates subsidies to be provided by the federal government for the proposed solar projects, and if so, provide the specific subsidy amounts and the funding source.

d. Explain whether the solar power is the least-cost generation resource once all subsidies are removed.

Response 7. a. and d. Solar projects of this scale, in general, are not competitive today without subsidies when compared with highly efficient thermal resources such as CCGTs.

b and c. Tax incentives for the two solar farms approved in 2024-00129 are expected to be available via investment tax credits as discussed in the CPCN case and therefore, the projects are anticipated to provide competitively priced energy to hedge EKPC's Owner-Members from market price volatility.

EAST KENTUCKY POWER COOPERATIVE, INC.
CASE NO. 2025-00087
SECOND REQUEST FOR INFORMATION RESPONSE

ATTORNEY GENERAL'S REQUEST DATED AUGUST 14, 2025
REQUEST 8
RESPONSIBLE PARTIES: Jerry Purvis and Julia J. Tucker

Request 8. Refer to EKPC's response to the Attorney General's First Request, Item 3(e). The Attorney General requested EKPC to provide a list of the specific entities pressuring EKPC to decarbonize. EKPC listed the Environmental Protection Agency ("EPA") and consumer preference for lower-carbon-emitting resources.

a. Explain in detail how the EPA, under the current presidential administration, is pressuring EKPC to decarbonize. Provide documentation of the same.

b. Explain in detail how the consumers are advising EKPC that their preference is for lower-carbon-emitting resources. Provide documentation of the same.

c. Confirm that by adding lower-carbon emitting resources to the grid, depending on the resource, it can negatively affect the electric grid stability as well as increase customer rates. If not confirmed, explain in detail why not.

Response 8.

a. The Biden Administration put forth an agenda called the Green New Deal implemented under an EPA regulatory construct to decarbonize America in steps by January 1,

2030, January 1, 2032, and December 31, 2038, for coal units to utilize carbon capture and sequestration, should coal units be online past January 1, 2039 called the New Source Performance Standards for Greenhouse Gas (GHG) Emissions from New, Modified, and Reconstructed Fossil Fuel-Fired Electric Generating Units (EGUs); Emission Guidelines for GHG from Existing EGU's and Repeal of the Affordable Clean Energy Rule.

Immediately after taking office, the Trump Administration put forth several Executive Orders to focus on Energy and the Environment such as: Declaring a National Energy Emergency, Unleashing American Energy, Putting America First in International Environmental Agreements, Regulatory Freeze Pending Review, Reinvigorating America's Beautiful Clean Coal Industry, Protecting American Energy from State Overreach, and Strengthening the Reliability and Security of the U.S. Electric Grid. Each Executive Order provided specific instructions to the Executive Branch agencies to change direction from the previous Administration's to his America First plan for Energy and the Environment.

Immediately after Lee Zeldin was confirmed as EPA Administrator on January 29, 2025, under the regulatory freeze executive order, leadership within EPA brought forth a summary of rulemaking. On March 12, 2025, the EPA announced a major rollback of 31 environmental regulations. These actions, as part of the "Powering the Great American Comeback" initiative, aimed to reduce the economic burden of environmental regulations on businesses and consumers, particularly in the energy and automotive industries. Along with the other aforementioned executive orders, the initiatives focused on unleashing American energy, lowering the cost of living, making permitting less burdensome, ending Climate obligations under the Paris Accord, and advancing cooperative federalism.

On June 11, 2025, EPA proposed a repeal of the GHG Emission Standards for Fossil Fuel-Fired Electric Generating Units. On June 17, 2025, EPA issued a proposed rule to repeal the Amendments to the National Emission Standards for Hazardous Air Pollutants: Coal-and Oil-Fired Electric Utility Steam Generating Units. So, in essence, the Trump Administration is a complete reversal in philosophy of the former administration towards fossil fueled power plants and dropped the pressures to decarbonize the electric generating fleet in the U.S.

b. EKPC's Board recognized a philosophical change in the US concerning Climate and began the discussion how to move EKPC in that direction. The discussions occurred at the 2017 Board Retreat and the Board adopted and incorporated the word "sustainability" to EKPC's strategic plan for 2018. EKPC's Board recognized that EKPC would need to explore reducing carbon emissions from its plants going forward.

As directed by the Board, EKPC began to plan for the future by creating a Sustainability Team studying five areas: the Electric Grid, Financial Health, Energy & Environment, Employees, and the Owner-Members.

Under the Electric Grid team, members focused on grid security, grid reliability, grid resiliency, and data needed to drive this initiative. Under the Financial Health team, members studied enhancing responsible financial management, strengthening financial flexibility, building financial resilience, maintaining a forward focus, and acquiring the data needed to support this team. Under the Energy & Environment team, the team studied reducing greenhouse gas emissions, transitioning to cleaner resources, practicing environmental stewardship, adopting new technologies, and acquiring the data needed to drive this process. Under the Employees team, this team was tasked with how to build a sustainable workforce by looking into EKPC's people,

building leaders, and adapting to a changing world and industry. Under the Owner-Member Cooperatives, EKPC recognized that its Owner-Members needed to work together in unity under this initiative. EKPC needed be responsive to emerging needs, develop economies of scale, energize economic development using data to assist, and measure performance. For more please see www.ekpc.coop/ekpc-planning-future.

c. Yes, it is possible that lower-carbon emitting resources can cause grid instability and economic harm to rate payers. Relying solely on intermittent resources, such as wind and solar, without any dispatchable generation would cause grid instability. It is the responsibility of EKPC to provide safe, reliable, competitive, and sustainable power to its Owner-Members. EKPC continues to deliver on this mission by committing to a responsible mix of generation assets.

EAST KENTUCKY POWER COOPERATIVE, INC.
CASE NO. 2025-00087
SECOND REQUEST FOR INFORMATION RESPONSE

ATTORNEY GENERAL'S REQUEST DATED AUGUST 14, 2025
REQUEST 9
RESPONSIBLE PARTY: Julia J. Tucker

Request 9. Refer to EKPC's response to the Attorney General's First Request, Item 3(f). EKPC asserts that even if federal and state law does not require it to decarbonize, "EKPC intends to continue with its plan to thoughtfully increase fuel diversity within its generation portfolio. This is the best strategy to both meet its capacity and energy needs while also hedging against future environmental rules and regulations."

a. Confirm that by attempting to hedge against unknown, future environmental rules and regulations, customer rates will be increased. If not confirmed, explain in detail why not.

b. Explain in detail why EKPC would attempt to hedge against unknown, "future environmental rules and regulations."

Response 9.

a and b. No. Rates will increase whether EKPC hedges against the unknown or not. EKPC has an obligation to serve load and must analyze the most efficient way to meet that obligation. EKPC expects rates to increase at a lower rate with its planned generation portfolio than if EKPC were to rely on contracted capacity and energy. EKPC has proven the need for

additional capacity and energy in its recent CPCN cases and has prudently chosen cost-competitive resources. Refer to EKPC's response to AG's First Request, Item 3(g). EKPC states that while these projects do result in lower carbon emissions, they also result in the least-cost system to provide reliable energy. EKPC cannot ignore this fact.

EAST KENTUCKY POWER COOPERATIVE, INC.
CASE NO. 2025-00087
SECOND REQUEST FOR INFORMATION RESPONSE

ATTORNEY GENERAL'S REQUEST DATED AUGUST 14, 2025
REQUEST 10
RESPONSIBLE PARTY: Jerry Purvis

Request 10. Refer to EKPC's response to the Attorney General's First Request, Item 5(a).

a. EKPC discusses six rules that have previously been implemented by the EPA that are impacting its fossil-fuel generation sources. Explain whether the current presidential administration is attempting to withdraw/modify these regulations.

b. Refer to the EPA's July 29, 2025 proposal to rescind the 2009 Greenhouse Gas Endangerment Finding, which qualifies greenhouse gases as pollutants, and led to the Clean Air Act prescribing standards for greenhouse gas emissions. If this proposed rescission is finalized, explain how it will affect EKPC as well as the Company's customers (i.e. lower regulatory costs, lower natural gas rates, lower electric rates, etc.).

c. Explain in detail how EKPC is currently working with state and federal regulators, "seeking practicable, doable languages [sic] changes and dates to the rules to ease the industry pressure in our best attempt to remain affordable, competitive, reliable and sustainable."

Response 10.

a. By June 2024, the Biden Administration implemented the most aggressive regulatory agenda to decarbonize the U.S. Economy. On January 21, 2025, the Trump Administration declared a national emergency on energy and wrote several executive orders to unleash America's energy to put America first.

Later, on March 12, 2025, the EPA Administrator, Lee Zeldon, announced a major rollback of 31 environmental regulations, likely the most significant deregulation effort in our country's history. These actions, part of the "Powering the Great American Comeback" initiative are aimed to reduce the economic burden of environmental regulations on businesses and consumers and reduce burden on permitting new energy generating and transmission assets, particularly in the energy sector and for automotive industries.

On June 11, 2025, EPA proposed a repeal of the GHG Emission Standards for Fossil Fuel-Fired Electric Generating Units. On June 17, 2025, EPA issued a proposed rule to repeal the Amendments to the National Emission Standards for Hazardous Air Pollutants: Coal-and Oil-Fired Electric Utility Steam Generating Units.

On July 22, 2025, EPA issued a direct and final rule in the federal Register for Hazardous and Solid Waste Management System: Disposal of Coal Combustion Residuals from Electric Utilities: CCR Management Unit deadline Extension Rule that essentially will extend the deadline to comply with the Facility Evaluation Reports (FER) Part 1 requirements and the remaining CCRMU provisions published in the Federal Register on May 8, 2024.

So, in essence, the Trump Administration is a reversal in philosophy of the former administration towards fossil fueled power plants, dropping the climate pressures to decarbonize the electric generating fleet in the U.S.

b. On July 29, 2025, EPA released a proposal to rescind the Obama-Era Endangerment Finding, a regulation that paved the way for electric vehicle mandates. If finalized the proposal would repeal all the resulting greenhouse gas emission regulations for motor vehicles and engines, starting with rolling back the 2010 and 2011 light and medium duty vehicles including the most disliked start and stop feature on most new cars. This is a part of Zeldin's 31 historic announcement to rollback regulations in March of 2025.

EKPC is unsure at this juncture how this will affect its regulatory path forward since this rule has not been finalized. Anything that EKPC would pontificate would be speculative at best. Once the Endangerment Finding is finalized, EKPC will keep the KY Public Service Commission and the agencies of the Energy and Environment Cabinet up to date.

c. EKPC works closely with the state and federal regulators, "seeking practicable, doable languages [sic] changes and dates to the rules to ease the industry pressure in its best attempt to remain affordable, competitive, reliable and sustainable" by participating in state and federal rulemaking.

EKPC met with EPA HQ RCRA in April 2025 to discuss the specifics regarding the formerly state-closed legacy surface CCR impoundments at the former William C. Dale Station. EPA HQ heard EKPC's concerns with having to reclose three surface impoundments that no longer existed at Dale Station under the new federal rule and the economic hit that would be to EKPC's rural Owner-Member's and their ratepayers.

Additionally, EKPC is working with the Department of Environmental Protection on a state permitting program for coal combustion residuals in an effort to be as protective as the federal CCR rule and to close units under a state plan approved by EPA.

EKPC met with officials from the EPA HQ Air and Radiation Branch to discuss concerns for future investments in natural gas combined cycle (CCGT) for Cooper Station. Under the GHG NSPS for combustion turbines, EPA would limit under this rule the capacity factor to 40 percent. So, in essence, the former EPA expected electric generating units (EGUs) to build two CCGT's for the purpose of one's ability to produce electricity; therefore, doubling the costs of the assets to produce energy of one unit. The Public Service Commission approved EKPC's Cooper CCGT at $1.3 Billion dollars. EKPC wanted EPA HQ to be aware of this rule and what changes needed to be made to it in the best interests of EKPC's rural Owner-Members and rural ratepayers. It makes economic sense to just build one combined cycle to produce energy at market demand while reducing greenhouse emissions as a low emitter.

Lastly, EKPC reiterated its concerns for the GHG Existing Source rule given that coal plant assets would need to retire under the current rule by January 1, 2032 unless the units were co-fired or implement carbon capture and sequestration (CCS), a technology that is extraordinarily expensive and not commercially available or guaranteed.

EKPC strives to produce constructive criticism that can be used to create solutions to unleash America's energy, economic energy in Kentucky for its rural Owner-Members.

EAST KENTUCKY POWER COOPERATIVE, INC.
CASE NO. 2025-00087
SECOND REQUEST FOR INFORMATION RESPONSE

ATTORNEY GENERAL'S REQUEST DATED AUGUST 14, 2025
REQUEST 11
RESPONSIBLE PARTY: Gregory H. Cecil

Request 11. Refer to EKPC's response to the Attorney General's First Request, Item 8(a). As originally requested, provide the referenced annual report in the Attorney General's First Request, Item 8(a), as the report should be filed into the pending case record, instead of EKPC directing the Attorney General to pull the report from a separate case record.

Response 11. Please see attachments listed below:

- *CONFIDENTIAL - AG DR2 Response 11 - PJM Annual Report 2025.pdf*
- *CONFIDENTIAL - AG DR2 Response 11 - PJM Annual Report 2024.pdf*
- *CONFIDENTIAL - AG DR2 Response 11 - PJM Annual Report 2023.pdf*
- *CONFIDENTIAL - AG DR2 Response 11 - PJM Annual Report 2022.pdf*
- *CONFIDENTIAL - AG DR2 Response 11 - PJM Annual Report 2021.pdf*
- *CONFIDENTIAL - AG DR2 Response 11 - PJM Annual Report 2020.pdf*
- *CONFIDENTIAL - AG DR2 Response 11 - PJM Annual Report 2019.pdf*
- *CONFIDENTIAL - AG DR2 Response 11 - PJM Annual Report 2018.pdf*
- *CONFIDENTIAL - AG DR2 Response 11 - PJM Annual Report 2017.pdf*

- *CONFIDENTIAL - AG DR2 Response 11 - PJM Annual Report 2016.pdf*
- *CONFIDENTIAL - AG DR2 Response 11 - PJM Annual Report 2015.pdf*
- *CONFIDENTIAL - AG DR2 Response 11 - PJM Annual Report 2014.pdf*
- *CONFIDENTIAL - AG DR2 Response 11 - PJM Annual Report 2013.pdf*

EAST KENTUCKY POWER COOPERATIVE, INC.
CASE NO. 2025-00087
SECOND REQUEST FOR INFORMATION RESPONSE

ATTORNEY GENERAL'S REQUEST DATED AUGUST 14, 2025
REQUEST 12
RESPONSIBLE PARTY: Gregory H. Cecil

Request 12. Refer to EKPC's response to the Attorney General's First Request, Item 8(b). Provide a breakdown of the net savings that EKPC realized from its PJM membership through May 31, 2024, by trade benefits, capacity market benefits, and avoided point-to-point transmission charges.

Response 12. Please see attachment *CONFIDENTIAL – AG DR2 Response 12.pdf*, subject to motion for confidential treatment.

EAST KENTUCKY POWER COOPERATIVE, INC.
CASE NO. 2025-00087
SECOND REQUEST FOR INFORMATION RESPONSE

ATTORNEY GENERAL'S REQUEST DATED AUGUST 14, 2025
REQUEST 13
RESPONSIBLE PARTY: Julia J. Tucker

Request 13. Refer to EKPC's response to the Attorney General's First Request, Item 8(e). The Attorney General is requesting actual monetary costs that EKPC's ratepayers are paying for due to the membership in PJM, and not general assertions as to how the expenses are recovered from the ratepayers. As originally requested, provide all costs from EKPC's membership in PJM that are borne by the customers.

Response 13. All costs EKPC incurs are eventually borne by EKPC's Owner-Members and, in turn, the Owner-Member's end-use consumers. Costs and savings realized by EKPC's membership in PJM are embedded in EKPC's rates, both base rates and the Fuel Adjustment Clause ("FAC"). The current base rates in effect for EKPC were developed from a 2019 test year. Since the PJM costs and benefits are included in those base rates, the 2019 charges and credits from PJM are provided. The total charges billed by PJM for the 2019 test year were [redacted]. The total credits provided by PJM for the 2019 test year were [redacted]. This yields a net cost of [redacted].

With leveraging the economic benefits of PJM, the net cost would be higher if not for EKPC's membership in PJM. The highest level of savings recognized in EKPC's PJM annual report are trade benefits (refer to Items 11 and 12, above). These include the optimization of EKPC's generation assets within the PJM energy market. As a member of PJM, EKPC is no longer required to run out-of-the-money generation to meet its load needs. This optimization cannot be replicated outside of an energy market or power pool. No matter how expensive the PJM energy market becomes, if EKPC can hedge its load expense with its own generation resources, it is more efficient to participate in the energy market than dispatch generation as a stand-alone balancing authority. Trade benefits in 2019 were [redacted], which were passed through to the Owner-Members and end-use retail members through the FAC.

The next highest level of savings in the report is the capacity market benefit. PJM currently sets member's load obligation based on summer peaks. EKPC is a winter peaking company and has built its generation portfolio to meet its winter peak demand. As such, EKPC's total generation capacity exceeds its summer peak load obligation to PJM. This allows EKPC to sell capacity into the PJM capacity market at a net benefit to EKPC. This benefit in 2019 was [redacted]. Like the energy market, as long as EKPC owns adequate generation capacity to hedge its peak load obligation, then it will be more beneficial to participate in the PJM capacity market and monetize the capacity. If EKPC were to leave PJM, it would be necessary to build additional capacity to meet NERC Balancing (BAL) compliance standards. EKPC estimates that at least an additional 745 MW of capacity would need to be built at a minimum cost of [redacted], in addition to EKPC's planned generation portfolio, to ensure reliability compliance while operating as a stand-alone Balancing Authority.

Finally, as a member of PJM, EKPC realizes the benefit of freely flowing energy into and out of PJM by utilizing network integrated transmission service ("NITS"). Prior to EKPC being a member of PJM, it relied on 400 MW of point-to-point ("PTP") transmission service which allowed EKPC to move energy from within PJM to EKPC but did not allow EKPC to sell power into the PJM market. The cost to purchase the PTP transmission service in 2019 would have been [redacted]. However, transmission expenses have continued to increase dramatically since 2019, as evidenced by EKPC's most-recent PJM annual report filing, which shows the cost of PTP service would have been [redacted]. All in, as a conservative estimate, it would cost EKPC and its Owner-Members over [redacted] in up front capital expense, and at least an additional [redacted] annually to leave PJM. The benefits of PJM membership far outweigh the costs of operating as a stand-alone entity.

EAST KENTUCKY POWER COOPERATIVE, INC.
CASE NO. 2025-00087
SECOND REQUEST FOR INFORMATION RESPONSE

ATTORNEY GENERAL'S REQUEST DATED AUGUST 14, 2025
REQUEST 14
RESPONSIBLE PARTIES: Christopher E. Adams and Denise Foster Cronin

Request 14. Refer to EKPC's response to the Attorney General's First Request, Item 8.

a. Explain whether EKPC has analyzed the costs/expenses versus revenues/savings from being a member of PJM. If so, provide a copy of the analysis. If not, explain why EKPC is not analyzing whether it is cost beneficial to the customers for EKPC to be a member of PJM.

b. Explain in detail all scenarios in which EKPC being a member of PJM would no longer be beneficial to EKPC and its customers.

c. Is EKPC concerned with the recent PJM auction in which the capacity prices hit a record-high $329.17/MW-day price cap, which is up 22% from a year ago for most of PJM? If not, explain why not.

d. How does the recent PJM auction in which capacity prices hit a record-high affect EKPC and its customers. Explain the response in detail.

e. Is EKPC concerned that if not for the price cap, the capacity price for the recent PJM auction is estimated to have been approximately $389/MW-day? Explain the answer in detail.

f. If not for the price cap established, explain how the $389/MW-day capacity price would have affected EKPC and its customers.

g. It is estimated that the record-high capacity prices within PJM could increase customer bills by 1.5% - 5% for some ratepayers. Will this increase affect EKPC's customers? Explain in detail why or why not.

h. Explain how the recent changes in the PJM Board of Managers will affect EKPC, and the Company's long-term interests in PJM, if at all. In the response, ensure to discuss EKPC's thoughts on the two prior incumbent Board Nominees who did not receive enough votes for reelection, the multiple governors expressing serious concern over the process that PJM is undertaking to fill the two vacant seats, and the request by the Pennsylvania and Virginia Governor to nominate a former FERC Chairman and Commissioner. Refer to EKPC's response to Items 11 and 12, above.

i. Explain how PJM CEO's announcement that he is leaving by the end of the year will affect PJM and EKPC.

Response 14.

a. Yes, EKPC analyzes the costs and benefits of being in PJM. Refer to Items 11 and 12, above.

b. Policies in PJM that make it impossible to participate in either the energy or capacity market with EKPC's generation fleet would force EKPC to reconsider its membership. For example, if there were a rule which directly excludes, or places undue price adders upon, coal-fired and/or natural gas-fired resources, EKPC would reconsider its membership. While very unlikely, this type of fundamental shift in PJM would force EKPC to seek other options to optimize

its generation assets. EKPC would evaluate other RTO options first, such as MISO, and would consider reverting to its own Balancing Authority only as a last resort. It is important to note that PJM continues to be a very positive benefit for EKPC and its Owner-Members. Refer to EKPC's response to Item 13, above.

c. Yes, EKPC is concerned that the recent PJM RPM auction clearing of $329.17/MW-Day does not adequately reflect the cost of new entry into the PJM system and therefore is not high enough to incentivize the build out of reliable and efficient generation assets within PJM.

d. PJM currently sets member's load obligation in the capacity market based on summer peaks. EKPC is a winter peaking company and has built its generation portfolio to meet its winter peak demand. As such, EKPC's total generation capacity exceeds its summer peak load obligation to PJM. This allows EKPC to sell capacity into the PJM capacity market at a net benefit to EKPC. As long as EKPC owns adequate generation capacity to hedge its peak load obligation, then the capacity market will result in a positive benefit to EKPC, regardless of the clearing price.

e. Yes, EKPC is concerned that suppressing the clearing price of the capacity market will lead to delayed generation build out in PJM, during a time when load is rapidly growing within the RTO.

f. A higher clearing price would have resulted in a greater benefit to EKPC and worked to as a greater incentive for market participants to build generation within the RTO. EKPC noted in its protest of the price collar filing at FERC that the suppression of the capacity clearing price will stymie new investment. New resources are needed to serve load now, as evidenced by PJM failing to procure enough resources to meet the reliability target in the 2026/2027 BRA.

g. No, EKPC's Owner-Member's and End-Use Retail Members are insulated from the PJM capacity market clearings because EKPC owns and has under contract enough generation capacity to meet or exceed its PJM load obligation.

h. It is not anticipated that the change in the PJM Board of managers will have a negative effect on EKPC's long-term interests. Should the PJM membership vote to approve the two candidates the Nominating Committee selected and presented for a vote in September, two individuals with deep competitive wholesale electricity markets experience will be added to the PJM Board. In EKPC's view it is very positive to add the depth of markets experience. The PJM markets are anticipated to undergo significant needed revision over the next few years and it will be valuable for the Board to have a complement of wholesale market expertise. It is essential that the market design be appropriate to attract resource investment and not be distorted by political pressure to control prices at the expense of securing reliability and resource adequacy. The Board candidates are Robert "Bob" Ethier and Le Xie. The Nominating Committee's August 25, 2025 letter to the PJM membership summarizes the candidates' experience as follows:

- "Bob is currently a principal at Stickney Brook Consulting. Prior to consulting, he spent more than 24 years at ISO New England in various roles: an economist, vice president of market development, vice president of market operations and vice president of system planning. He holds a Bachelor of Arts in economics from Yale University, a Master of Science in resource economics and a doctor of philosophy, both from Cornell University.
- "Le is currently the Gordon McKay Professor of Electrical Engineering and faculty co-director, power and AI initiative, Harvard John A. Paulson School of Engineering and

Applied Sciences at Harvard University. Prior to joining Harvard University, Le held various academic positions at Texas A&M University. He holds a B.E. in electrical engineering from Tsinghua University, Beijing, China, an S.M. in engineering sciences from Harvard University and a Ph.D in electrical and computer engineering from Carnegie Mellon University."

The Board Chair Mark Takahashi was not re-elected by the membership. His expertise is finance and generation development, and he has held executive level leadership positions. He had been the Chair of the PJM Board Competitive Markets Committee from 2018 to 2021 before becoming the Board Chair. David Mills, who is the Chair of the Board Competitive Markets Committee, became the Board Chair replacing Mark Takahashi. Since becoming Board Chair, he has taken action to enhance the engagement of the PJM Board with the PJM membership, including adding a standing agenda item to the PJM Members Committee meeting to solicit feedback and foster discussion between the PJM Board and membership.

Terry Blackwell also was not re-elected by the membership. His expertise is transmission operations and planning, and he has held executive level leadership positions, including with public power. Although his expertise is not replicated in either of the two pending Board candidates, there is such expertise on the PJM Board. The incumbent Board member, Vickie VanZandt, who is the Chair of the Reliability & Security Committee, has significant expertise in the planning, design, construction, operation, maintenance, marketing, and management of transmission systems and has held executive leadership positions and even previously served on the ISO New England Board of Directors.

The multiple governors expressed interest in PJM's governance suggesting that the states play a role in selecting PJM Board candidates, and representatives from Pennsylvania and Virginia presented two specific candidates they desired to fill the two vacant Board positions. EKPC is concerned about the apparent effort to politicize PJM's governance. PJM is a federally regulated Regional Transmission Organization that must be independent of its membership; it must fulfill a federally mandated mission of ensuring reliability and administering wholesale competitive markets free of undue influence. The politization of PJM's governance would destroy PJM's independence and likely diminish PJM's ability to fulfill its mission, resulting in negative reliability consequences for the region.

j. It is premature to know how the departure of the incumbent CEO will affect PJM and EKPC. EKPC does not yet know who the replacement will be nor what strategy that person will seek for the PJM Board to adopt for the organization. A potential positive change would be the adoption of a revised corporate strategy that eliminates a core goal that EKPC has not supported since its adoption by the PJM Board in 2022. PJM solicited stakeholder feedback on a potential strategy refresh. EKPC offered feedback that included elimination of any goal to "facilitate decarbonization" that was included in PJM's corporate strategy in 2022. Thus, if the new CEO were to adopt a revised strategy that eliminates "facilitate decarbonization" as a goal, that would be a positive change. The strategy adopted in 2022 resulted in significant PJM analytical resources and stakeholder time being devoted to discussing such things as how to implement carbon pricing across the multi-state region despite only a few mid-Atlantic states having adopted policies in support of carbon pricing and otherwise expediting the retirement of fossil fueled generation resources. Thankfully, such efforts did not go farther than discussion as

they could have had significant reliability impacts if they expedited the deactivation of needed dispatchable, generation resources. Moreover, EKPC seeks for the new CEO to keep PJM's federally mandated mission in the forefront – ensure reliability and administer non-discriminatory wholesale competitive markets – and resist state political pressure that would compromise PJM's mission.

EAST KENTUCKY POWER COOPERATIVE, INC.
CASE NO. 2025-00087
SECOND REQUEST FOR INFORMATION RESPONSE

ATTORNEY GENERAL'S REQUEST DATED AUGUST 14, 2025
REQUEST 15
RESPONSIBLE PARTY: Julia J. Tucker

Request 15. Refer to EKPC's response to the Attorney General's First Request, Item 9. Provide all updates that the current presidential administration has taken to assist in lowering the cost and increasing the reliability of American's energy supply, which will directly affect EKPC and its customers.

Response 15. Refer to EKPC's response to Item 10, above.

EAST KENTUCKY POWER COOPERATIVE, INC.
CASE NO. 2025-00087
SECOND REQUEST FOR INFORMATION RESPONSE

ATTORNEY GENERAL'S REQUEST DATED AUGUST 14, 2025
REQUEST 16
RESPONSIBLE PARTY: Julia J. Tucker

Request 16. Refer to EKPC's response to the Attorney General's First Request, Items 10(a) and (b). Provide a response to the original questions (a) and (b). The requested information should be filed into the pending case record, instead of EKPC directing the Attorney General to review a response in a separate case record.

Response 16. Please see attachments *AG DR2 Response 16 – Rebuttal Testimony J. Tucker.pdf, AG DR2 Response 1c – FERC Releases 2025 Summer Assessment.pdf, AG DR2 Response 16 – PJM Summer Outlook 2025.pdf, and AG DR2 Response 16 – NERC 2025 Summer Reliability Assessment.pdf.*

EAST KENTUCKY POWER COOPERATIVE, INC.
CASE NO. 2025-00087
SECOND REQUEST FOR INFORMATION RESPONSE

ATTORNEY GENERAL'S REQUEST DATED AUGUST 14, 2025
REQUEST 17
RESPONSIBLE PARTY: Denise Foster Cronin

Request 17. Refer to EKPC's response to the Attorney General's First Request, Item 11.

a. Explain in detail why the type of situation described would lead to an unreasonable increased risk of load shedding for entities like EKPC who endeavor to match energy supplies with forecasted load needs.

b. Provide a copy and or active link to the pre-filed testimony of Denise Foster Cronin filed into the FERC Docket No. AD25-17.

Response 17.

a. EKPC is concerned about the situation where Load Serving Entities do not secure sufficient capacity resources to satisfy their obligation and instead rely on the PJM Capacity Market to ensure that there are sufficient resources available. Although this may have proven cost beneficial for such Load Serving Entities during a period when there were surplus Capacity Resources available, EKPC is now experiencing a significant tightening of the supply and demand balance. In fact, the 2026/27 Base Residual Auction failed to secure sufficient Capacity Resources to meet the reliability target for the RPM market. Additionally, political intervention resulted in

the imposition of a price cap on the 2026/27 and 2027/28 Delivery Year RPM Capacity Market auctions. It is EKPC's belief that such artificial suppression of the price disincentivizes market entry, and that disincentive could persist beyond the two Delivery Years in which the cap has been imposed due to investor fear of continued intervention. Supporting market price suppression while relying heavily on those very markets to incent others to build generation to meet their load serving obligations exacerbates the problem during this time of unprecedented load growth. The load increasing without adequate Capacity Resources available to serve them increases the potential for load shed in real time. PJM's load shed procedures do not discriminate between Load Serving Entities that have secured resources to satisfy their load obligation and those that have not. Thus, in EKPC's view, it is unreasonable to expose load served by entities like EKPC who have secured resources to satisfy their load obligation to load shed due to other load serving entities not behaving similarly.

b. Please see attachment *AG DR2 Response 17b - Denise Foster Cronin Testimony AD25-7.pdf*.

EAST KENTUCKY POWER COOPERATIVE, INC.
CASE NO. 2025-00087
SECOND REQUEST FOR INFORMATION RESPONSE

ATTORNEY GENERAL'S REQUEST DATED AUGUST 14, 2025
REQUEST 18
RESPONSIBLE PARTY: Brad Young

Request 18. Refer to EKPC's response to the Attorney General's First Request, Item 13.

a. Explain in detail whether EKPC purchased Northern Bobwhite Solar LLC.

b. If so, explain in detail whether the Commission granted permission for EKPC to make this purchase, and the case number in which the permission was granted. If not, explain why no permission was necessary.

c. Explain whether the purchase of Northern Bobwhite Solar LLC represented the least-cost option. If not, explain why EKPC purchased the solar project.

Response 18.

a. Consistent with direct testimony, attachments, and responses to data requests in Case No. 2024-00129, EKPC described the Northern Bobwhite project as an asset purchase agreement from a developer (PB Direct Testimony – Page 10, line 15; PSC Data Request 1 – Response 8b; PSC Data Request 1 – Response 11c). In addition, the Northern Bobwhite project was previously submitted by the developer and approved by the Kentucky State Board on Electric Generation and Transmission Siting, Case No. 2020-00208.

b. On December 26, 2024, the Kentucky Public Service Commission issued an order for Case No. 2024-00129. On pages 12 and 13 of the Order, the PSC outlines the asset purchase arrangements for both the Northern Bobwhite and Bluegrass Plains projects. The first condition of the Order, on page 34, grants EKPC approval to proceed with the projects as described in the Case and all supporting materials.

c. Yes, Northern Bobwhite Solar, LLC represented the least-cost option as detailed in PSC Case No. 2024-00129.

EAST KENTUCKY POWER COOPERATIVE, INC.
CASE NO. 2025-00087
SECOND REQUEST FOR INFORMATION RESPONSE

ATTORNEY GENERAL'S REQUEST DATED AUGUST 14, 2025
REQUEST 19
RESPONSIBLE PARTY: Julia J. Tucker

Request 19. Refer to EKPC's response to the Attorney General's First Request, Item 14.

a. Explain in detail whether the proposed solar projects that EKPC intends to build represent the least-cost generation option.

b. Explain whether EKPC has recalculated the solar project costs without federal subsidies? If not, explain why not. If so, provided the updated calculated costs for the solar projects.

Response 19.

a. Yes, the solar farms approved in 2024-00129 represent the least-cost generation options. Both of these solar projects continue to meet the requirements for published incentives.

b. EKPC evaluated the costs related to additional solar projects without subsidies. EKPC has not filed a CPCN for those facilities and will continue to evaluate the economics on a project-by-project basis.

EAST KENTUCKY POWER COOPERATIVE, INC.
CASE NO. 2025-00087
SECOND REQUEST FOR INFORMATION RESPONSE

ATTORNEY GENERAL'S REQUEST DATED AUGUST 14, 2025
REQUEST 20
RESPONSIBLE PARTY: Julia J. Tucker

Request 20. Refer to EKPC's response to the Attorney General's First Request, Item 15(a). Provide a response to the original question posed. The requested information should be filed into the pending case record, instead of EKPC directing the Attorney General to review a response in a separate case record.

Response 20. EKPC joined PJM on June 1, 2013. Prior to that date, EKPC planned its system on a stand-alone basis. EKPC was its own balancing authority and, as such, had to balance its load and generation on a real time basis to meet its obligations within the Bulk Electric System. Long term plans were developed with that goal in mind, and so the development of new generation was driven by what would best serve the EKPC system. A computer model with generation optimization capabilities was used to compare many options and develop a group of best alternatives, then a more detailed analysis would be completed to develop the final plan. The optimization model would evaluate the full life cost of a unit and how it impacted the cost to serve load and compare that to the other alternatives provided. Then the best set of alternatives would

be evaluated based on more specific costs and operations based on the EKPC system instead of generalized locations.

After June 1, 2013, EKPC no longer had the obligation to balance its load and generation in real time. PJM now has the obligation to provide the balancing authority operations. EKPC now has to ensure that its Owner-Members' load is served at the least reasonable cost within that system. EKPC ensures this by hedging the Owner-Members' load with resources at a known energy volume and price to cap the maximum price that is paid for market purchases. This hedge is accomplished by the following actions. EKPC sells all of its generation and purchased power agreements with capacity rights into the PJM markets. These include the longer-term capacity market and the daily, real time energy market operations. The long-term capacity market is designed to be run three years ahead of the delivery time period so that plans can be made to adequately serve the PJM load.

Due to rule changes, recent auctions have not been completed on that schedule. EKPC participates in the capacity market in two ways. It offers all of its capacity resources (generators, PPAs with capacity rights, and demand response) in the auction. Other market participants do the same. PJM determines what it considers to be the reliability concerns with generators and sets parameters around those generators that are offered into the market. This is where the ELCC component comes into play for the EKPC generators. The net amount of generation that PJM will consider from each of the EKPC generators or PPAs is determined by the ELCC methodology. PJM develops a load forecast for its system and adds a reserve requirement to that value. The most recent Installed Reserve Margin is 17.7%. PJM must purchase a minimum of its peak load plus

17.7% from the capacity auction. Based on the results of that auction, EKPC's generation resources will clear at a certain price level.

EKPC's resources that cleared the auction will be guaranteed that revenue on a monthly basis for the applicable delivery year of the auction. On the load side of the auction, PJM will assign EKPC its proportionate share of the auction expense based on its load ratio share. PJM is not specifically forecasting EKPC's expected summer peak load. It is estimating EKPC's summer peak load based on the PJM total load forecast and EKPC's historic proportionate load share of the entire PJM summer load. EKPC's plan has always been to ensure that it sells as much or more generation into the auction than what it has to buy for its proportionate share of the load. By making sure that at least as much is sold as is bought nets the auction expense. The actual market clearing price is not as critical to EKPC as it sells more than it buys. The higher the auction price goes, the more critical it is to ensure that EKPC's net capacity position is positive. A net purchase is a substantial risk, especially at recently cleared auction prices. The way EKPC ensures it is a net seller is by estimating its load ratio share of the PJM forecast and comparing that to its ELCC-adjusted capacity resources. EKPC estimates its load ratio share of the PJM forecast by comparing previous load obligations to the EKPC summer peak load forecast. Historically, EKPC's summer peak load forecast plus three percent was relatively reflective of what EKPC had to buy from the PJM auction as its load obligation. The most recent auction for the 2025/2026 delivery year resulted in EKPC's load obligation being 6% lower than EKPC's forecasted summer peak load. EKPC reduced its summer peak load forecast by the 6% for the entire planning horizon. However, while the load obligation decreased in the recent clearing, EKPC must maintain adequate reserves in the event that PJM's load obligation calculation results in a higher than expected obligation.

EKPC increased the percent added to its summer peak to seven percent to reflect the reserve margin for its summer capacity in order to mitigate that risk. The only time this metric comes into play is when EKPC is looking forward to see if it expects to sell more generation than it has to buy in load obligation. This is not a PJM requirement; this is a self-imposed EKPC requirement for cost hedging purposes. EKPC implemented this procedure when it entered PJM and has reported annually to the Kentucky Public Service Commission regarding its hedging policies and procedures. EKPC's participation in the capacity market is its only obligation to PJM for long term planning. However, EKPC has an obligation to its Owner-Members and the Kentucky Public Service Commission to provide lengthier planning for its system. EKPC initially thought upon its integration into PJM that its winter peak loads would be well covered within the PJM system given it is a summer peaking market and has extra power supply in the winter compared to its load. However, the winter of 2014, the Polar Vortex, quickly revealed that PJM had more winter load than it anticipated and that generators participating in PJM were not necessarily well prepared for extreme winter weather conditions.

Based on the energy pricing experienced during this time period, EKPC quickly realized that it would not be prudent to rely on the market during the winter peak season. Additionally, the Commission made it clear through Fuel Adjustment Clause ("FAC") cases that it would not allow the expense of market purchases to automatically flow through the FAC. EKPC would need to continue to plan for and provide generation coverage of its winter peak loads to ensure the costs were hedged adequately. So, EKPC participates within the PJM markets, but it also must plan to ensure that it is providing adequate cost hedges for its Owner–Member's load costs, including the winter peak load season. EKPC provides these hedges by both owning and operating generation,

buying firm resources from a third party, or supplying demand response programs such as the interruptible tariff. Step one of EKPC's planning process can be considered as "has EKPC met the PJM obligations?" That is, does EKPC have more generation and demand response resources to sell into the capacity auction than what its load obligation will be as assessed by PJM? The generation values are netted based on ELCC values and the load obligation is estimated based on EKPC's summer peak load forecast minus 6%, plus a reserve margin.

YEAR	Load Obligation SUM*	Planning Reserves 7% SUM*	Capacity Required SUM*	Existing Capacity SUM*	Deficit before Cap Additions SUM*
2025	2,379	166	2,545	2,610	-66
2026	2,433	170	2,603	2,610	-7
2027	2,482	174	2,656	2,610	46
2028	2,504	175	2,679	2,610	69
2029	2,527	177	2,704	2,610	93
2030	2,541	178	2,719	2,504	215
2031	2,560	179	2,739	2,504	235
2032	2,584	181	2,765	2,504	260
2033	2,600	182	2,782	2,504	277
2034	2,625	184	2,809	2,504	304
2035	2,649	185	2,834	2,504	329
2036	2,682	188	2,870	2,504	366
2037	2,705	189	2,894	2,504	390
2038	2,736	191	2,927	2,504	422
2039	2,765	194	2,959	2,504	454

The table above, directly from Attachment JJT-4 (revised), indicates that EKPC is adequately hedged in its PJM capacity market position until summer 2027 (a positive deficit in the last column indicates needed capacity). Step two is "does EKPC have enough resources secured to cover its expected loads so that prices are hedged?". EKPC looks at its winter peak load plus a

reserve margin (to account for extreme weather conditions and potential generator issues, which EKPC has encountered the past two winter seasons) and compares that to the total amount of generation resources. ELCC does not play a role in whether or not EKPC is adequately hedged for its cost exposure. ELCC only comes into play in the PJM analysis discussed in Step one.

YEAR	LTLF-2024 WIN	Planning Reserves 7% WIN	Capacity Required WIN	Existing Capacity WIN	Deficit before Cap Additions WIN
2025	3,517	246	3,763	3,727	36
2026	3,627	254	3,881	3,427	454
2027	3,677	257	3,934	3,427	507
2028	3,712	260	3,972	3,427	545
2029	3,727	261	3,988	3,427	561
2030	3,743	262	4,005	3,300	705
2031	3,760	263	4,023	3,300	723
2032	3,788	265	4,053	3,300	753
2033	3,793	266	4,059	3,300	760
2034	3,811	267	4,078	3,300	778
2035	3,832	268	4,100	3,300	800
2036	3,870	271	4,141	3,300	841
2037	3,882	272	4,154	3,300	855
2038	3,908	274	4,182	3,300	882
2039	3,933	275	4,208	3,300	908

The table above, directly from Attachment JJT-4, which was not changed by the updated Attachment JJT-4 (revised) in PSC Case 2024-00370, indicates that EKPC is short on winter energy hedges beginning in the 2025/2026 winter period. EKPC currently has a contract in place for a hydro purchase for up to 350 MW. It is not a guaranteed amount of energy but based on run

of river water conditions. The contract ends December 31, 2025. EKPC has been attempting to extend this contract or one similar but does not currently have an agreement in place.

Prior to joining PJM, EKPC would have undertaken an optimized expansion analysis to determine its best alternatives to specifically follow its load. As a member of PJM, EKPC needs to determine what provides the most net benefit to the members based on expected PJM pricing and not just following EKPC load. EKPC needs to determine what provides the best hedges against market price exposure. EKPC is able to purchase coal ahead of time and maintain inventory, so the cost to operate coal units is a known amount. EKPC knows what it has purchased on PPAs and that is a known price. These are both known hedge quantities. The combustion turbines have a known heat rate, so the efficiency that they convert fuel to energy is known. But the fuel is not known for those units because securing firm transportation and/or hedged fuel for units that seldom run is not economically viable.

The combustion turbines provide an upper bound hedge for delivered energy prices based on real time natural gas prices and/or back up fuel oil prices. As stated in Staff Response 2-10, a review of EKPC's last two years of Fuel Adjustment Clause data shows that EKPC purchases roughly 35% of its annual energy from the market. This data indicates that approximately 40% of EKPC's energy is unhedged against market prices or hedged at fairly high prices based on running fuel oil in the combustion turbines. Running an optimization program will not account for the risk this poses. It will only look at the assumed prices. It's not assumed or expected prices that create issues during peak conditions but rather extreme pricing that occurs as demonstrated during Winter Storms Elliott and Gerri. Response to Staff 4-1 shows the amount of costs that EKPC paid during

these winter storms. To ensure adequate cost recovery, EKPC needs to ensure that it has its energy cost exposure capped at its highest cost unit.

There are additional cost benefits to the Owner-Members by lowering that energy cost further during non-extreme periods and reducing the amount of net energy that is purchased from the market at a higher price than what it could be generated for with new technologies. For each $1/MWh energy price reduction, EKPC could save its Owner-Members over $4.5 million in fuel costs per year. EKPC compared its proposed expansion plan to projected market prices to show the value in energy price hedges for the new generation facilities as compared to buying the energy from the market. This comparison demonstrates the value of the new generation facilities for Owner-Member energy prices as compared to having to rely on market pricing. EKPC's need for new generation is driven by its need to protect its Owner-Member's energy pricing during winter peak conditions. EKPC provides this protection by providing sufficient generation resources that can be hedged with known fuel costs.

Having these resources located near the load zone provides additional protection to serve the Owner-Members' load needs in the event of extreme circumstances where market resources are not available to serve EKPC's native load. The Commission has repeatedly stated that it does not expect utilities in Kentucky to lean on organized markets to ensure capacity and energy supply to meet a utility's demand and energy needs. EKPC's need is not driven solely by the PJM requirements for summer resources modified by ELCC ratios. EKPC's need for new generation is driven by its obligation to hedge its winter peak loads and provide secure generation resources to its Owner-Members.

EAST KENTUCKY POWER COOPERATIVE, INC.
CASE NO. 2025-00087
SECOND REQUEST FOR INFORMATION RESPONSE

ATTORNEY GENERAL'S REQUEST DATED AUGUST 14, 2025
REQUEST 21
RESPONSIBLE PARTY: Gregory H. Cecil

Request 21. Refer to EKPC's response to the Attorney General's First Request, Item 15(c). For each of the years 2013 – 2025, with the most updated information, provide the costs/expenses of PJM versus the revenues/savings of PJM. Ensure to include in the costs/expenses all penalty payments.

Response 21. Refer to EKPC's response to Item 12, above, subject to motion for confidential treatment.

EAST KENTUCKY POWER COOPERATIVE, INC.
CASE NO. 2025-00087
SECOND REQUEST FOR INFORMATION RESPONSE

ATTORNEY GENERAL'S REQUEST DATED AUGUST 14, 2025
REQUEST 22
RESPONSIBLE PARTY: Jerry Purvis

Request 22. Refer to EKPC's response to the Attorney General's First Request, Item 16. Provide all applicable updates to this response and how the current presidential administration's Executive Orders are/will affect EKPC, as well as its customers.

Response 22. The Biden Administration put forth an agenda called the Green New Deal implemented under an EPA regulatory construct to decarbonize America in steps by January 1, 2030, January 1, 2032, and December 31, 2038, for coal units to utilize carbon capture and sequestration should coal units be online past January 1, 2039 called the New Source Performance Standards for Greenhouse Gas (GHG) Emissions from New, Modified, and Reconstructed Fossil Fuel-Fired Electric Generating Units (EGUs); Emission Guidelines for GHG from Existing EGU's and Repeal of the Affordable Clean Energy Rule.

Immediately after taking office, the Trump Administration put forth several Executive Orders to focus on Energy and the Environment such as: Declaring a National Energy Emergency, Unleashing American Energy, Putting America First in International Environmental Agreements, Regulatory Freeze Pending Review, Reinvigorating America's Beautiful Clean Coal Industry,

Protecting American Energy from State Overreach, and Strengthening the Reliability and Security of the U.S. Electric Grid. Each Executive Order provided specific instructions to the Executive Branch agencies to change direction from the previous Administration's to his America First plan for Energy and the Environment.

Immediately after Lee Zeldin was confirmed, January 29, 2025, as EPA Administrator, under the regulatory freeze executive order, leadership within EPA brought forth a summary of rulemaking. On March 12, 2025, the EPA announced a major rollback of 31 environmental regulations. These actions, part of the "Powering the Great American Comeback" initiative aimed to reduce the economic burden of environmental regulations on businesses and consumers, particularly in the energy and automotive industries. Along with the other aforementioned executive orders, the initiatives focused on unleashing American energy, lowering the cost of living, burdensome permitting, ending Climate obligations under the Paris Accord, and advancing cooperative federalism.

On June 11, 2025, EPA proposed a repeal of the GHG Emission Standards for Fossil Fuel-Fired Electric Generating Units. On June 17, 2025, EPA issued a proposed rule to repeal the Amendments to the National Emission Standards for Hazardous Air Pollutants: Coal-and Oil-Fired Electric Utility Steam Generating Units. So, in essence, the Trump Administration is a complete reversal in philosophy of the former administration towards fossil fueled power plants and dropped the pressures to decarbonize the electric generating fleet in the U.S.

Since EPA rulemaking is not complete nor finalized, anything EKPC would state at this juncture would be speculative with regards to rulemaking is that this EPA is accelerating at a rapid

pace to rollback former EPA rulemaking against this industry. EKPC will keep the Public Service Commission and the KY Attorney General's Office informed as regulations are finalized.

EAST KENTUCKY POWER COOPERATIVE, INC.
CASE NO. 2025-00087
SECOND REQUEST FOR INFORMATION RESPONSE

ATTORNEY GENERAL'S REQUEST DATED AUGUST 14, 2025
REQUEST 23
RESPONSIBLE PARTY: Julia J. Tucker

Request 23. Refer to EKPC's response to the Attorney General's First Request, Item 19.

a. Now that the Inflation Reduction Act's ("IRA") renewable energy subsidies have been repealed or have early phaseouts, explain whether EKPC will update its cost effectiveness calculations for the IRP.

b. Now that the IRA's renewable energy subsidies have been repealed or have early phaseouts, explain how it will affect EKPC's decisions to pursue large amounts of solar energy. Explain the response in detail.

c. Provide updated calculations for each of the proposed solar projects that EKPC included in the pending IRP, without the IRA subsidies. Ensure to discuss whether each proposed solar project still represents a least-cost resource.

d. EKPC asserted in response to Item 19(b), that it would reassess economics on a project-by-project basis and make a recommendation to its Board of Directors on whether to move forward with the solar project. Provide all updates to this response. Include in the update whether the reassessment has occurred, and what recommendations have been made to the Board of Directors. If there are no updates or reassessments then explain in detail why not.

Response 23.

a - c. No, the IRP is a snapshot in time with cost-effectiveness calculations produced from the best available data at the time of filing. EKPC will reassess economics on a project-by-project basis.

d. Refer Item 23b, above. There has been no update on a recommendation as there has not been a final ruling regarding the tax incentives.

EAST KENTUCKY POWER COOPERATIVE, INC.
CASE NO. 2025-00087
SECOND REQUEST FOR INFORMATION RESPONSE

ATTORNEY GENERAL'S REQUEST DATED AUGUST 14, 2025
REQUEST 24
RESPONSIBLE PARTY: Christopher E. Adams

Request 24. Refer to EKPC's response to the Attorney General's First Request, Item 22.

Provide an update to Table 3-5 with the most current information.

Response 24. See Table 3-5 below:

Table 3-5 (updated 8/2025)
EKPC Recorded Annual Energy Sales (MWh) and Energy Requirements (MWh)
2019 - 2025

	2019	2020	2021	2022	2023	2024	2025*
Total Residential	7,036,916	6,915,401	7,127,199	7,218,271	6,598,806	7,005,290	
Residential Seasonal	663	662	489	753	1,069	1,091	
Small Commercial	1,925,821	1,791,061	1,889,497	1,940,673	1,915,931	2,000,144	
Large Commercial/ Industrial	3,314,391	3,251,726	3,367,170	3,720,863	4,224,079	4,365,331	
Public Authorities	39,829	34,187	38,218	38,012	37,126	38,405	
Public Street and Highway Lighting	8,770	8,771	8,249	7,633	7,799	7,634	
Total Sales	12,326,390	12,001,809	12,430,821	12,926,204	12,784,809	13,417,896	
Office Use	10,232	9,444	9,206	8,758	8,133	7,659	
Distribution % Loss	3.6%	3.9%	3.5%	4.1%	3.2%	3.2%	
EKPC Sales to Members	12,798,772	12,499,902	12,886,454	13,488,016	13,211,972	13,872,048	
EKPC Office Use	7,891	7,313	7,631	7,529	7,207	7,424	4,697
Transmission Loss (%)	2.5%	2.2%	2.1%	1.4%	1.8%	1.8%	
Net Total Requirements	13,140,704	12,794,457	13,183,458	13,700,232	13,465,331	14,145,882	8,660,403

Note: Owner-Member's Form 7 data for 2025 is not available.

*Through July 31, 2025

EAST KENTUCKY POWER COOPERATIVE, INC.
CASE NO. 2025-00087
SECOND REQUEST FOR INFORMATION RESPONSE

ATTORNEY GENERAL'S REQUEST DATED AUGUST 14, 2025
REQUEST 25
RESPONSIBLE PARTY: Christopher E. Adams

Request 25. Refer to EKPC's response to the Attorney General's First Request, Item 25(b). The Company states, "EKPC has no plans to retire Cooper Unit 1 at this time; however considered Cooper Unit 1 to be in 'mothball' status."

a. Explain whether words are missing from this response.

b. Explain why EKPC has no plans to retire Cooper Unit 1 if Cooper Unit 1 is considered in mothball status?

Response 25.

a. The statement should have read as follows: EKPC has no plans to retire Cooper Unit 1 at this time; however, EKPC considered Cooper Unit 1 to be in "mothball" status.

b. The current GHG rule would force Cooper 1 to not operate after 2031. EKPC would continue to keep Cooper 1 available to operate; however, it would no longer plan for major maintenance items and it would be unlikely for EKPC to make any repairs should the unit experience a failure in any major equipment. Cooper 1 could be utilized as an energy-only resource within the PJM energy market and provide energy during extreme events, if needed.

EAST KENTUCKY POWER COOPERATIVE, INC.
CASE NO. 2025-00087
SECOND REQUEST FOR INFORMATION RESPONSE

ATTORNEY GENERAL'S REQUEST DATED AUGUST 14, 2025
REQUEST 26
RESPONSIBLE PARTY: Christopher E. Adams

Request 26. Refer to EKPC's response to the Attorney General's First Request, Item 25(c). Explain whether it is economically feasible for Cooper Unit 1 to continue providing electricity to the benefit of customers past December 2030. If so, does EKPC plan on operating Cooper Unit 1 past the financial end life of December 2030? Explain the response in detail.

Response 26. Yes, it is economically feasible for Cooper 1 to continue to produce energy past its financial end of life. The IRP assumed that Cooper 1 would operate through 2031. As stated in Item 25, above, it is possible for Cooper 1 to continue to operate when needed as an energy-only resource.

EAST KENTUCKY POWER COOPERATIVE, INC.
CASE NO. 2025-00087
SECOND REQUEST FOR INFORMATION RESPONSE

ATTORNEY GENERAL'S REQUEST DATED AUGUST 14, 2025
REQUEST 27
RESPONSIBLE PARTY: Christopher E. Adams

Request 27. Refer to EKPC's response to the Attorney General's First Request, Item 25(f).

a. Explain if EKPC intended to state that the financial end life of Cooper Station 2 is December 2038, instead of stating that it was for Cooper Station 1. If not, explain why not.

b. Explain whether it is economically feasible for Cooper Station Unit 2 to continue providing electricity to the benefit of customers past December 2038. If so, does EKPC plan on operating Cooper Station Unit 2 past the financial end life of December 2038? Explain the response in detail.

Response 27.

a. Yes, the financial end of life for Cooper 2 is 2038.

b. Yes, it is economically feasible, based on the current forward prices, for Cooper 2 to continue to produce energy past its financial end of life. The IRP assumed that Cooper 2 would operate through the planning horizon of 2039, although it could operate longer depending on the overall economics of the unit at that time.

EAST KENTUCKY POWER COOPERATIVE, INC.
CASE NO. 2025-00087
SECOND REQUEST FOR INFORMATION RESPONSE

ATTORNEY GENERAL'S REQUEST DATED AUGUST 14, 2025
REQUEST 28
RESPONSIBLE PARTY: Christopher E. Adams

Request 28. Refer to EKPC's response to the Attorney General's First Request, Item 25(i). Explain whether it is economically feasible for Spurlock Station Unit 1 to continue providing electricity to the benefit of customers past December 2042. If so, does EKPC plan on operating Spurlock Station Unit 1 past the financial end life of December 2042? Explain the response in detail.

Response 28. EKPC's 2025 IRP modeling extends through 2039 only and therefore, it is not known whether Spurlock 1 will continue to provide benefit after 2039. EKPC will continue to evaluate the economics of its generation portfolio in each future IRP.

EAST KENTUCKY POWER COOPERATIVE, INC.
CASE NO. 2025-00087
SECOND REQUEST FOR INFORMATION RESPONSE

ATTORNEY GENERAL'S REQUEST DATED AUGUST 14, 2025
REQUEST 29
RESPONSIBLE PARTY: Christopher E. Adams

Request 29. Refer to EKPC's response to the Attorney General's First Request, Item 25(l). Explain whether it is economically feasible for Spurlock Station Unit 2 to continue providing electricity to the benefit of customers past December 2042. If so, does EKPC plan on operating Spurlock Station Unit 2 past the financial end life of December 2042? Explain the response in detail.

Response 29. EKPC's 2025 IRP modeling extends through 2039 only and therefore, it is not known whether Spurlock 2 will continue to provide benefit after 2039. EKPC will continue to evaluate the economics of its generation portfolio in each future IRP.

EAST KENTUCKY POWER COOPERATIVE, INC.
CASE NO. 2025-00087
SECOND REQUEST FOR INFORMATION RESPONSE

ATTORNEY GENERAL'S REQUEST DATED AUGUST 14, 2025
REQUEST 30
RESPONSIBLE PARTY: Christopher E. Adams

Request 30. Refer to EKPC's response to the Attorney General's First Request, Item 25(o). Explain whether it is economically feasible for Spurlock Station Unit 3 to continue providing electricity to the benefit of customers past December 2049. If so, does EKPC plan on operating Spurlock Station Unit 3 past the financial end life of December 2049? Explain the response in detail.

Response 30. EKPC's 2025 IRP modeling extends through 2039 only and therefore, it is not known whether Spurlock 3 will continue to provide benefit after 2039. EKPC will continue to evaluate the economics of its generation portfolio in each future IRP.

EAST KENTUCKY POWER COOPERATIVE, INC.
CASE NO. 2025-00087
SECOND REQUEST FOR INFORMATION RESPONSE

ATTORNEY GENERAL'S REQUEST DATED AUGUST 14, 2025
REQUEST 31
RESPONSIBLE PARTY: Christopher E. Adams

Request 31. Refer to EKPC's response to the Attorney General's First Request, Item 25(o). Explain whether it is economically feasible for Spurlock Station Unit 4 to continue providing electricity to the benefit of customers past December 2049. If so, does EKPC plan to operate Spurlock Station Unit 4 past the financial end life of December 2049? Explain the response in detail.

Response 31. EKPC's 2025 IRP modeling extends through 2039 only and therefore, it is not known whether Spurlock 4 will continue to provide benefit after 2039. EKPC will continue to evaluate the economics of its generation portfolio in each future IRP.

EAST KENTUCKY POWER COOPERATIVE, INC.
CASE NO. 2025-00087
SECOND REQUEST FOR INFORMATION RESPONSE

ATTORNEY GENERAL'S REQUEST DATED AUGUST 14, 2025
REQUEST 32
RESPONSIBLE PARTY: Christopher E. Adams

Request 32. Refer to EKPC's response to the Attorney General's First Request, Item 26(b). For each natural gas/fuel oil generating unit listed, explain whether it is economically feasible for each generating unit to continue providing electricity to the benefit of customers past the financial end of life date provided in the response. If so, explain whether EKPC plans to operate each unit past the financial end life. Explain the response in detail.

Response 32. Yes, it is economically feasible on a variable energy cost basis, based on the current forward prices, for Smith Units 1 through 3 to continue to produce energy past their financial end of life. The IRP assumed that these units would operate through the planning horizon of 2039, although they could operate longer depending on the overall economics of the unit at that time. EKPC's 2025 IRP modeling extends through 2039 only and therefore, it is not known whether the balance of the units listed, Smith Units 4 through 10 and Bluegrass Units 1 through 3, will continue to provide benefit after 2039. EKPC will continue to evaluate the economics of its generation portfolio in each future IRP.

EAST KENTUCKY POWER COOPERATIVE, INC.
CASE NO. 2025-00087
SECOND REQUEST FOR INFORMATION RESPONSE

ATTORNEY GENERAL'S REQUEST DATED AUGUST 14, 2025
REQUEST 33
RESPONSIBLE PARTY: Craig Johnson

Request 33. Refer to EKPC's response to the Attorney General's First Request, Item 29(j). Elaborate on the numerous inverter tripping at EKPC's solar farms, and how it affected the electric grid as well as the customers.

Response 33. The numerous trips referenced tend to be short duration. EKPC has experienced one long duration trip in 2022 due to a component failure of an inverter lasting approximately 96 days. The long outage of this inverter was due to a long sourcing lead time of the failed component. This issue has gotten better over time as EKPC technicians learn which components are critical. The Cooperative Solar Farm has six inverters each serving several strings of solar panels. Five of the inverters are rated for 1.83 MWs of capacity and one inverter is rated at 833 KWs of capacity. The combined six inverters have an average yearly availability of 95.54% in 2020, 90.71% in 2021, 87.85% in 2022, 94.39% in 2023, 93.25% in 2024 and 90.5% year to date in 2025. When one of the six inverters trips offline, the electrical impact to generation is small, with generally less than 1.5 MWs of potential capacity being offline. A single inverter being

offline has a small impact on electrical generation and has a corresponding small impact on the electric grid and to EKPC's Owner-Members.

EAST KENTUCKY POWER COOPERATIVE, INC.
CASE NO. 2025-00087
SECOND REQUEST FOR INFORMATION RESPONSE

ATTORNEY GENERAL'S REQUEST DATED AUGUST 14, 2025
REQUEST 34
RESPONSIBLE PARTY: Christopher E. Adams

Request 34. Refer to EKPC's response to the Attorney General's First Request, Item 29(k). Elaborate on EKPC's concerns with the inverter-based resources' ("IBR") impact on power supply during times when the IBR lacks a fuel source (no sun, no wind, etc.)

Response 34. PJM's generation interconnect queue currently has 47.5 GW (nameplate) of total solar and wind resources. This makes up 45% of the 105.3 GW (nameplate) of total generation in the queue. EKPC is concerned with these statistics and considered this trend in its CPCN filing for Liberty RICE in 2024-00310. Liberty RICE will be able to start quickly to make up energy that is lost from IBRs and provided needed regulation and reserve ancillary services in PJM.

EAST KENTUCKY POWER COOPERATIVE, INC.
CASE NO. 2025-00087
SECOND REQUEST FOR INFORMATION RESPONSE

ATTORNEY GENERAL'S REQUEST DATED AUGUST 14, 2025
REQUEST 35
RESPONSIBLE PARTY: Christopher E. Adams

Request 35. Refer to EKPC's response to the Attorney General's First Request, Item 31(b). Provide an update to this response.

Response 35. Refer to EKPC's response to Item 19b, above.

EAST KENTUCKY POWER COOPERATIVE, INC.
CASE NO. 2025-00087
SECOND REQUEST FOR INFORMATION RESPONSE

ATTORNEY GENERAL'S REQUEST DATED AUGUST 14, 2025
REQUEST 36
RESPONSIBLE PARTY: Christopher E. Adams

Request 36. Refer to EKPC's response to the Attorney General's First Request, Item 31(c). The response is nonresponsive. Provide an answer to the question as originally posed.

Response 36. EKPC has no experience with event that occurred in Spain. However, EKPC is concerned with an influx of IBR resources without the needed addition of dispatchable resources. Refer to Item 34, above.

EAST KENTUCKY POWER COOPERATIVE, INC.
CASE NO. 2025-00087
SECOND REQUEST FOR INFORMATION RESPONSE

ATTORNEY GENERAL'S REQUEST DATED AUGUST 14, 2025
REQUEST 37
RESPONSIBLE PARTY: Craig Johnson

Request 37. Refer to EKPC's response to the Attorney General's First Request, Item 36(b). Provide the capacity factor for each of EKPC's generating units.

Response 37. Capacity factors for existing and future generation facilities were submitted in Section 4 of the IRP, pages 93 through 110, subject to motion for confidential treatment.

EAST KENTUCKY POWER COOPERATIVE, INC.
CASE NO. 2025-00087
SECOND REQUEST FOR INFORMATION RESPONSE

ATTORNEY GENERAL'S REQUEST DATED AUGUST 14, 2025
REQUEST 38
RESPONSIBLE PARTY: Jerry Purvis

Request 38. Refer to EKPC's response to the Attorney General's First Request, Items 39 (a) and (b). Provide all updates to this original request.

Response 38. Refer to EKPC's response to Requests 10 and 22, above.

EAST KENTUCKY POWER COOPERATIVE, INC.
CASE NO. 2025-00087
SECOND REQUEST FOR INFORMATION RESPONSE

ATTORNEY GENERAL'S REQUEST DATED AUGUST 14, 2025
REQUEST 39
RESPONSIBLE PARTIES: Denise Foster Cronin (a – b); Christopher E. Adams (c)

Request 39. Refer to EKPC's response to the Attorney General's First Request, Items 40 (a) – (c). Provide all updates to this original request.

Response 39.

(a-b) To facilitate review updates to Section 12, bullets referencing the page number and topic along with the status update are as follows:

- Page 226: As noted in response to Request #1(f) above, PJM and members developed proposals. None of the proposals garnered a 2/3 stakeholder endorsement. It is unclear what next steps PJM may pursue to address the issues that underpinned this reform effort.
- Page 228: On June 25, 2025, the FERC issued a letter order accepting the blackstart compensation filing.
- Page 234: On August 8, 2025, the FERC issued an order rejecting PJM's filing without prejudice. The FERC found the provision that allowed for a one-time extension to the 3-year Commercial Operation Date deadline to be unjust and

unreasonable because it permitted extensions regardless of the cause for an indeterminate period of time. The FERC also found concerning the provision that allowed Commercial Operation Dates longer than 3 years for resources with industry recognized significant construction timelines. At the August 20, 2025, PJM Markets and Reliability Committee PJM indicated that it intends to put forth a proposal to address FERC's concerns at the September 9, 2025, Planning Committee and then seek endorsement of PJM's proposal or alternative proposal at the September 25, 2025, Members Committee meeting.

c. Yes, EKPC continues to find value for its Owner-Member through participation in PJM markets. Refer to Items 11 and 12, above.

EAST KENTUCKY POWER COOPERATIVE, INC.
CASE NO. 2025-00087
SECOND REQUEST FOR INFORMATION RESPONSE

ATTORNEY GENERAL'S REQUEST DATED AUGUST 14, 2025
REQUEST 40
RESPONSIBLE PARTIES: Christopher E. Adams and Denise Foster Cronin

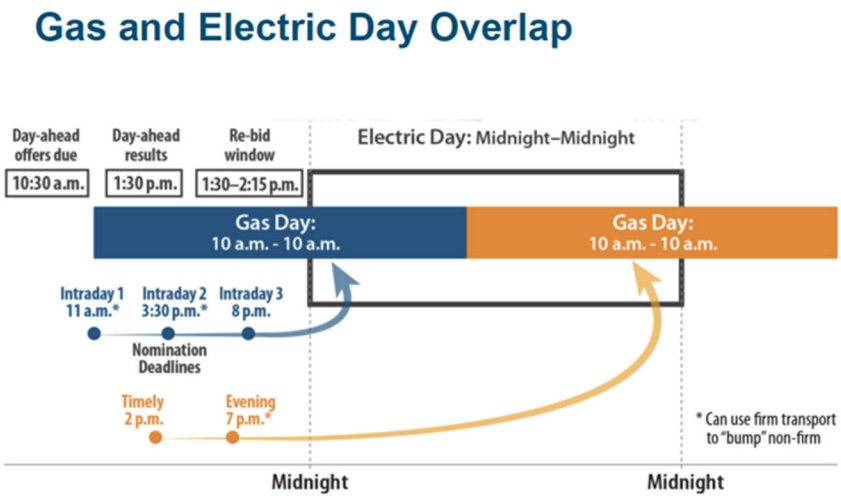
Request 40. Refer to EKPC's response to the Attorney General's First Request, Item 41(a). Expound upon the three major challenges impacting natural gas unit availability that PJM highlights.

Response 40. PJM highlights three major challenges impacting natural gas unit availability during Winter Storm Elliott in its January 17, 2024 presentation entitled "Natural Gas Supply During Winter Storm Elliott and Electric Gas Coordination Senior Task Force Update" to the Reserve Certainty Senior Task Force. The three major challenges were: (1) gas supply, (2) unit parameter and temporary exception updates, and (3) [gas market] misalignment with the electric operating day.

The first, gas supply, is perhaps the most straightforward to explain. During Winter Storm Elliott certain parts of the PJM region were impacted by the rapid and extensive loss of natural gas production. The second, unit parameter and temporary exception updates impact PJM's situational awareness. Accurate accounting for how natural gas pipeline restrictions may impact gas generator ability to meet reserve requirements is important for PJM to understand what quantity

of reserves it should be able to rely upon from natural gas generators. Additionally, a generator's ability to accurately reflect its anticipated ability to provide reserves is challenged by the mismatch between the natural gas pipeline nomination cycles and the electric day. Misalignment could result in a gas generator being relied upon to provide reserves to PJM but not have the ability to nominate the gas fuel to effectuate that commitment. The third challenge is the misalignment between the electric day and the gas pipeline nominating process. The day-ahead scheduling for gas differs from the electric industry.

In the gas industry, the offer period takes place from 10:00 a.m. on a given day to 10:00 a.m. the following day. This window differs from a power trading model that looks to procure sufficient supply for a 24-hour period of a single day. The challenge arises when generators must predict the volume of gas needed for overnight burns because the timing of when the prediction occurs is not well aligned with the timing of when the gas offer deadlines occur. While intraday trading opportunities exist if generators find themselves short, it typically occurs on a bilateral basis because there is not a clearinghouse or price index for intraday trades.



During extreme weather events that occur over weekend or extended holiday periods, the problem can be exacerbated because power generators must make a call on whether they should procure more gas for these periods when it is not certain that they will be dispatched at a volume that the generator is predicting. Typically, most generators would rather buy gas for the weekend block period and try to sell it back if they do not end up needing it. Such behavior, however, can cause price volatility during extreme weather periods as generators attempt to procure or sell gas supplies as dispatch instructions unfold during the event.

In June 2024, PJM stakeholders endorsed changes to the PJM Manual 11 that incrementally improve the misalignment challenges. Revisions were made to section 2.5.4 to make clear that PJM may perform additional generation resource commitment runs, as necessary throughout the entire Operating Day, based on updated PJM load forecasts, updated resource parameters or changing system conditions. In doing so, PJM will target three intraday reliability commitment runs that align with the three intraday gas pipeline nomination cycle deadlines. While helpful, these changes do not address the significant challenge gas generators face when electric system events are anticipated to occur over a weekend or holiday period.