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November 4, 2013

Via Personal Delivery

Mr. Jeff Derouen, Executive Director Case No. 2013-00259 Kentucky Public Service Commission 211 Sower Blvd. Frankfort, KY 40601

Re: Case No. 2013-00259 Sonia McElroy and Sierra Club's Supplemental Requests for Information to East Kentucky Power Cooperative (Public Version)

Dear Mr. Derouen,

Enclosed please find one original and ten (10) copies of Sonia McElory and Sierra Club's Supplemental Requests for Information to East Kentucky Power Cooperative, filed today in the above-referenced matter via personal delivery. Requests 2.9 (pp. 6), 2.14 (pp. 8), 2.15 (pp. 9), 2.16 (pp.9), 2.17 (pp. 10), 2.18 (pp. 10), 2.19 (pp. 10), 2.39 (pp. 16), and 2.42 (pp. 17) include information that is subject to a petition for confidential treatment filed by Mark Gross and Michael Kurtz, counsel for East Kentucky Power Cooperative. By copy of this letter, all parties listed on the Certificate of Service have been served via USPS and e-mail. Please place this document of file.

Sincerely,

Kristin U. Henry

Kristin A. Henry Senior Attorney Sierra Club 85 Second Street San Francisco, CA 94105 Phone: (415) 977-5716 kristin.henry@sierraclub.org

COMMONWEALTH OF KENTUCKY BEFORE THE PUBLIC SERVICE COMMISSION

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In the Matter of:

AN APPLICATION OF EAST KENTUCKY POWER COOPERATIVE, INC. FOR A CERTIFICATE OF PUBLIC CONVENIENCE AND NECESSITY FOR ALTERATION OF CERTAIN EQUIPMENT AT THE COOPER STATION AND APPROVAL OF A COMPLIANCE PLAN AMENDMENT FOR ENVIRONMENTAL SURCHARGE COST RECOVERY

CASE NO. 2013-00259

SONIA MCELORY AND SIERRA CLUB'S SUPPLEMENTAL REQUESTS FOR INFORMATION TO EAST KENTUCKY POWER COOPERATIVE

Intervenors Sonia McElroy and Sierra Club (collectively "Environmental Intervenors") pursuant to the Kentucky Public Service Commission's ("Commission") September 20, 2013 Order ("September Order"), propound the following requests for information on East Kentucky Power Cooperative's ("EKPC") in the above-captioned proceeding.

EKPC shall answer these requests for information in the manner set forth in the September Order and by no later than the November 12, 2013 deadline set forth in the Appendix of the September Order. Please produce the requested documents in electronic format to:

Kristin Henry Sierra Club 85 Second Street, 2nd Floor San Francisco, CA 94105 kristin.henry@sierraclub.org

Shannon Fisk Earthjustice 1617 John F. Kennedy Blvd., Suite 1675 Philadelphia, PA 19103 <u>sfisk@earthjustice.org</u>

Matthew Gerhart Earthjustice 705 Second Avenue, Suite 203 Seattle, WA 98104 <u>mgerhart@earthjustice.org</u> Tyler Comings Synapse Energy Economics 485 Massachusetts Ave. Cambridge, MA 02139 <u>Tcomings@synapse-energy.com</u>

Jeff Loiter Optimal Energy 14 School Street Bristol, VT 05443 <u>loiter@optenergy.com</u>

Wherever the response to an interrogatory or request consists of a statement that the requested information is already available to the Environmental Intervenors, provide a detailed citation to the document that contains the information. This citation shall include the title of the document, relevant page number(s), and to the extent possible paragraph number(s) and/or chart/table/figure number(s).

In the event that any document referred to in response to any request for information has been destroyed, specify the date and the manner of such destruction, the reason for such destruction, the person authorizing the destruction and the custodian of the document at the time of its destruction.

The Environmental Intervenors reserve the right to serve supplemental, revised, or additional discovery requests as permitted in this proceeding.

DEFINITIONS

Unless otherwise specified in each individual interrogatory or request, "you," "your," "EKPC," "Cooperative," or "Company" refers to East Kentucky Power Cooperative, and its affiliates, employees, and authorized agents.

"316(b) rule" means regulatory standards under Clean Water Act section 316(b) regarding cooling water intake structures, for which EPA issued a proposed rule in 76 Fed. Reg. 22,174 (April 20, 2011)

"And" and "or" shall be construed either conjunctively or disjunctively as required by the context to bring within the scope of these interrogatories and requests for production of documents any information which might be deemed outside their scope by another construction.

"Any" means all or each and every example of the requested information.

"CO₂" means carbon dioxide

"CCR rule" means regulatory standards under the authority of the Resource Conservation and Recovery Act regarding coal combustion residuals, for which EPA issued a proposed rule in 75 Fed. Reg. 35,128 (June 21, 2010)

"Communication" means any transmission or exchange of information between two or more persons, whether orally or in writing, and includes, without limitation, any conversation or discussion by means of letter, telephone, note, memorandum, telegraph, telex, telecopy, cable, email, or any other electronic or other medium.

"Document" refers to written matter of any kind, regardless of its form, and to information recorded on any storage medium, whether in electrical, optical or electromagnetic form, and capable of reduction to writing by the use of computer hardware and software, and includes all copies, drafts, proofs, both originals and copies either (1) in the possession, custody or control of the Companies regardless of where located, or (2) produced or generated by, known to or seen by the Companies, but now in their possession, custody or control, regardless of where located whether or still in existence.

Such "documents" shall include, but are not limited to, applications, permits, monitoring reports, computer printouts, contracts, leases, agreements, papers, photographs, tape recordings, transcripts, letters or other forms of correspondence, folders or similar containers, programs, telex, TWX and other teletype communications, memoranda, reports, studies, summaries, minutes, minute books, circulars, notes (whether typewritten, handwritten or otherwise), agenda, bulletins, notices, announcements, instructions, charts, tables, manuals, brochures, magazines, pamphlets, lists, logs, telegrams, drawings, sketches, plans, specifications, diagrams, drafts, books and records, formal records, notebooks, diaries, registers, analyses, projections, email correspondence or communications and other data compilations from which information can be obtained (including matter used in data processing) or translated, and any other printed, written, recorded, stenographic, computer-generated, computer-stored, or electronically stored matter, however and by whomever produced, prepared, reproduced, disseminated or made.

Without limitation, the term "control" as used in the preceding paragraphs means that a document is deemed to be in your control if you have the right to secure the document or a copy thereof from another person or public or private entity having actual possession thereof. If a document is responsive to a request, but is not in your possession or custody, identify the person with possession or custody. If any document was in your possession or subject to your control, and is no longer, state what disposition was made of it, by whom, the date on which such disposition was made, and why such disposition was made.

For purposes of the production of "documents," the term shall include copies of all documents being produced, to the extent the copies are not identical to the original, thus requiring the production of copies that contain any markings, additions or deletions that make them different in any way from the original

"DSM" means demand-side management programs including demand-response, interruptible load, and energy efficiency programs.

"ELG rule" means regulatory standards under the Clean Water Act to establish effluent limitations guidelines for steam electric power plants, for which EPA issued a proposed rule in 78 Fed. Reg. 34,432 (June 7, 2013)

"EPA" means the United States Environmental Protection Agency

"Identify" means:

- (a) With respect to a person, to state the person's name, address and business relationship (e.g., "employee") to Big Rivers;
- (b) With respect to a document, to state the nature of the document in sufficient detail for identification in a request for production, its date, its author, and to identify its custodian. If the information or document identified is recorded in electrical, optical or electromagnetic form, identification includes a description of the computer hardware or software required to reduce it to readable form.

"NOx" means nitrogen oxides

"NPV" means Net Present Value

"Relating to" or "concerning" means and includes pertaining to, referring to, or having as a subject matter, directly or indirectly, expressly or implied, the subject matter of the specific request.

"RFP" means Request For Proposal

"SO₂" means sulfur dioxide

"Workpapers" are defined as original, electronic, machine-readable, unlocked, Excel format (where possible) with formulas in-tact

PRIVILEGE

If you claim a privilege including, but not limited to, the attorney-client privilege or the work product doctrine, as grounds for not fully and completely responding to any interrogatory or request for production, describe the basis for your claim of privilege in sufficient detail so as to permit the Environmental Intervenors or the Commission to evaluate the validity of the claim. With respect to documents for which a privilege is claimed, produce a "privilege log" that identifies the author, recipient, date and subject matter of the documents or interrogatory answers for which you are asserting a claim of privilege and any other information pertinent to the claim that would enable the Environmental Intervenors or the Commission to evaluate the validity of such claims.

<u>TIME</u>

Unless otherwise provided, the applicable time period for each of these requests for information is January 1, 2009 to the present.

DATA REQUESTS

- 2.1. Please provide EKPC's annual off-system sales in kWhs, and off-system sales revenues in dollars, from 2002 to 2012.
- 2.2. Please provide any forecasts of annual off-system sales or off-system sales revenues performed or commissioned by EKPC in 2010 or later.
- 2.3. Please explain the current sharing mechanism or provision for EKPC's off-system sales revenue distribution.
- 2.4. Please provide the EKPC's cost of debt and supporting analyses and/or workbooks showing this calculation.
- 2.5. Please provide a breakdown of EKPC's historical annual costs from 2002 through 2013 associated with each plant including:
 - a. Variable O&M
 - b. Fixed O&M
 - c. Fuel Costs
 - d. Depreciation
 - e. Interest
 - f. Capital additions
 - g. Other costs

- 2.6. Please provide EKPC's projected annual costs for each year of the NPV analysis associated with each plant including:
 - a. Variable O&M
 - b. Fixed O&M
 - c. Fuel Costs
 - d. Depreciation
 - e. Interest
 - f. Capital additions
 - g. Other costs
- 2.7. Please refer to the NPVs for the projects submitted in response to the RFP.
 - a. Please list the 5 highest NPVs in terms of dollars, for each of the following analysis periods:
 - i. 10 years
 - ii. 15 years
 - iii. 20 years
 - iv. 25 years
 - b. Please list the 5 highest NPVs in terms of dollars per MW-year, for each of the following analysis periods:
 - i. 10 years
 - ii. 15 years
 - iii. 20 years
 - iv. 25 years
 - c. Please list the NPV for the 6 proposals on the short list (other than the ductwork project) over a 10-year time horizon.
- 2.8. Refer to EKPC's response to Sierra Club request 1.4c. Please provide workbooks showing the calculations of book value and net book value for Cooper and Dale stations.

2.9. Refer to EKPC's response to Sierra Club request 1.13.





- 2.10. Refer to EKPC's response to Sierra Club request 1.15d which does not provide "annual capacity factor or annual generation" for Cooper Unit 1. Please provide the annual capacity factor and generation assumed for Cooper 1 throughout the analysis period.
- 2.11. Refer to EKPC's response to Sierra Club request 1.21h. Please confirm that EKPC has provided all of the input files that they previously provided to Brattle Group to carry out their NPV analysis.
 - a. If not, please provide the remaining input files.
- 2.12. Refer to EKPC's response to Sierra Club request 1.24h.
 - a. Please provide EKPC's historical annual generation since 2002, by unit.
 - b. Please provide EKPC's historical annual capacity since 2002, by unit.
 - c. Please provide EKPC's projected annual generation, by unit, for each of the years of the NPV analysis.
 - d. Please provide EKPC's projected annual capacity (ICAP and UCAP), by unit, for each of the years of the NPV analysis.
- 2.13. Refer to EKPC's response to Sierra Club request 1.38:
 - a. For EKPC's response to Sierra Club request 1.38a which states "Burns & McDonnell looked at Mercury controls and Dry Sorbent Injection in combination

with either a new full fabric filter system, polishing fabric filter, conversion of existing ESP to a fabric filter system, ESP upgrades, or using ESP units 1 and 2 in series."

- i. Please provide the results, analyses, and workpapers (in electronic, machine-readable format) related to the analysis of the above options.
- ii. Please confirm if EKPC or Burn & McDonnell analyzed the possibility of an alternative location for the Unit 1 flue tie-in (i.e. upstream of Unit 2's SCR).
- b. For EKPC's response to Sierra Club request 1.38b. Confirm that EKPC would be able to achieve MATS compliance at both Cooper Units 1 and 2 through emissions averaging.
 - i. If confirmed or denied, provide supporting analysis and workpapers in electronic, machine readable format.
 - ii. Confirm that utilizing an "emissions averaging strategy" EKPC would not require any capital additions to achieve MATS compliance.
- c. For EKPC's response to Sierra Club request 1.38c ii which states that "hydrated lime injected upstream of the DSI will not meet the MATS removal requirements." Please confirm that the response should state that "hydrated lime injected upstream of the ESP will not meet the MATS removal requirements."
- d. For EKPC's response to Sierra Club request 1.38d.
 - i. Confirm that EKPC would not be able to achieve MATS compliance at Cooper Unit 1 by switching to a coal type with lower mercury and sulfur content.
 - 1. If confirmed or denied, provide supporting analysis and workpapers in electronic, machine readable format.
 - 2. If denied, confirm that by switching to a coal with lower sulfur and mercury content, EKPC would not need to make any capital additions to achieve MATS compliance at Cooper.





- 2.16. Refer to page 5 of Exhibit 1a to the Application. With regards to the natural gas commodity price forecast that EKPC used in its NPV analyses:
 - a. Identify the forecasted price of natural gas for each year through 2050.
 - b. Identify the source or sources for the natural gas price forecast.

- c. Identify the date of the natural gas price forecast .
- d. Provide the inputs, analysis, and workpapers supporting the natural gas price forecast.
- e. Explain the basis for redacting, rather than publicly disclosing, the fact that such natural gas price forecast came from the second second
- 2.17. Refer to page 5 of Exhibit 1a to the Application. With regards to the coal commodity price forecast that EKPC used in its NPV analyses:
 - a. Identify the forecasted price of coal for each year through 2050.
 - b. Identify the source or sources for the coal price forecast.
 - c. Identify the date of the coal price forecast.
 - d. Provide the inputs, analysis, and workpapers supporting the coal price forecast.
 - Explain the basis for redacting, rather than publicly disclosing, the fact that such coal price forecast came from
- 2.18. Refer to EKPC's response to PSC request 1.7a.
 - a. Please list the NPV analysis period for each of the bids listed in this response.



- d. State whether any revisions of numbers from bidders change the ranking of the bids.
 - i. If so, please explain and provide supporting analysis and workpapers.
 - i. If not, why not?
 - ii. If so, please provide the updated analysis and workpapers.



a. Please provide all documents, workpapers, and calculations supporting this



- 2.20. Please refer to pages 5, 8-9 of Exhibit 1a to the Application discussing the evaluation and final selection of proposals.
 - a. Is it EKPC's position that the proposed duct work project has the highest benefit to cost ratio of all the RFP responses?
 - b. If no, which alternatives have higher benefit to cost ratios?
 - c. Is it EKPC's position that the proposed duct work project is the least-cost option of all the RFP responses for each time horizon considered, i.e., on a time horizon of 10 years, 15 years, 20 years, and 25 years? If so, please explain.
 - d. Is it EKPC's position that the proposed duct work project provides the greatest benefits for ratepayers, as measured by the NPV? If so, please explain.
- 2.21. Please refer to page 10, lines 3-5, of the direct testimony of Mr. James Read, which states that "[t]herefore, comparing the proposals on the basis of NPVs—even when normalized for size and duration—would amount to comparing apples and oranges."
 - a. Did EKPC select the duct work project as the final project because it had the highest NPV relative to all other projects?
 - b. Did EKPC select the duct work project because it is the least-cost option?
 - c. Please confirm that EKPC did not compare the projects on the short list based solely on their respective NPVs.
 - d. Please list all factors EKPC considered in evaluating the projects on the short list and identify the weight EKPC gave to each factor.
- 2.22. Other than the engineering studies included in its application and exhibits, has EKPC initiated or completed any engineering or construction work relating to the duct work project for which EKPC seeks a CPCN?
 - a. To date, how much money has EKPC spent on the duct work project?
 - b. Does EKPC anticipate spending any money, beyond what has been spent to date, on the duct work project before the Commission issues a decision in this case?
 - c. If so, please identify the estimated amounts and the work to be done.

- 2.23. Please refer to page 4 of the direct testimony of Mr. Anthony Campbell.
 - a. Did EKPC and/or its contractors design the air quality control systems ("AQCS") on Cooper Unit 2 to preserve the possibility that the exhaust gases from Cooper Unit 1 could be run through the ACQS at Cooper 2?
 - i. If so, how much did such added capacity increase the capital cost of the AQCS on Cooper Unit 2?
 - ii. If not, explain why the AQCS on Cooper Unit 2 has sufficient capacity to handle the exhaust gases from both Cooper Unit 2 and Unit 1.
- 2.24. Please refer to pages 3-4 of the RFP, Exhibit JJT-1, which states that "[p]reference will be given to renewable projects in the state of Kentucky."
 - a. Did EKPC state in the RFP that preference would be given to conventional generation projects in the state of Kentucky?
 - i. If not, why not?
 - ii. If not, why did EKPC state that preference will be given to renewable projects in the state of Kentucky but not state that preference would be given to conventional generation projects in the state of Kentucky?
- 2.25. Please refer to the testimony of Mr. James Read.
 - a. Did Mr. Read advise EKPC on how to calculate the NPV for the RFP responses?
 - b. Did Mr. Read advise EKPC that the NPV calculations should include no cost to comply with the forthcoming 316(b), CCR, and ELG rules, as well as any potential carbon regulations?
 - c. Did Mr. Read advise EKPC to conduct any sensitivity analyses in which the NPV calculations would include estimates of the cost to comply with the forthcoming 316(b), CCR, and ELG rules, as well as any potential carbon regulations?
 - d. Is it Mr. Read's position that it is appropriate to calculate the NPV for potential projects by omitting estimates of the capital and O&M costs of complying with the 316(b), CCR, and ELG rules, as well as any potential carbon regulations?
- 2.26. Please provide a list of all cases, with the appropriate jurisdiction, case name, and number, in which Mr. Block Andrews has provided testimony.
 - a. Produce a copy of any written testimony that Mr. Andrews sponsored in each such case.

- 2.27. Please provide a list of all cases, with the appropriate jurisdiction, case name, and number, in which Mr. James Read has provided testimony.
 - a. Produce a copy of any written testimony that Mr. Read sponsored in each such case
- 2.28. Please refer to page 9, lines 5-9, of the direct testimony of Mr. Block Andrews.
 - a. Is the potential de-rate of Cooper unit 1 reflected in the NPV of the proposed retrofit project?
 - b. If so, please explain how and provide all supporting calculations.
- 2.29. In calculating the NPV of projects that would replace Cooper Unit 1, what is the date on which EKPC assumed that Cooper Unit 1 would retire and the other projects would come on-line?
- 2.30. Please refer to EKPC's response to Sierra Club's request 1.8. Has EKPC evaluated the transmission reliability impacts of retiring only Cooper Unit 1 but continuing to operate Cooper Unit 2? If so, produce all supporting studies.
- 2.31. Has EKPC reviewed any documents relating to the potential costs at Cooper Unit 1 and/or Cooper Unit 2 to comply with the forthcoming Clean Water Act section 316(b) regulation of cooling water intake structures?
 - a. If so, produce all such documents and state when they were reviewed.
 - b. If not, explain why not.
 - c. Has EKPC prepared or caused to be prepared any estimates of the range of costs that Cooper unit 1 and/or Cooper unit 2 may face to comply with the forthcoming 316(b) rule?
 - i. If so, produce all such documents.
 - ii. If not, explain why not.
- 2.32. Has EKPC reviewed any documents relating to the potential costs at Cooper unit 1 and/or Cooper unit 2 to comply with the forthcoming Resource Conservation and Recovery Act regulations regarding coal combustion residuals?
 - a. If so, produce all such documents and state when they were reviewed.

- b. If not, explain why not.
- c. Has EKPC prepared or caused to be prepared any estimates of the range of costs that Cooper unit 1 and/or Cooper unit 2 may face to comply with the forthcoming CCR rule?
 - i. If so, produce all such documents.
 - ii. If not, explain why not.
- d. Please provide any analyses or documents prepared or caused to be prepared by EKPC regarding the current and/or future handling of coal combustion residuals at Cooper units 1 and 2.
- e. Please explain how coal combustion residuals are currently handled and/or disposed of at the Cooper plant.
- f. Please explain how coal combustion residuals are currently handled and/or disposed of at the Dale plant.
- g. Please confirm that outside consultant AMEC performed an assessment of the coal combustion surface impoundments at the Dale plant.
 - i. Please provide any progress on upgrading the ponds to a "satisfactory" level and the associated or estimated costs to do so.
- h. If there are coal combustion surface impoundments at the Cooper plant, state whether EKPC has performed or had performed any assessment of such impoundments.
 - i. If so, produce such assessment
 - ii. If not, explain why an assessment was performed for the Dale plant but not for the Cooper plant.
- 2.33. Has EKPC reviewed any documents relating to the potential costs at Cooper Unit 1 and/or Cooper Unit 2 to comply with the forthcoming Clean Water Act ELGs for steam electric power plants?
 - a. If so, produce all such documents and state when they were reviewed.
 - b. If not, explain why not.
 - c. Has EKPC prepared or caused to be prepared any estimates of the range of costs that Cooper unit 1 and/or Cooper unit 2 may face to comply with the forthcoming ELG rule?
 - i. If so, produce all such documents.
 - ii. If not, explain why not.
 - d. Please provide analyses or documents prepared or cause to be prepared by EKPC regarding the current and/or future handling at Cooper Unit 1 or 2 of all liquid waste streams that EPA has proposed to be regulated under the ELGs.

- 2.34. Has EKPC reviewed any documents relating to the costs at Cooper Unit 1 and/or Cooper Unit 2 and/or the Dale Station to comply with any potential regulation of carbon emissions from existing electric power plants, including but not limited to regulations issued under Clean Air Act section 111(d)?
 - a. If so, produce all such documents and state when they were reviewed
 - b. If not, explain why not.
 - c. Has EKPC prepared or caused to be prepared any estimates of the range of costs that Cooper unit 1 and/or Cooper unit 2 may face to comply with any potential regulation of carbon emissions from existing electric power plants?
 - i. If so, produce all such documents.
 - ii. If not, explain why not.
 - d. Please confirm that EKPC has not used estimated costs to comply with any future greenhouse gas regulations in calculating the NPV for the ductwork project or any other project considered as part of the RFP process.
- 2.35. Is EKPC aware of the decision from the District Court for the District of Columbia issued on October 29, 2013 in case number 12-0523 ordering the Environmental Protection Agency to file with the court within 60 days a schedule for issuing a final CCR rule?
 - a. If so, has EKPC reviewed that court decision?
 - b. In light of that court decision, does EKPC believe that Cooper Unit 1 will face any non-zero costs to comply with a final CCR rule over the next 10, 15, 20, or 25 years?
 - i. If so, what level of costs does EKPC believe Cooper Unit 1 will face and when?
 - ii. If not, why not?
 - c. Is EKPC aware of the proposed CCR rule, 75 Federal Register 35,128, issued on June 21, 2010?
 - i. If so, please identify which of the regulatory options set forth in the proposed CCR rule would, if finalized, lead Cooper unit 1 to incur zero compliance costs.
- 2.36. Is EKPC aware of the consent decree approved and entered by the District Court for the District of Columbia on March 19, 2012, as subsequently modified, in case 10-1915, requiring the Environmental Protection Agency to issue a final ELG ruled by May 22, 2014?
 - a. In light of that consent decree, does EKPC believe that Cooper unit 1 will face any non-zero costs to comply with the final ELG rule in the next 10, 15, 20, or 25 years?
 - i. If so, what level of costs does EKPC believe Cooper Unit 1 will face and when?

- i. If not, why not?
- b. Is EKPC aware of the proposed ELG rule, 78 Federal Register 34432, issued on June 7, 2013?
 - i. If so, please identify which of the four preferred regulatory options set forth in the proposed ELG rule would, if finalized, lead Cooper unit 1 to incur zero compliance costs.
- 2.37. Is EKPC aware of the settlement agreement, as modified, in cases 93-0314 and 06-12987 obligating the Environmental Protection Agency to issue final regulations by November 4, 2013 governing cooling water intake structures under Clean Water Act section 316(b)?
 - a. In light of that settlement agreement, does EKPC believe that Cooper unit 1 will face any non-zero costs to comply with the final 316(b) rule in the next 10, 15, 20, or 25 years?
 - i. If so, what level of costs does EKPC believe Cooper Unit 1 will face and when?
 - i. If not, why not?
 - b. Is EKPC aware of the proposed 316(b) rule, 76 Federal Register 22174, issued on April 20, 2011?
 - i. If so, please identify which of the proposed regulatory options set forth in the proposed 316(b) rule would, if finalized, lead Cooper unit 1 to incur zero compliance costs.
- 2.38. Is EKPC aware of the President of the United States' "Presidential Memorandum—Power Sector Carbon Pollution Standards," issued June 25, 2013?
 - a. Is EKPC aware of the directive in that memorandum ordering the EPA to use its authority under Clean Air Act sections 111(b) and 111(d) to regulate carbon emissions from existing power plants, and to issue such proposed regulations by June 1, 2014 and such final regulations by June 1, 2015?
 - b. In light of that directive, is it EKPC's position that Cooper unit 1 will face zero costs to comply with any carbon regulations over the next 10, 15, 20, or 25 years?
 - i. If so, what level of costs does EKPC believe Cooper Unit 1 will face and when?
 - i. If not, why not?
- 2.39. Please refer to EKPC's response to Sierra Club request 1.54.
 - a. Given that EKPC used the energy price forecast in its NPV analyses, explain how the potential future cost of carbon

dioxide emissions "are appropriately reflected in the future expected market prices."

- b. State whether EKPC asked **Sector and an energy price projection** that included carbon costs.
 - i. If so, produce any such projection that was received.
 - ii. If not, explain why not.
- c. Is it EKPC's position that the capital and O&M costs to Cooper 1 from proposed or likely future environmental rules are reflected in "future expected market prices"?
 - i. If so,
 - 1. Identify what costs are so reflected
 - 2. Identify which future expected market prices used in the NPV analysis include such capital and O&M costs
 - 3. Explain how those costs are reflected in such prices.
 - ii. If not, explain how such capital and O&M costs are reflected in the NPV analysis.
- 2.40. Please refer to EKPC's response to Sierra Club's discovery request 1.58.
 - a. Please explain why demand response and/or energy efficiency proposals could not have been received and evaluated on the same basis as the other proposals submitted in response to the RFP.
 - b. Is it EKPC's position that demand response beyond what is currently being planned in EKPC's service territory cannot reduce the capacity needs currently served by Cooper Unit 1?
 - i. If so, explain why and produce any analysis supporting that position.
 - c. Is it EKPC's position that energy efficiency beyond what is currently being planned in EKPC's service territory cannot reduce the demand for any of the energy currently produced by Cooper unit 1?
 - i. If so, explain why and produce any analysis supporting that position.
- 2.41. Please refer to EKPC's response to Sierra Club's discovery request 1.62. Is it EKPC's position that Clean Air Act section 111(d) cannot be used lawfully to regulate greenhouse gas emissions from existing electric generating units such as Cooper Unit 1?





- 2.43. Please refer to page 4, lines 9-13, of the direct testimony of Mr. Isaac Scott and EKPC's response to Staff request 30.
 - a. Is the existing RUS loan (AL-8 loan) the only loan from the Rural Utilities Service that EKPC intends to use to finance the duct work project?
 - i. If not, please state when EKPC intends to apply for additional loan(s) from RUS.
 - b. Please produce the contract referred to as the "existing Rural Utilities Service guaranteed loan (the AL-8 loan)."
- 2.44. Excluding the RFP and RFP responses, please identify and produce any evaluation created or reviewed by EKPC of the cost, feasibility, or availability in the EKPC service territory, Kentucky, or any neighboring state of any of the following supply side resources:
 - a. Wind
 - b. Solar
 - c. Hydro
 - d. Landfill gas to energy
 - e. Existing natural gas combined cycle capacity
 - f. New natural gas combined cycle capacity
- 2.45. Please refer to EKPC's response to Sierra Club's discovery request 1.13(d). Please identify the source of each input and the date on which the input was created.
- 2.46. Please refer to EKPC's response to Sierra Club's discovery request 1.39.
 - a. Please produce the contract in which Andritz guarantees that "the modified FGD system . . . will meet or exceed certain emissions limits and performance levels specific in the contract."
 - b. Identify any penalties that Andritz would incur, or remediation that Andritz is

required to provide, under the contract in the event that the emissions limits or performance levels are not met.

- 2.47. Refer to EKPC's response to Sierra Club request 1.55 in this proceeding and Sierra Club request 2.24 in the 2012 IRP proceeding, Case No. 2012-00149
 - a. With regards to the failure to EKPC's current DSM programs to perform at a mature level, if "incentive levels for some programs are too low to drive participation levels to a mature level as compared to similar programs at other utilities," does EKPC believe that it should increase the incentive levels in its DSM programs?
 - i. If so, what steps has EKPC taken to do so?
 - ii. If not, explain why not.
 - b. Identify all other factors, besides incentive levels, that contribute to EKPC's existing DSM programs not performing to a mature level.
 - i. For each such factor, identify any steps that EKPC is taking to address such factor.
 - c. State whether EKPC has developed and begun implementing the "new localized marketing strategy . . . to promote new DSM incentives."
 - i. If not, explain why not.

Respectfully submitted,

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Dated: November 4, 2013

CERTIFICATE OF SERVICE

I certify that I had filed with the Commission and served via U.S. Mail and electronic mail the foregoing Supplemental Requests for Information to East Kentucky Power Cooperative on November 4, 2013 to the following:

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