

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

ELECTRONIC TARIFF FILING OF EAST)	
KENTUCKY POWER COOPERATIVE, INC. TO)	CASE NO.
IMPLEMENT A NEW GREEN ENERGY OPTION)	2019-00378
FOR NON-RESIDENTIAL RETAIL CUSTOMERS)	

COMMISSION STAFF'S INITIAL REQUEST FOR INFORMATION TO
EAST KENTUCKY POWER COOPERATIVE, INC.

East Kentucky Power Cooperative, Inc. (EKPC), pursuant to 807 KAR 5:001, is to file with the Commission the original in paper medium and an electronic version of the following information. The information requested herein is due on or before December 3, 2019. Responses to requests for information in paper medium shall be appropriately bound, tabbed, and indexed. Electronic documents shall be in portable document format (PDF), shall be searchable, and shall be appropriately bookmarked.

Each response shall include the name of the witness responsible for responding to the questions related to the information provided. Each response shall be answered under oath or, for representatives of a public or private corporation or a partnership or association or a governmental agency, be accompanied by a signed certification of the preparer or person supervising the preparation of the response on behalf of the entity that the response is true and accurate to the best of that person's knowledge, information, and belief formed after a reasonable inquiry.

EKPC shall make timely amendments to any prior response if it obtains information which indicates that the response was incorrect when made or, though correct when

made, is now incorrect in any material respect. For any request to which EKPC fails or refuses to furnish all or part of the requested information, it shall provide a written explanation of the specific grounds for its failure to completely and precisely respond.

Careful attention should be given to copied material to ensure that it is legible. When the requested information has been previously provided in this proceeding in the requested format, reference may be made to the specific location of that information in responding to this request. When applicable, the requested information shall be separately provided for total company operations and jurisdictional operations. When filing a document containing personal information, EKPC shall, in accordance with 807 KAR 5:001, Section 4(10), encrypt or redact the paper so that personal information cannot be read.

1. Refer to the Cover Letter, page 2.
 - a. Explain whether any of the retail customers that have expressed a desire for this tariff offering have communicated a preference for having EKPC construct the green energy generation facility over the market purchase of the green energy.
 - b. If the renewable resource is available from the market, explain in detail why EKPC would choose to construct a renewable resource for a specific retail customer.
 - c. If EKPC constructs a renewable resource for a specific retail customer and the retail customer subsequently shuts down its operations, explain how EKPC's other members and their retail customers are insulated from the stranded costs.
 - d. Explain whether EKPC would reduce generation from its coal or gas-fired generation facilities in response to renewable energy generation.

e. Confirm that reductions in variable environmental costs would be reflected in EKPC's monthly environmental surcharge (ES) filing. If this cannot be confirmed, explain.

f. Confirm that reductions in fuel expenses would be reflected in EKPC's monthly fuel adjustment clause (FAC) filing. If this cannot be confirmed, explain.

g. Explain how credits for fuel costs or variable environmental costs would be reflected in EKPC's monthly FAC and ES filings.

2. Refer to the EKPC Board Minutes, page 1.

a. Provide a copy of all "applicable information" that was presented to EKPC's Board of Directors for its consideration.

b. Provide the results of the modeling and any necessary underlying assumptions.

3. Refer to the proposed tariff, P.S.C. No. 35, First Revised Sheet No. 36.

a. The Definitions subsection defines renewable energy. Explain whether any retail customers have communicated a desire for green energy from any specific source, such as only solar or only biodiesel.

b. Explain the Green-e certification process.

4. Refer to the proposed tariff, P.S.C. No. 35, First Revised Sheet Nos. 36 and 37. Option B under Eligibility states that "[t]he type of renewable energy will be selected by individually participating retail customers."

a. Explain whether all types of renewable energy listed in the Definitions subsection are available to be purchased. If so, explain whether there are any availability limitations to any specific renewable energy type.

b. Explain what happens if a retail customer wants a specific type of renewable energy, and its availability does not match the time when the retail customer wants the energy delivered.

5. Refer to the proposed tariff, P.S.C. No. 35, First Revised Sheet Nos. 36 and 37. Option B under the Availability of Service subsection seems to say that a retail customer may offset all of its energy consumed. Option B under Eligibility states that retail customers having multiple accounts across the EKPC system may aggregate consumption and renewable energy totals into a single agreement.

a. Explain whether these statements mean that a commercial customer with various facilities across EKPC's service territory, such as Walmart, can aggregate all of its accounts and obtain green energy service. If so, explain whether the load aggregation would potentially allow the customer to change rate schedules and lower its overall bill.

b. Explain how billing would be calculated for this customer across multiple member-cooperatives.

c. Under subsection Eligibility, Option B, the tariff states that the maximum annual renewable energy under the agreement cannot exceed the participating retail member's average annual consumption over the previous three years. Explain whether this conflicts with the statement under Availability of Service that all of the energy consumed may be offset.

6. Refer to the proposed tariff, P.S.C. No. 35, First Revised Sheet Nos. 36, 37, and 38. Under subsection Billing and Minimum Charge, Option B states that EKPC will increase the owner member's monthly wholesale power bill by the negotiated and

contracted renewable energy rate and delivered renewable energy for each participating agreement.

a. If not answered above, explain whether EKPC is able to purchase all types of renewable energy listed in the Definitions subsection.

b. Explain how specific types of renewable energy are purchased and priced in PJM Interconnection, LLC (PJM).

7. Refer to the proposed tariff, P.S.C. No. 35, First Revised Sheet No. 37. Explain whether the renewable energy capacity to be purchased, supplied, or secured by EKPC is limited to the PJM footprint.

8. Refer to the proposed tariff, P.S.C. No. 35, First Revised Sheet No. 37, and the proposed Renewable Energy Purchase Agreement, subsection 2, Account Aggregation.

a. Explain whether any of the retail customers that have expressed a desire for this tariff offering have accounts or service addresses in more than one EKPC member cooperative.

b. Explain whether aggregating load across various facilities for green energy would also allow a customer to take advantage of Rate D - interruptible service.

c. State whether city and county school systems, municipal facilities, or state facilities would be eligible for account aggregation. If not, explain why not.

9. Refer to the proposed tariff, P.S.C. No. 35, First Revised Sheet No. 38, and the proposed Renewable Energy Purchase Agreement, page 2, Sections 8 and 9.

a. In the first paragraph on Sheet No. 38 of the proposed tariff, it indicates that customers would get capacity credits when applicable. Under the Total

Credits Section on Sheet No. 38, it states, “The total credit on the owner-member’s monthly wholesale power bill will be the total of the avoided costs from base fuel, the fuel adjustment clause, and the variable environmental surcharge for the delivered renewable energy. The total credit will be limited to the lesser of the total credit as described in the Fuel Adjustment Clause and Environmental Surcharge sections above of the PJM Localized Marginal Cost (LMP).” In Sections 8 and 9 of the Renewable Energy Purchase Agreement, it indicates the total credit will be the lesser of “(1) the avoided cost of: (a) base fuel and fuel adjustment clause per MWh of renewable energy delivered and capacity credits; and (b) variable environmental surcharge equal to the demand energy; or (2) the PJM Localized Marginal Cost.” Explain why capacity credits are not included in the Total Credits Section of the proposed tariff but are included in Sections 8 and 9 of the Renewable Energy Purchase Agreement.

b. In the Environmental Surcharge section of the proposed tariff, it states, “Under Option B, EKPC will provide a credit on the owner-member’s monthly wholesale power bill for the avoided cost of the variable environmental surcharge equal to the delivered renewable energy monthly for each participating agreement.” In Sections 8 and 9 of the Renewable Energy Purchase Agreement, the references to the environmental surcharge states, “variable environmental surcharge equal to demand energy.” Indicate whether “delivered renewable energy monthly” and “demand energy” are the same thing. If not, explain which will be the basis for the variable ES credit.

c. Explain why the PJM locational marginal price (LMP) is an appropriate measure for determining bill credits.

d. Explain whether and why EKPC would use the zonal or nodal LMP.

10. Refer to the proposed Renewable Energy Purchase Agreement, page 2, Section 6, Renewable Resources. Explain how EKPC will determine which renewable resources will be built, acquired, or contracted with.

11. Refer to the proposed Renewable Energy Purchase Agreement, page 4, Section 17.

- a. Explain how the Termination Payment would be calculated.
- b. Explain why the Termination Payment is not included in the proposed

tariff language.

12. Refer to EKPC's monthly ES reporting formats, Form 2.0 and Form 3.0. State whether revisions would be necessary for these forms. If so, provide proposed revised forms. If not, explain why not.

13. Refer to EKPC Billing Summary: Green Power Alternative Analysis. Provide an explanation of the assumptions behind and derivation of the items in the spreadsheet.


Gwen R. Pinson
Executive Director
Public Service Commission
P.O. Box 615
Frankfort, KY 40602

DATED NOV 18 2019

cc: Parties of Record

*Patrick Woods
East Kentucky Power Cooperative, Inc.
P. O. Box 707
Winchester, KY 40392-0707

*East Kentucky Power Cooperative, Inc.
4775 Lexington Road
P. O. Box 707
Winchester, KY 40392-0707