

COMMONWEALTH OF KENTUCKY  
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

ELECTRONIC BACK-UP POWER SUPPLY	)	CASE NO.
PLAN OF DUKE ENERGY KENTUCKY, INC.	)	2021-00086

COMMISSION STAFF'S FIRST REQUEST FOR INFORMATION  
TO DUKE ENERGY KENTUCKY, INC.

Duke Energy Kentucky, Inc. (Duke Kentucky), pursuant to 807 KAR 5:001, is to file with the Commission an electronic version of the following information. The information requested herein is due on April 30, 2021. The Commission directs Duke Kentucky to the Commission's March 16, 2020 and March 24, 2020 Orders in Case No. 2020-00085<sup>1</sup> regarding filings with the Commission. The Commission expects the original documents to be filed with the Commission within 30 days of the lifting of the current state of emergency. All responses 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 the person supervising the preparation of the response on behalf of the entity

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<sup>1</sup> Case No. 2020-00085, *Electronic Emergency Docket Related to the Novel Coronavirus COVID-19* (Ky. PSC Mar. 16, 2020), Order at 5–6. Case No. 2020-00085, *Electronic Emergency Docket Related to the Novel Coronavirus COVID-19* (Ky. PSC Mar. 24, 2020), Order at 1–3.

that the response is true and accurate to the best of that person's knowledge, information, and belief formed after a reasonable inquiry.

Duke Kentucky shall make timely amendment to any prior response if Duke Kentucky obtains information that indicates the response was incorrect when made or, though correct when made, is now incorrect in any material respect. For any request to which Duke Kentucky fails or refuses to furnish all or part of the requested information, Duke Kentucky shall provide a written explanation of the specific grounds for its failure to completely and precisely respond.

Careful attention shall 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 paper containing personal information, Duke Kentucky shall, in accordance with 807 KAR 5:001, Section 4(10), encrypt or redact the paper so that personal information cannot be read.

1. Provide the planning reserve margin that is assigned to Duke Kentucky under PJM Interconnection, LLC's (PJM) tariff.
2. Explain what exposure Duke Kentucky will have to incremental risks related to the PJM Capacity Performance requirements and penalties and whether and how Duke Kentucky mitigates such incremental risks, if any.
3. Refer to the Application, page 1. On March 31, 2020, Duke Kentucky filed an application to extend the deadline for filing its next backup power supply plan from

March 1, 2020, until March 1, 2021. Provide an analysis of the effectiveness of Duke Kentucky's most recent backup supply plan, which covers June 1, 2017, through May 31, 2021.

4. Refer to the Application, page 3. Explain how Duke Kentucky remaining as a Fixed Resource Requirement entity is in the best interests of customers.

5. Refer to the Application, page 4. Duke Kentucky states that it proposes to implement its New Plan for the delivery years 2021-2022, 2022-2023, and 2023-2024, and will continue to evaluate its current backup power supply plan and make any adjustments necessary due to changing conditions. Explain whether the evaluation will be periodic, ongoing, or is triggered by certain conditions, such as the economy, weather, or other factors.

6. Refer to Application, page 8.

a. Provide a copy of the Request for Proposals (RFP) that was issued through PowerAdvocate on September 9, 2020.

b. Define and describe "Back Stand Energy Call Options."

c. Define and describe "Daily Call Options."

7. In Case No. 2017-00117,<sup>2</sup> Duke Kentucky indicated that it would consider adding a business-interruption insurance product tailored to mitigate exposure to market prices from forced outages at East Bend Unit 2, Duke Energy's only base load unit.

a. Refer to Application, page 8. Define and describe the "Insurance Products."

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<sup>2</sup> Case No. 2017-00117, *Back-Up Power Supply Plan of Duke Energy Kentucky, Inc.* (Ky. PSC May 31, 2017).

b. Refer to the Application, pages 15–16. Duke Kentucky states that “[b]ack stand insurance proposals were analyzed to evaluate possible benefits of reducing the Company’s exposure to higher energy costs due to loss of East Bend’s 600 MWs as a result of unscheduled outages.” Explain whether the “Insurance Products” associated with the RFP were evaluated for the purpose of mitigating any Capacity Performance penalties that could be levied against Duke Kentucky by PJM due to nonperformance during a Capacity Performance assessment hour.

8. For the years 2019 and 2020:

a. Provide the number of unforced outages by month and by unit.

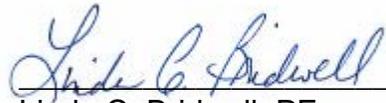
b. For each unforced outage, explain whether Duke Kentucky made a PJM energy market purchase via Alternative B.

c. If 8.b. is affirmative, provide the cost of each energy purchase.

9. Given the recent events and price spikes in Texas:

a. Explain whether Duke Kentucky has considered altering its backup power supply plan.

b. Provide how Duke Kentucky’s proposed backup power supply plan, or Alternative B, will avoid the financial stress and lack of supply seen in Texas.



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DATED APR 14 2021

cc: Parties of Record

Case No. 2021-00086

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