From: PSC Consumer Inquiry
To: PSC Public Comment
Subject: FW: PSC case # 2022-00402
Date: Monday, June 5, 2023 12:40:43 PM

From: Andrew Hughes [redacted]
Sent: Monday, June 5, 2023 12:27 PM
To: PSC Consumer Inquiry <PSC.Consumer.Inquiry@ky.gov>
Subject: PSC case # 2022-00402

I strongly oppose the construction of a 900 acre solar facility in Mercer county as this is not the highest and best use of this tract of land. This property has been identified as a top site within the USA for industrial development which would lead to the creation of thousands of jobs for our county. Land use decision making should remain at the local level with our local governing bodies. Please consider the irreversible negative impact, lost economic growth and consequences this decision will have on our Mercer county community and residents.

Thank You,
Andrew "Wick" Hughes
365 Phillips Ln, Harrodsburg, KY 40330

From: K MULLEN
To: PSC Public Comment
Subject: Case Number 2022-00402 Comment
Date: Monday, June 5, 2023 8:23:59 PM

[redacted]

Dear PSC:

The PSC needs to get on top of LG&E's planned long-term use of fossil fuels. LG&E's plan to replace aging coal plants with two new very large gas plants is not the answer—gas is also a fossil fuel. Once the gas plants are built, LG&E rate payers will be paying for them for the next 40 years, during which the need to turn to renewables will be even greater and new governmental regulations on gas plants will add to even higher rates. In addition, LG&E's proposals for energy efficiency are very inadequate – its efforts need to produce greater results. It's clear that LG&E needs to better work with the community to create solutions for greater energy efficiency and for meeting energy needs that do not depend on fossil fuels. LG&E is thinking of its own selfish interests in how to survive as a profitable energy-providing business in the face of the damaging effects of fossil fuel dependence. The PSC needs to encourage LG&E to plan for Kentucky's energy future more responsibly by denying its request to build these gas plants, by requiring LG&E programs to have greater energy-efficiency results, and by not permitting a lid on private alternative sources of energy such as distributed community and rooftop solar.

Karen A. Mullen
karen_mullen@bellsouth.net
1422 S 2nd St
Louisville KY 40208
[redacted]

From: Joetta Venneman
To: PSC Public Comment
Subject: Public Comment in PSC Case #2022-00402
Date: Tuesday, June 6, 2023 10:02:18 AM

[redacted]

Dear Public Service Commission,

As we transition to a global future that is sustainable, I invite you to work with great effort to transition from fossil fuels to renewables. We must not continue to build new fossil fuel plants but rather put more effort into solar and other renewables if we want to sustain life for our children.

In addition to my public comment above, please see the comment submitted by Kentuckians for Energy Democracy for important data and evidence that supports my lived experience and concerns.

Thank you for ensuring that Kentuckians' voices are an important part of the regulatory process.

Sincerely,
Joetta Venneman
[redacted]

4707 Lynn Lea Rd
Louisville, KY 40216
United States

[redacted]

From: Kentuckians ForEnergyDemocracy
To: PSC Public Comment
Subject: Public Comment Case #2022-00402
Date: Monday, June 5, 2023 1:51:38 PM
Attachments: K4ED Public Comment Case #2022-00402.pdf

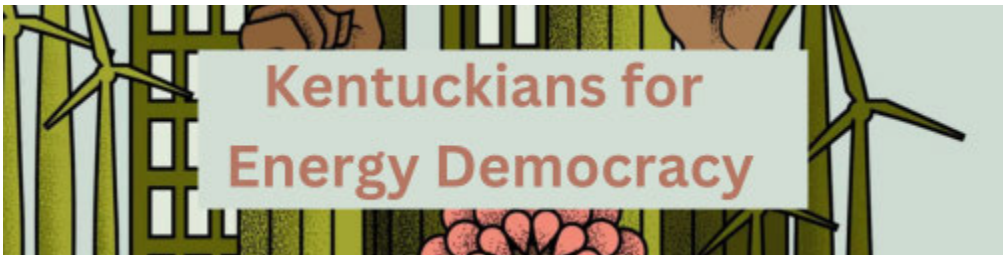
[redacted]

[redacted]

Hi!

Please see the attached comments on behalf of Kentuckians for Energy Democracy in case #2022-00402

Thank you,
Cara Cooper
[redacted]



K4ED Public Comment Case #2022-00402

Our electric utilities were created in another era, for a set of circumstances that no longer exists. For good reasons utilities were granted monopoly status in exchange for serving the public interest, but as that business model never faced competition, it didn't encourage innovation, and no longer serves us well. We face sky-rocketing energy costs, inequitable access to energy, polluting and aging fossil fuel infrastructure, and climate-induced extreme weather, all harming our communities and straining our outdated systems. And the landscape is changing under our feet with government support for clean energy investments, and pending government restrictions on fossil fuels that could lead to stranded assets. The good news is that we also have affordable, reliable, clean energy technology, energy efficiency advances, and federal incentives to make a rapid, low-cost transition to the energy systems that we all need. The Public Service Commission, under its mandate to protect the public interest, must lead our electric utilities to make smart, long-term decisions now. For these reasons, we ask the PSC to

A. Approve the coal retirements
B. Reject the proposals for two new large scale 40 year gas plants
C. Approve the solar and storage proposals, while pushing for more renewable resources with proper community engagement [1], and more support for distributed energy resources.
D. Require the companies to study whether they can serve customers more affordably and reliably by joining PJM or another ISO
E. require utilities to go back to the drawing board with their DSM/EE programs, as the proposed programs do not meet Kentucky's needs for energy conservation or the needs of low and moderate income rate payers, and do not fully leverage the important role of DSM/EE in meeting capacity needs and supporting grid reliability.

Below, we provide further rationale and evidence in support of our requests.

Kentuckians Need Informed, Transparent, Multi-Stakeholder Decision Making
Meaningful public engagement and public representation is essential to the PSC realizing its duty to protect the public interest. Decisions should be informed by public input, public context, and the best available data and industry practices. Transparency should be ensured between the public, utility companies, and the commission. Avenues for public access should be promoted. Please note our previous request to the PSC (emailed 4/25/23) for public comment sessions for this case.

[1]The Spectrum of Community Engagement
https://movementstrategy.org/wp-content/uploads/2021/08/The-Spectrum-of-Community-Engagement-to-Ownership.pdf

Kentucky statute requires the PSC to apply the *fair, just,* and *reasonable standard* when making decisions. But our current fossil-fuel-based energy system has resulted in human and financial costs that are neither fair, just, nor reasonable. When alternative investments are available that lower energy bills and reduce costly harm then further investment in fossil fuels is not acceptable.

Why the Status Quo Is Not Fair, Just or Reasonable

Inequitable Access to Energy

A. **Rates vs. Energy Burden.** Electricity rates are the same for all residential customers, but bill affordability is not at all the same. Energy burdens (the percent of income spent on energy bills) vary substantially by customer income, and for many, energy is simply not affordable, especially as inflation soars. Kentucky has some of the highest energy burdens in the country. In 2022, average energy burden in KY among low income customers ranged from 7% (6% is considered "unaffordable") to as high as 32% among the lowest income customers, while for other customers the burden is 2% or less.[2] [3] Kentucky costs rose an average of 17% in 2022, as compared to a national average increase of 12%[4]. (Approximately 450,000 Kentucky households fall below 150 the Federal Poverty Level, and LIHEAP funds help only a fraction of those)[2]

   This is not fair, just or reasonable, nor is it safe when people must choose between energy bills and other necessities.

B. **Energy Burden and Loss of Service:** In order to be fair, just and reasonable, reliable access to electricity must be ensured for *all* people, including those with low incomes. Continuous access is essential for healthy, safe, and successful functioning at home, work, and school (hence, ensuring "reliable" service is a key PSC mandate). Unfortunately, because of unaffordable bills, not everyone in Kentucky can stay reliably connected. Disconnections for non-payment exploded by 228% in the first ten months of 2022, as contrasted by a national average increase of 29%.[5] Kentucky is one of the top ten states with the most utility shut offs (with KU/LGE being one of the worst offenders in the country).[6]

   Policies, investments, and rates that reduce equitable access to energy (and create a huge number of shut-offs) are not only unfair, they are dangerous.

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[2] Affordability Gap Data http://www.homeenergyaffordabilitygap.com/03a_affordabilityData.html
[3] Low Income Affordability Data LEAD Tool
https://www.energy.gov/eere/slsc/low-income-energy-affordability-data-lead-tool
[4] Powerless in the US
https://www.biologicaldiversity.org/programs/energy-justice/pdfs/Powerless-in-the-US_Report.pdf pages 3 and 5
[5] Powerless in the US
https://www.biologicaldiversity.org/programs/energy-justice/pdfs/Powerless-in-the-US_Report.pdf pages 4 and 5

Our Fossil-Fuel-Based System Harms Our Health, Environment, Climate and Economy

A. **Harmful Impacts.** Climate changing greenhouse gasses (Kentucky's energy supply is one of the most carbon intensive[6] in the country), and co-pollutants from fossil fuels, endanger our health, environment, agriculture, safety and economy through pollution and extreme weather[7] [8]. Kentucky's state ranking for impact on the environment is the worst in the US[9]. These threats disproportionately impact low-income communities and communities of color[10], as well as the health of energy workers and people living near energy facilities.

B. **These impacts are expensive**. Climate impacts and pollution increase food, health care, and insurance costs, and lead to housing loss and costly recovery from extreme weather events[11]. Kentucky's severe storms in 2021 were estimated to cost between two and five billion dollars[12], and floods in 2022 were estimated to cost between 500M and one Billion dollars[13] and those values may only reflect the cost of housing recovery[14]. (The top 3 years for extreme weather events since 1880, as measured by damage costs[15], occurred in 2020, 2021, 2022). Utilities themselves will be paying, and passing along, recovery costs.

Rate payers potentially face the quadruple threat of paying for these impacts through increased utility rates, insurance rates, taxes, and personal bills. This is not fair, just or reasonable. And when polluting energy systems negatively, and disproportionately impact the health of consumers, cause further climate instability, and ultimately endanger the economy, this is not fair, just or reasonable.

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[6] EIA Emissions By State Data https://www.eia.gov/environment/emissions/state/
[7] EPA Climate Change Indicators- Weather and Climate https://www.epa.gov/climate-indicators/weather-climate
[8] Association of Extreme Heat With All-Cause Mortality in the Contiguous US, 2008-2017 https://jamanetwork.com/journals/jamanetworkopen/fullarticle/2792389?utm_campaign=articlePDF&utm_medium=articlePDFlink&utm_source=articlePDF&utm_content=jamanetworkopen.2022.12957
[9] Electric Utility Performance; A State By State Data Review https://www.citizensutilityboard.org/wp-content/uploads/2022/09/Electric-Utility-Performance-Report-Second-Edition-final.pdf
[10] EPA Social Vulnerability Report https://www.epa.gov/cira/social-vulnerability-report
[11] Social Cost of Carbon; Methane and Nitrous Oxide https://www.whitehouse.gov/wp-content/uploads/2021/02/TechnicalSupportDocument_SocialCostofCarbonMethaneNitrousOxide.pdf
[12] NCEI Summary Stats Billion-Dollar Weather and Climate Disasters 2021 https://www.ncei.noaa.gov/access/billions/summary-stats/KY/2021
[13] NCEI Summary Stats Billion-Dollar Weather and Climate Disasters 2022 https://www.ncei.noaa.gov/access/billions/summary-stats/KY/2022
[14] 2022 KY Flood Housing Damage https://ohiorivervalleyinstitute.org/housing-damage-2022-ky-flood/
[15] 2022 U.S. Billion-Dollar Weather and Climate Disasters in Historical Context https://www.climate.gov/news-features/blogs/2022-us-billion-dollar-weather-and-climate-disasters-historical-context

Weak and Inequitable Adoption of Solutions

A. **Inadequate Energy Efficiency Programs**. Energy efficiency of our homes, and other buildings is essential to energy affordability and reducing emissions. But again the status quo in Kentucky is unacceptable. Kentucky ranks near the bottom in state and utility policies and programs that support energy efficiency; we rank 44th among states in residential energy efficiency program savings as a percentage of sales, and in state wide percent of revenues spent on energy efficiency programs; we also fail in programs that adequately support efficiency for low income customers[16] [17] [18].

   The efficiency package proposed by the Companies in this case is insufficient and deeply flawed in its design and lack of effectiveness. The companies should achieve a load reduction of at least 2-3% from energy efficiency programs. Also, the proposed changes to the companies' WeCare program do not represent a significant increase in support for low income customers. The companies are extending the program to customers in a higher income bracket, which will substantially increase the number of eligible participants. However, the companies are <u>not</u> substantially <u>increasing the number of participants</u> they will serve per year. Thus, in reality the number of participants served in the lower income brackets, who need help the most, will likely drop. Further, the increase in the average dollar amount spent per participant is just slightly larger than the rate of inflation.

B. **Lack of Programs That Advance Innovation and Distributed Solar**. Kentucky lacks policies that support adopting innovation and recent developments in grid operation, including community solar, solar leasing, and virtual power plants, which makes it harder for renters and other communities to access lower bills through clean energy. KU/LGE's "solar share" program is prohibitively expensive for many, and their method used to calculate credit for energy fed to the grid ("instantaneous netting") significantly limits the affordability of rooftop solar. The companies' lack of innovation and customer empowerment is costing Kentuckians money every day. "The net cost to the utility of providing resource adequacy from a VPP is only roughly 40% to 60% of the cost of alternative options... When accounting for additional societal benefits, the VPP is the only resource with the potential to provide resource adequacy at negative net cost." [19]

   Failure to fully and equitably embrace these solutions is not fair, just or reasonable.

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[16] Electric Utility Performance; A State By State Data Review
https://www.citizensutilityboard.org/wp-content/uploads/2022/09/Electric-Utility-Performance-Report-Second-Edition-final.pdf
[17] Pathways to Healthy, Affordable, Decarbonized Housing; A State Scorecard
https://www.aceee.org/sites/default/files/pdfs/h2201.pdf
[18] Kentucky Factsheet; How Energy Efficiency Can Help Low Income Households
https://www.aceee.org/sites/default/files/pdf/fact-sheet/ses-kentucky-100917.pdf
[19] Real Reliability: The Value of Virtual Power
https://www.brattle.com/wp-content/uploads/2023/04/Real-Reliability-The-Value-of-Virtual-Power_5.3.2023.pdf

How the PSC Can Impact the Status Quo

Addressing the Needs of Low Income Customers

A. **Meaningfully track impacts. The PSC should insist that utilities:**
   a. Track energy burden of customers, and rate impacts of their proposals as a function of income.
   b. Track program impacts as a function of income and energy burden. For example, track the percent of energy savings from energy efficiency programs that come from low income households. Track the percent of low income customers that receive WeCare and other energy efficiency/DSM services, and track the impacts of those services on bills.
   c. Use EJ screening tools to fully identify the extent, location and inequities in health and environmental impacts of utility proposals.

B. **The PSC should support disconnection policies and rate structures that recognize energy burden and the necessity of continuous energy services** (especially for vulnerable populations and in extreme winter and summer weather)[20] [21]

C. **The PSC should support equitable access to Energy Efficiency and DSM.** For example:
   a. Support financing programs that are maximally inclusive and do not neglect particular income groups [22]
   b. Support programs that address the problem of split incentives between landlords and tenants.
   c. Streamline access to programs so that those who need programs are actually served (for example, promote automatic enrollment for vulnerable customers, or allow other agencies to enroll customers.)

Addressing Threats to the Public Good: The PSC must Prioritize Efficiency, Renewables, and Distributed Energy Resources Over Fossil Fuels.

A. **Efficiency, renewables, and DER must be fairly and legitimately compared to fossil-fuel-based supply side proposals.** Comparisons must consider benefits as well as costs, and must be forward looking, considering the full lifespan of supply and demand side solutions, and the long term impacts, (See National Standard Practice

[20] NAACP Lights Out in the Cold Report https://naacp.org/resources/lights-out-cold
[21] NCLC Report: Protecting Seriously Ill Consumers from Utility Disconnections: What States Can Do to Save Lives Now https://www.nclc.org/resources/report-protecting-seriously-ill-consumers-from-utility-disconnections-what-states-can-do-to-save-lives-now/
[22] Inclusive Utility Investment https://www.energystar.gov/products/inclusive_utility_investment

Manual for Benefit-Cost Analysis of Distributed Energy Resources [23]_ and PSC Order in 2020-00174[24]).

B. In evaluating costs and benefits the PSC must recognize that both efficiency, renewables and DER

a. Minimize costly harm to health and environment because of the absence of co-pollutants.[25]
b. Minimally contribute to climate instability, and to costly and dangerous extreme weather. [26] [27]
c. Create safer, and more good paying jobs than fossil fuels.[28]
d. Positively impact reliability and resilience: by reducing peak load (which in turn reduces threats from events such as winter storm Elliot). Renewables can operate during extreme weather, and distributed renewables and storage, due to their modular nature, have the further potential for microgrid[29] developments and virtual power plants[30] that can remain active during extreme events. [31]
e. Do not present the threat of stranded assets ultimately paid for by customers (a serious concern with any new fossil fuel infrastructure, such as new gas plants that have a life of 40 years!).

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[23] National Standard Practice Manual for Benefit-Cost Analysis of Distributed Energy Resources https://www.nationalenergyscreeningproject.org/nspm-gated-download/
[24] KY PSC Order Case 2020-00174 https://psc.ky.gov/pscscf/2020%20Cases/2020-00174/20210514_PSC_ORDER.pdf
[25] Public Health Benefits-per-kWh of Energy Efficiency and Renewable Energy in the United States: A Technical Report https://www.epa.gov/statelocalenergy/public-health-benefits-kwh-energy-efficiency-and-renewable-energy-united-states
[26] Social Cost of Carbon; Methane and Nitrous Oxide https://www.whitehouse.gov/wp-content/uploads/2021/02/TechnicalSupportDocument_SocialCostofCarbonMethaneNitrousOxide.pdf
[27] NCEI Summary Stats Billion-Dollar Weather and Climate Disasters 2022 https://www.ncei.noaa.gov/access/billions/summary-stats/KY/2022
[28] The Green Jobs Advantage: How Climate-friendly Investments Are Better Job Creators https://www.wri.org/research/green-jobs-advantage-how-climate-friendly-investments-are-better-job-creators
[29] Solar Integration: Distributed Energy Resources and Microgrids https://www.energy.gov/eere/solar/solar-integration-distributed-energy-resources-and-microgrids
[30] Real Reliability: The Value of Virtual Power https://www.brattle.com/wp-content/uploads/2023/04/Real-Reliability-The-Value-of-Virtual-Power_5.3.2023.pdf
[31] Distributed Energy Planning for Climate Resilience https://www.nrel.gov/docs/fy18osti/71310.pdf

C. **Even ignoring societal costs, renewables are recognized as cheaper than coal,** [32] [33] **and likely cheaper than natural gas, especially in the long run.** [34] [35] Considering IRA impacts, the volatile nature of natural gas prices, declining renewables costs, and future regulatory risk as climate change accelerates (including future carbon and methane costs, and environmental compliance costs), gas may become increasingly expensive for Kentuckians and has a high potential to become a stranded asset.

But if the public interest is to be protected, we cannot ignore societal costs: Utilities cannot be allowed to use analyses that artificially constrain consideration of benefits to customers and the costs customers will ultimately pay for. Fair, just, and reasonable decisions must prioritize and recognize the full long term value and protections of energy efficiency programs, and clean, renewable energy sources.

There is now plenty of data to show that renewable energy is both reliable and an affordable option for providing electricity in Kentucky, that climate change is a real and serious threat, and that everyday Kentuckians are struggling to pay their electric bills. By delaying the transition away from fossil fuels we are only increasing the cost of making that transition, which will in turn raise rates. In applying the fair, just and reasonable standard, the Public Service Commission should demand that utilities ensure that rates stay affordable by prioritizing energy efficiency and a rapid transition to clean, renewable energy.

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[32] Coal Cost Crossover 3.0: Local Renewables Plus Storage Create New Opportunities for Customer Savings and Community Reinvestment
https://energyinnovation.org/wp-content/uploads/2023/01/Coal-Cost-Crossover-3.0.pdf

[33] Renewables would provide cheaper energy than 99% of US coal plants and catalyze a just energy transition
https://www.utilitydive.com/news/renewables-cheaper-energy-than-99-percent-of-us-coal-plants-just-energy-transition/642393/#:~:text=Opinion-,Renewables%20would%20provide%20cheaper%20energy%20than%2099%25%20of%20US%20coal,tax%20base%20to%20coal%20communities.

[34] Business Case for New Gas is Shrinking https://rmi.org/business-case-for-new-gas-is-shrinking/

[35] Renewable Transition; Separating Perception from Reality
https://www2.deloitte.com/us/en/insights/industry/power-and-utilities/us-renewable-energy-transition.html