

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

ELECTRONIC APPLICATION OF DUKE ENERGY)	
KENTUCKY, INC. TO BECOME A FULL)	
PARTICIPANT IN THE PJM INTERCONNECTION)	CASE NO.
LLC, BASE RESIDUAL AND INCREMENTAL)	2024-00285
AUCTION CONSTRUCT FOR THE 2027/2028)	
DELIVERY YEAR AND FOR NECESSARY)	
ACCOUNTING AND TARIFF CHANGES)	

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

Duke Energy Kentucky, Inc. (Duke Kentucky), pursuant to 807 KAR 5:001, shall file with the Commission an electronic version of the following information. The information requested is due on January 3, 2025. The Commission directs Duke Kentucky to the Commission's July 22, 2021 Order in Case No. 2020-00085¹ regarding filings with the Commission. Electronic documents shall be in portable document format (PDF), shall be searchable, and shall be appropriately bookmarked.

Each response shall include the question to which the response is made and 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

¹ Case No. 2020-00085, *Electronic Emergency Docket Related to the Novel Coronavirus COVID-19* (Ky. PSC July 22, 2021), Order (in which the Commission ordered that for case filings made on and after March 16, 2020, filers are NOT required to file the original physical copies of the filings required by 807 KAR 5:001, Section 8).

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.

Duke Kentucky shall make timely amendment to any prior response if Duke Kentucky obtains information that indicates the response was incorrect or incomplete when made or, though correct or complete when made, is now incorrect or incomplete 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 and scanned 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. Refer to Duke Kentucky's response to Commission Staff's First Request for Information (Staff's First Request), Item 13. Explain what forecast the Base Residual Auction (BRA) clearing prices were assumed in the various analysis stages to arrive at Duke Kentucky's preferred portfolio.

2. Confirm the Integrated Resource Plan (IRP) filed in Case No. 2024-00197² assumes that Duke Kentucky remains a fixed resource requirement (FRR) participant in PJM.

3. Refer to the Direct Testimony of John Swez (Swez Direct Testimony), generally. Explain whether being an FRR or a reliability pricing model (RPM) designated PJM participant affects how Duke Kentucky intends to bid the East Bend and Woodsdale generation units into the BRA and subsequent incremental auctions. If the designation matters, explain the impact.

4. Refer to the Swez Direct Testimony, page 21 and Duke Kentucky's response to Staff's First Request, Item 13. It appears that if Duke Kentucky receives authorization to change its PJM designation to RPM and participate in the BRA, then its generation resources would constitute additional supply to the seasonal capacity markets.


5. Explain whether Duke Kentucky has considered and factored in the potential effects of additional supply in its forecasting of BRA and Incremental auction clearing prices. If so, explain how Duke Kentucky accounted for changes both in its cost and benefit calculations and in its IRP analyses. If not, explain why not.

6. Explain whether Duke Kentucky has factored into its analyses changes to the Effective Load Carrying Capability (ELCC) methodology in future BRAs or PJM's anticipated move to a seasonal auction. If so, explain how. If not, explain why not.

² Case No. 2024-00197, *Electronic 2024 Integrated Resource Plan of Duke Energy Kentucky, Inc.* (filed June 21, 2024), 2024 IRP.

7. Explain at what level of import capacity the Duke Energy Ohio Kentucky (DEOK) Load Zone becomes transmission constrained. Include in the response where the constraints are located, by state.

8. Refer to the Swez Direct Testimony, page 23, lines 1-21 including footnote 23 and page 24, lines 1-3. Recognizing that Ohio is deregulated and Duke is under no obligation to replace retiring generation units or if units are replaced, explain whether Duke Kentucky has studied the potential effects of the 2027 retirement of the Zimmer and the Miami Fort power plants in this proceeding and in Case No. 2024-00197.³ If so, explain whether and how Duke Kentucky modeled in the EnCompass model the retirement of the Zimmer and Miami Fort plants and the additional supply from East Bend as a PJM RPM participant. Include in the response the effects on projected BRA clearing prices and the generation choices made in reaching its IRP Preferred Portfolio, which includes cofiring East Bend and adding additional solar generation.


Linda C. Bridwell, PE
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Public Service Commission
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DATED DEC 16 2024

cc: Parties of Record

³ Case No. 2024-00197, *Electronic 2024 Integrated Resource Plan of Duke Energy Kentucky, Inc.*

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