#### Case No. 2021-00004

Thank you for your comments on the application of Kentucky Power Company. Your comments in the above-referenced matter have been received and will be placed into the case file for the Commission's consideration. Please cite the case number in this matter, 2021-00004, in any further correspondence. The documents in this case are available at <u>View Case Filings for: 2021-00004 (ky.gov)</u>.

Thank you for your interest in this matter.

From: Byron Gary Sent: Monday, February 24, 2025 8:49 PM To: PSC Public Comment <PSC.Comment@ky.gov> Subject: KRC Comment on Case No. 2021-00004

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Dear Ms. Bridwell, Commissioners, and Staff -

Please find attached the comment of Kentucky Resources Council in Case No. 2021-00004, being sent in response to the Feb. 17, 2025 motion of Kentucky Power Company to reopen the case. As more fully explained in the attached comments, KRC objects to this motion being filed, and ask that the Commission deny it. Please let me know if you have any questions.

Best, Byron Gary (he/him) Program Attorney

### Kentucky Resources Council



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# Kentucky Resources Council

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February 24, 2025

### Via email to psc.comment@ky.gov

Ms. Linda Bridwell, Executive Director Kentucky Public Service Commission 211 Sower Boulevard, Post Office Box 615 Frankfort, Kentucky 40601

Case No. 2021-00004, In the Matter of: ELECTRONIC APPLICATION OF KENTUCKY POWER COMPANY FOR APPROVAL OF A CERTIFICATE OF PUBLIC CONVENIENCE AND NECESSITY FOR ENVIRONMENTAL PROJECT CONSTRUCTION AT THE MITCHELL GENERATING STATION, AN AMENDED ENVIRONMENTAL COMPLIANCE PLAN, AND REVISED ENVIRONMENTAL SURCHARGE TARIFF SHEETS

Dear Ms. Bridwell:

Kentucky Resources Council offers the following comments in response to the Motion To Reopen Case And Request For Informal Conference filed by Kentucky Power Company ("KPCo" or "Company") in the POST Case Files for Case No. 2021-00004 on February 17, 2025. These comments are being filed via email to psc.comment@ky.gov.

KRC is a statewide public-interest environmental law and advocacy organization. We work to protect Kentucky's natural resources, promote policies for healthy communities, and assure that those who pollute our land, air, or water are held to account. We regularly represent a coalition of public interest advocates before the Commission regularly referred to as the Joint Intervenors. KRC's members and constituents also live and work across Kentucky.

KRC strenuously objects to this motion in a case that has been final for relevant purposes for over three and a half years, and respectfully request that the Commission deny the motion, and Order that any further proceedings regarding the matters covered by the motion be raised in a new application, if at all.

In February 2021 the Company filed an application for Certificates of Public Convenience and Necessity ("CPCNs") for two construction projects required to continue operation of the Mitchell Plant. The first, required for operation past 2021, was granted. The second, required to continue operation beyond 2028, was denied by the Commission. In this motion, the Company improperly attempts to resuscitate and speed up a case which has been closed for nearly three years, frustrating due process by limiting the ability of the public to participate, and the ability of affected parties to potentially intervene.

For these reasons, and because there is no proper procedural basis for the motion, KRC objects, and requests the Commission deny the motion. In the alternative, we request that the motion be treated as a new application in the current docket, and set a fresh, complete procedural schedule, including opportunity for motions to intervene, requests for information, and a hearing, and must still require KPCo to meet the legal requirements for a CPCN, including a complete, up-to-date evaluation of alternatives.

KRC offers additional information and basis below.

### 1. Background

KPCo co-owns and operates the coal-fired Mitchell Generating Station ("Mitchell Plant"), located in West Virginia. KPCo owns an undivided 50% interest in the plant, equivalent to 780 MW of capacity.<sup>1</sup> The other half is owned by Wheeling Power Company ("Wheeling Power"), a sibling subsidiary of parent American Electric Power ("AEP") that serves customers in West Virginia.<sup>2</sup> The plant receives 93% to 95% of its coal fuel from mines in West Virginia, with the other 5% coming from other states, including Kentucky.<sup>3</sup>

On February 8, 2021, the Company filed an application for CPCNs for two separate environmental projects required to continue operation at the Plant. The first involved compliance with federal Coal Combustion Residuals (CCR) regulations, and the second dealt with updates to federal Effluent Limitations Guidelines (ELG) for steam electric generating power. The CCR project was required to keep the Plant operating beyond October 2023, and the ELG compliance project was required for operation beyond 2028. KPCo proposed two alternatives: Case 1 would include both the CCR and ELG projects, with estimated costs of \$133.5 million, and annual revenue requirement of nearly \$8.2 million; and Case 2 would only pursue the CCR project, with estimated costs of \$35.1 million, and an annual revenue requirement over \$3.2 million.<sup>4</sup> The Commission granted approval for Case 2, CCR project only, upon finding that KPCo failed to show that the ELG project was reasonable or even cost-effective.<sup>5</sup>

<sup>2</sup> American Electric Power Co Inc., Annual Report (Form 10-K) at 37 (*available at* <u>https://www.sec.gov/ix?doc=/Archives/edgar/data/0000004904/000000490425000027/aep-20241231.htm</u>

<sup>&</sup>lt;sup>1</sup> Order at 5-6 (July 15, 2021).

<sup>&</sup>lt;sup>3</sup> Energy Information Agency ("EIA") form EIA-923 data for 2022-2024 (*available at* <u>https://www.eia.gov/electricity/data/eia923/</u>)</u>

<sup>&</sup>lt;sup>4</sup> Order at 6-10 (July 15, 2021).

<sup>&</sup>lt;sup>5</sup> Order at 20-21 (July 15, 2021).

The two rules in question were adopted in 2015 and 2020, respectively. EPA first proposed regulation of CCR under the Resource Conservation and Recovery Act (RCRA), in 2010 following the catastrophic failure of an impoundment at the Tennessee Valley Authority ("TVA") Kingston Plant in Tennessee.<sup>6</sup> The final rule adopted requirements for location, design, operation, groundwater monitoring, closure, and post-closure care.<sup>7</sup> Importantly, it also set certain requirements for closure of certain impoundments not meeting the requirements.<sup>8</sup> Because the CCR storage ponds at Mitchell were unlined, the 2015 CCR Rule required Kentucky Power and Wheeling Power to complete closure of the Mitchell CCR ponds by October 2023 in order to operate the plant past April 2021.<sup>9</sup>

EPA's ELG regulation adopted in 2020 was the result of the reconsideration of certain portions of updates adopted in 2015, and set compliance alternatives for wastewater from flue gas desulfurization (FGD) and bottom ash (BA) transport.<sup>10</sup> This ELG rule required Kentucky Power and Wheeling Power either to install equipment to enable dry ash handling and treat the facility's wastewater to comply with the rule (KPCo's Case 1), or to commit to cease combustion of coal by December 31, 2028 and avoid installation of this pollution control equipment (KPCo's Case 2).<sup>11</sup>

The Commission approved Case 2, or CCR retrofits only, because it found that the Company had failed to meet its burden regarding its request to perform the ELG retrofits because:

Kentucky Power failed to provide sufficient evidence that it reviewed the reasonable alternatives, and therefore failed to convince the Commission that the ELG project is the most reasonable, least-cost alternative that will enable Kentucky Power to comply with ELG rules. For the same reason, the Commission further finds that Kentucky Power failed to provide sufficient evidence that the ELG project is reasonable and cost effective.<sup>12</sup>

While the Company did file a petition for rehearing of the Commission's order, it did not seek rehearing of this core finding, nor of Commission's approval of Case 2 only.<sup>13</sup> Nearly three years after the Commission's final Order in this case,

<sup>&</sup>lt;sup>6</sup> Hazardous and Solid Waste Management System; Identification and Listing of Special Wastes; Disposal of Coal Combustion Residuals From Electric Utilities, 75 Fed. Reg. 35,128, 35,132 (Proposed Rule, Jun. 21, 2010).

 <sup>&</sup>lt;sup>7</sup> Hazardous and Solid Waste Management System; Disposal of Coal Combustion Residuals From Electric Utilities, 80 Fed. Reg. 21,302 (Final Rule, Apr. 17, 2015).
<sup>8</sup> Id.

<sup>&</sup>lt;sup>9</sup>Kentucky Power Co., Application for Certificate of Public Convenience and Necessity, at 5, 7-8 (Feb. 8, 2021).

<sup>&</sup>lt;sup>10</sup> Steam Electric Reconsideration Rule, 85 Fed. Reg. 64,650 (Final Rule, Oct. 13, 2020).

<sup>&</sup>lt;sup>11</sup> Kentucky Power Co., Application for Certificate of Public Convenience and Necessity, at 5, 8 (Feb. 8, 2021).

<sup>&</sup>lt;sup>12</sup> Order at 20-21 (July 15, 2021).

<sup>&</sup>lt;sup>13</sup> Kentucky Power Co. Motion for Rehearing (Aug. 2, 2021).

Kentucky Power now seeks to "reopen" this long-closed case in order to have a second bite at a very old apple.

### 2. Granting the motion would frustrate the plain text and purpose of the law and administrative regulations of the Commission.

KPCo's should be denied because it lacks a proper procedural basis, and seeks relief that must be pursued through a new CPCN proceeding. Doing otherwise runs afoul of the law and the public interest.

### a. The Motion lacks a proper procedural basis.

KPCo's Motion lacks a proper procedural basis. No authority supports KPCo's improper request to reopen this proceeding, and without a proper basis for reopening this case, granting an informal conference would be inappropriate, and frustrate basic procedural due process.

Chapter 278 of the Kentucky Revised Statutes and Title 401 of the Kentucky Administrative Regulations lay out the rules for procedure and the standards for Commission decisions. Adherence to these set rules are necessary to assure due process. "A fair trial in a fair tribunal is a basic requirement of due process. This applies to administrative agencies which adjudicate as well as to courts." *Withrow v. Larkin*, 421 U.S. 35, 46-47 (1975) (internal citations and quotations omitted). This right to procedural due process before administrative agencies has been affirmed by Kentucky Courts. *Am. Beauty Homes Corp. v. Louisville and Jefferson Co. Planning and Zoning Comm.*, 379 S.W.2d 450, 456 (Ky. 1964). "The fundamental requirement of due process is the opportunity to be heard at a meaningful time and in a meaningful manner." *Mathews v. Eldridge*, 424 U.S. 319, 333 (1976) (internal citation and quotation omitted). The Company's motion fundamentally short-circuits procedural due process.

KPCo offers no authority to support this request to reopen for purposes of acquiring a new resource in 2029. Although the Commission is not required to strictly follow the Kentucky Rules of Civil Procedure, those rules would not tolerate a motion to reopen in these circumstances for two reasons.<sup>14</sup> One, the motion was not "made within a reasonable time," coming nearly three years after final judgment.<sup>15</sup> Two, the motion does not seek to relieve KPCo from that final judgment, and KPCo does not provide an appropriate factual basis to disturb that final judgment or reopen proceedings.<sup>16</sup>

With respect to the request for an informal conference, KPCo's Motion cites a single authority, Section 9(4) of the Commission's Rules of Procedure, which provides for Informal Conferences in cases for "matter[s] that may aid in the handling and disposition of the case":

<sup>16</sup> *Id*.

<sup>&</sup>lt;sup>14</sup> Ky. Rules of Civil Procedure 60.02.

<sup>&</sup>lt;sup>15</sup> Id.

(4) Conferences with commission staff. The commission, on its own motion, through its executive director or upon a motion of a party, may convene a conference in a case for the purpose of considering the possibility of settlement, the simplification or clarification of issues, or any other matter that may aid in the handling and disposition of the case. Unless the commission directs otherwise or the parties otherwise agree, participation in conferences with commission staff shall be limited to parties of the subject proceeding and their representatives.<sup>17</sup>

Each of the circumstances listed, and certainly the broad inclusion of anything that "may aid in the handling and disposition of the case," indicate that Informal Conferences are appropriate in active cases that want for a final, closing order. That conclusion is further supported by the rule's placement with Section 9, which concerns the conduct of hearings and rehearings. This rule provides no grounds for reopening a proceeding that was closed by final order over two years ago.

In practical effect, Kentucky Power seeks a Certificate of Public Convenience and Need allowing the Company to regain an interest in the Mitchell Plant after December 31, 2028, and reopening this proceeding is an entirely inappropriate way to pursue that CPCN. By statute, KPCo must file a new application for a CPCN.<sup>18</sup>

### b. KPCo must submit an application pursuant to KRS 278.020 to seek the relief it improperly seeks by Motion to Reopen.

Although KPCo's Motion must be denied as procedurally inappropriate, KPCo does have an appropriate procedural vehicle available, a CPCN application. KPCo offers no reason whatsoever to explain why the usual procedure for acquiring an energy or capacity resource cannot or should not apply to its plan to acquire an interest in Mitchell after Dec. 31, 2028, and the Commission should require KPCo to file a CPCN application.

Everything KPCo seeks would ordinarily be available through filing of a pleading seeking Commission approval of a CPCN to acquire an interest in an energy or capacity resource, under KRS 278.020. Alongside filing of an application, KPCo would be free to also request an Informal Conference and an expedited schedule. With no barrier to pursuing an ordinary CPCN application, that is the path the Commission should direct KPCo to pursue.

A CPCN proceeding is not only appropriate, but also more likely to secure KPCo's interest in an expeditious decision and the public interest in a full and fair review of a major resource decision. Without initiating a new CPCN proceeding, the 8-month timeline for a decision arguably would not apply, and KPCo risks waiting an indefinite period of time until a final order issues.

<sup>&</sup>lt;sup>17</sup> 807 KAR 5:001, Sec. 9(4).

<sup>&</sup>lt;sup>18</sup> KRS 278.020.

From the stakeholder perspective, a new CPCN proceeding assures that KPCo's Application receives the ordinary and proper process. Unlike KPCo's bare motion, unsupported by any new verified fact, a CPCN application must meet specific filing requirements, and affords all stakeholders an opportunity to review that filing and to consider seeking intervention. Further, ordinary process fosters trust in the Commission's full and fair handling of major resource decisions, and ultimately makes for a more durable order. Full process includes new notice and opportunities for the public to be heard as the Commission considers KPCo's proposed acquisition.

## 3. The utility planning landscape has drastically changed since the original application, and granting the motion would short-circuit the opportunity of the Commission to receive a full picture.

Since the application of KPCo in early 2021, and the Commission's previous decision in July 2021, the utility planning landscape, including KPCo's planning, federal law, and state law has changed dramatically.

Regarding Kentucky Power's projected capacity deficit, the Company has continued its planning in the intervening years, with the Company's compliance with the Commission's Order in this docket as a baseline assumption. KPCo filed an updated Integrated Resource Plan (IRP) in 2023.<sup>19</sup> In that IRP, KPCo selected a preferred plan that it testified met the Company's capacity obligations without continued reliance on capacity from Mitchell beyond 2028; the plan included extension of the remaining Big Sandy Unit 2, a new 480 MW gas combustion turbine to be online in 2029, and significant new additions of solar and wind generation.<sup>20</sup> KPCo issued several RFPs for future capacity and energy resources in September 2023.<sup>21</sup> The Company has since applied for approval of a first project pursuant to these RFPs, a renewable energy purchase agreement in July 2024, for energy, capacity, and renewable energy credits.<sup>22</sup>

Since the Commission's Order, Mitchell has had high operating costs and low capacity factors that call into question the economic value of continued participation in the Mitchell plant. According to the most recent examination of the Fuel Adjustment Clause (FAC) for KPCo, the Mitchell Units monthly capacity factor ranges between 74% and 0%, with an average of under 30%.<sup>23</sup> In a more recent West Virginia fuel cost

<sup>&</sup>lt;sup>19</sup> Case No. 2023-00092, *Electronic 2022 Integrated Resource Planning Report of Kentucky Power Company.* 

<sup>&</sup>lt;sup>20</sup> Case No. 2023-00092, Integrated Resource Planning Report to the Kentucky Public Service Commission at Section 7.5.1 (Mar. 20, 2023).

 <sup>&</sup>lt;sup>21</sup> Case No. 2023-00092, Transcript of June 12, 2024, hearing before Chairman Kent Chandler at the Kentucky Public Service Commission, 211 Sower Boulevard, Frankfort, Kentucky 40602-0615 at 76.
<sup>22</sup> Case No. 2024-00243, Electronic Application of Kentucky Power Company for (1) an Order Approving the Terms and Conditions of the Renewable Energy Purchase Agreement for Solar Energy Resources Between Kentucky Power Company and Bright Mountain Solar, LLC; (2) Authorization to Enter Into the Agreement; (3) Recovery of Costs Through Tariff p.p.a.; (4) Approval of Accounting Practices to Establish a Regulatory Asset; And (5) All Other Required Approvals and Relief, Application at 3 (Jul. 31, 2024).
<sup>23</sup> Case No. 2024-00144, An Electronic Examination of the Application of the Fuel Adjustment Clause of Kentucky Power Company from May 1, 2023 Through October 31, 2023, Response to Staff's Second Set of Data Requests, No. 7, Attachment 1.

recovery proceeding, an expert witness testified that the plant had lost West Virginia ratepayers roughly \$20 million through uneconomic operation between March 2023 and February 2024, and her findings went unrebutted by AEP's West Virginia affiliates.<sup>24</sup> Given the fifty-fifty allocation of Mitchell's operating costs, Mitchell's uneconomic operation likely cost Kentucky Power customers a roughly equivalent amount. The plant's operating costs should of course be part of any economic evaluation of buying into any generation resource, and alternative resources. Further the plant's capacity factor was only 26%,<sup>25</sup> even after AEP took measures to increase dispatch of the plants to burn through excess coal at the plant.<sup>26</sup>

The environmental requirements affecting the Mitchell Plant have also continued to evolve. Both of the rules that were the cause for the proposed project in the original application have since been further updated and strengthened by EPA. The CCR rule was again updated by EPA in May 2024, dealing with a Court Order from the D.C. Circuit vacating certain exemptions in the 2015 Rule, and adding requirements for legacy impoundments, establishing requirements for CCR management units at active CCR facilities and at inactive facilities with a legacy impoundment.<sup>27</sup>

EPA also updated and strengthened the ELG rule for steam power plants in May 2024. The updated rule includes zero liquid discharge requirements for FGD wastewater, BA transport water, and combustion residual leachate.<sup>28</sup> The original projects applied for included stopping discharge of BA transport water, and a new FGD treatment and filtration system,<sup>29</sup> which it appears would now need further investment and upgrade to continue operation of Mitchell.

Other environmental rules have also been promulgated or updated. EPA has promulgated a number of other rules potentially affecting the Mitchell Plant. Most prominently, EPA established standards for greenhouse gas emissions which would require installation of carbon capture and sequestration (CCS) for coal-fired units

<sup>&</sup>lt;sup>24</sup> W.Va. Pub. Serv. Comm'n Case No. 24-0413-E-ENEC, *Appalachian Power Co. and Wheeling Power Co. Petition to Initiate Annual Review and to Update the ENEC Rates Currently in Effect*, Direct Testimony of Chelsea Hotaling on behalf of West Virginia Citizen Action Group, Solar United Neighbors, and Energy Efficient West Virginia (filed July 22, 2024), at 13 tbl.4

https://www.psc.state.wv.us/scripts/WebDocket/ViewDocument.cfm?CaseActivityID=625971&NotType=W ebDocket ("Monthly Energy Margin for Amos, Mitchell, and Mountaineer"). The monthly energy margin compares revenues from PJM energy and ancillary services markets to a unit's variable operating costs, including fuel and non-fuel variable operations and maintenance; a negative margin indicates that the units are losing money by earning less revenue than their costs from the PJM market. *Id.* at 11-12.

 <sup>&</sup>lt;sup>25</sup> W.Va. Pub. Serv. Comm'n Case No. 24-0413-E-ENEC, *Appalachian Power Co. and Wheeling Power Co. Petition to Initiate Annual Review and to Update the ENEC Rates Currently in Effect*, Direct Testimony of Jason M. Stegall on behalf of Appalachian Power Co. and Wheeling Power Co., at 17 tbl.4.
<sup>26</sup> *Id.* at 14 (discussing AEP's use of "market strategies" to increase dispatch of their coal units to manage coal oversupply).

 <sup>&</sup>lt;sup>27</sup> Hazardous and Solid Waste Management System: Disposal of Coal Combustion Residuals From Electric Utilities; Legacy CCR Surface Impoundments, 89 Fed. Reg. 38,950 (May 08, 2024).
<sup>28</sup> Supplemental Effluent Limitations Guidelines and Standards for the Steam Electric Power Generating

Point Source Category, 89 Fed. Reg. 40,198 (May 09, 2024).

<sup>&</sup>lt;sup>29</sup> Order at 8 (July 15, 2021).

operating beyond 2038, or co-firing of natural gas for units operating beyond 2032.<sup>30</sup> EPA also further strengthened requirements for emissions of mercury and other air toxics from coal-fired power plants, lowering the standard for particulate matter emissions by two-thirds.<sup>31</sup> While currently stayed during pending litigation, EPA also updated requirements under the "good neighbor" portion of the Clean Air Act, further lowering emissions standards for nitrogen oxides (NO<sub>X</sub>) for 23 states, including Kentucky and West Virginia.<sup>32</sup> EPA also recently lowered the annual average National Ambient Air Quality Standard (NAAQS) for fine particulate matter by 25%,<sup>33</sup> which will impact power plants across the country, with industry analysts pointing out the need to reanalyze expected lifetimes for coal plants, in particular.<sup>34</sup>

While uncertainty currently surrounds many of the new environmental rules, none has been fully invalidated by a court or action by EPA or Congress. There are currently no pending challenges to the rules at issue in the original application. KPCo must at least adequately account for how it will plan around these various environmental rules.

The economics of replacement with renewable energy has on the other hand only gotten more economically beneficial with the adoption of the Infrastructure Investment and Jobs Act (IIJA) in November 2021<sup>35</sup> and the Inflation Reduction Act (IRA) in 2022.<sup>36</sup> The IIJA contained at least nine separate provisions incentivizing or financing additional transmission and grid improvements, and certain forms of non-fossil fuel energy production.<sup>37</sup> The IRA adopted dozens more grants, loans, credits, and other programs to different agencies to further secure the transition to clean energy, including billions of dollars through the Department of Energy Loan Program Office to "retool, repower, repurpose, or replace energy infrastructure that has ceased operations; or enable operating energy infrastructure to avoid, reduce, utilize, or sequester air pollutants or anthropogenic emissions of greenhouse gases."<sup>38</sup> Other

<sup>&</sup>lt;sup>30</sup> New Source Performance Standards for Greenhouse Gas Emissions From New, Modified, and Reconstructed Fossil Fuel-Fired Electric Generating Units; Emission Guidelines for Greenhouse Gas Emissions From Existing Fossil Fuel-Fired Electric Generating Units; and Repeal of the Affordable Clean Energy Rule, 89 Fed. Reg. 39,798 (May 09, 2024).

<sup>&</sup>lt;sup>31</sup> National Emission Standards for Hazardous Air Pollutants: Coal- and Oil-Fired Electric Utility Steam Generating Units Review of the Residual Risk and Technology Review, 89 Fed. Reg. 38,508 (May 07, 2024).

<sup>&</sup>lt;sup>32</sup> Federal "Good Neighbor Plan" for the 2015 Ozone National Ambient Air Quality Standards, 88 Fed. Reg. 367,654 (Jun. 05, 2023); *stayed by Ohio v. EPA*, 603 U.S. 279, 144 S. Ct. 2040 (2024).

<sup>&</sup>lt;sup>33</sup> Reconsideration of the National Ambient Air Quality Standards for Particulate Matter, 89 Fed. Reg. 16,202 (Mar. 06, 2024).

<sup>&</sup>lt;sup>34</sup> Robynn Andracsek and Leslie Fifita, *How will a lower PM2.5 NAAQS affect your plant?*, <u>https://www.power-eng.com/environmental-emissions/how-will-a-lower-pm2-5-naags-affect-your-plant/</u> (Jan. 17, 2023).

<sup>&</sup>lt;sup>35</sup> Infrastructure Investment and Jobs Act, 135 Stat. 429 (2021).

<sup>&</sup>lt;sup>36</sup> Inflation Reduction Act, 136 Stat. 1818 (2022).

<sup>&</sup>lt;sup>37</sup> See Department of Energy ("DOE"), Infrastructure Investment and Jobs Act,

https://www.energy.gov/gdo/infrastructure-investment-and-jobs-act (last accessed Feb. 24, 2025).

<sup>&</sup>lt;sup>38</sup> DOE Loan Programs Office, Inflation Reduction Act of 2022,

https://www.energy.gov/lpo/inflation-reduction-act-2022 (last accessed Feb. 24, 2025).

programs offer financing for transmission facilities and siting.<sup>39</sup> Finally, the IRA added new tax credits for renewable energy investment and production.<sup>40</sup>

Kentucky utility law has also changed. In 2023 Senate Bill 192 was adopted, allowing for securitization of extraordinary or other deferred costs.<sup>41</sup> The bill only allowed the Commission to accept applications through 2024,<sup>42</sup> recent testimony before the Kentucky Senate Natural Resources and Energy Committee indicated interest in revisiting securitization, proposed by Kentucky Power Company.<sup>43</sup>

In light of all that has occurred since the Company filed its request in 2021, the Commission should deny the Company's request to reopen this stale docket and instead require the Company to submit a fresh CPCN application in a new docket.

## 4. If the Motion is granted, the Commission must set a full procedural schedule.

If, instead, the Commission wishes to grant the Company's request, the Commission must set a full procedural schedule in order to develop a complete record, and to provide all interested parties with an opportunity to participate in the proceeding and contribute to the development of that record. At a minimum, such a procedural schedule must include:

- A new deadline for intervention that allows additional parties the opportunity to timely petition to intervene in this phase of the proceeding;
- Notice to customers regarding any proposed change to the tariff and increase in rates as required by 807 KAR 5:011;
- A requirement that the Company file an updated application and testimony that includes the most recent data sets of any data provided in the Company's 2021 filings;
- An opportunity for the parties to conduct discovery on the Company's application;
- An opportunity for the parties to submit expert testimony; and
- An evidentiary hearing and public hearing on the Company's application upon the request of a party.

These procedural requirements would be necessary to ensure that the Commission's reasoned decision-making is not hampered by stale record, and allow other parties a fair opportunity to be heard.

\* \* \*

<sup>&</sup>lt;sup>39</sup> DOE Grid Deployment Office, *Inflation Reduction Act*,

https://www.energy.gov/gdo/inflation-reduction-act (last accessed Feb. 24, 2025).

<sup>&</sup>lt;sup>40</sup> EPA, Summary of Inflation Reduction Act provisions related to renewable energy,

<sup>&</sup>lt;sup>41</sup> KY Acts Chapter 72 (SB 192).

<sup>&</sup>lt;sup>42</sup> KRS 278.672(3).

<sup>&</sup>lt;sup>43</sup> Senate Standing Committee on Natural Resources & Energy (Feb. 12, 2025), *available at* <u>https://www.youtube.com/watch?v=71j1I3RqJRs</u>.

For the foregoing reasons, KRC respectfully requests that the Commission deny the Company's motion and instead order that the Company's request be filed in a fresh application in a new docket. In the alternative, if the Commission decides instead to reopen the docket, then the Commission must set a full procedural schedule to evaluate the Company's request and allow adequate opportunity for public participation and development of the evidentiary record.

Regards,

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