

**BIG RIVERS ELECTRIC CORPORATION'S RESPONSES TO COMMISSION  
STAFF'S MARCH 14, 2023, QUESTIONS**

1. Refer to P.S.C. KY. No. 27 First Revised Sheet No. 40, Monthly Credits or Payments for Delivery to Big Rivers, Section 1. Capacity and P.S.C. KY. No. 27 First Revised Sheet No. 41, Terms and Conditions #8.
  - a. Explain whether BREC could include any capacity from non-dispatchable qualifying facilities (QF) in the MISO Planning Resource Auction (PRA). If so, explain how the QF's capacity would be included in BREC's auction bid. If not, explain why not.

**Big Rivers will not register capacity for non-dispatchable QFs in the MISO resource adequacy process, and therefore it will not be offered in the PRA. Registering capacity in MISO carries with it certain obligations. For example, registering capacity for a non-dispatchable QF would require that the QF offer the energy from its capacity in the Day Ahead market for 4 hours across the peak every day. If a QF is not willing to enter into a binding obligation to offer firm energy, Big Rivers will not register that capacity.**

- b. Explain whether BREC could include any capacity from non-firm qualifying facilities (QF) in the MISO PRA. If so, explain how the QF's capacity would be included in BREC's auction bid. If not, explain why not.

**For the reason stated above, BREC will not register capacity for non-firm QFs in the MISO resource adequacy process, and therefore it will not be offered in the PRA.**

2. P.S.C. KY. No. 27 First Revised Sheet No. 41, Terms and Conditions #7. Explain why BREC is proposing to change the initial term to 1 year for all QF contracts.

**Big Rivers will need to register any QFs that are dispatchable and firm into MISO's resource adequacy processes. This registration is an annual event. The one year term in Big Rivers' proposed tariff allows for participation in accordance with MISO requirements.**

3. Refer to P.S.C. KY. No. 27 Original Sheet Nos. 42-49.
  - a. Explain whether BREC will continue to provide supplementary service, unscheduled back up service, and maintenance service to QF members. If so, provide the tariff under which these members will qualify for these services.

**Wholesale service to the two existing customers taking service under the existing QF tariffs (Southern Star and the Commonwealth of Kentucky (for a Kentucky National Guard facility)) falls under Big Rivers' Rural customer class. For power sales to a Rural class customer, Big Rivers does not provide electric service directly to the customer. Instead, Big Rivers delivers wholesale power to a member distribution cooperative substation owned by**

**the distribution cooperative that provides the retail electric service for the customer. Because distribution substations generally serve numerous retail customers, Big Rivers provides wholesale service to each distribution substation in the aggregate for all customers taking retail service from that substation. This wholesale service to meet the aggregate retail customer load served by a distribution substation is provided under Big Rivers' Rural Delivery Service (RDS) tariff. Because of this, and because there are currently only two QF customers, there is currently not a need to distinguish between supplemental, back-up, and maintenance power for Rural QF customers, and so, all of the power needs of Rural customers under the proposed QF tariff will be served under generally applicable retail tariffs under Big Rivers' RDS tariff. This is consistent with how retail customers with net metering are served. Those customers are also in the Rural class.**

**Big Rivers' other customer class is the Large Industrial Customer (LIC) class. There are currently only about 20 LIC customers. These are large industrial customers who take service directly from Big Rivers' transmission system. As such, Big Rivers has a separate tariff (the LICSS tariff) for any of these customers requesting supplemental, back-up, or maintenance service for their qualifying self-generation.**

- b. Refer also to the Direct Testimony of John Wolfram, page 5, lines 15-16. Explain whether any current QF member currently takes service under Standard Rate QFS - Cogeneration/Small Power Production Sales Tariff – Over 100 KW.

**Both of the existing QF Members take service under special contracts that point to the QFS tariff. The proposed QF tariff (First Revised Sheet No. 39) states that it will be applicable in place of the QFS tariff when the QFS tariff is referenced in a contract.**

**Under the existing QFS tariff, supplemental sales to the retail customer are provided under generally applicable retail tariffs under Big Rivers' RDS tariff. Under the proposed QF tariff, all sales to the retail customer would be provided under the generally applicable retail tariff under Big Rivers' RDS tariff. Southern Star takes retail service under Kenergy's Schedule 5 and the customer's Power Purchase and Interconnection Agreement; the National Guard facility takes retail service under Jackson Purchase Energy Corporation's Schedule D and the customer's Power Purchase and Interconnection Agreement.**

**Both of the existing QF Members were provided notice of the filing of the proposed QF tariff.**

- c. Refer also to Case No. 2021-00289, BREC's response to Commission Staff's Post-Hearing Requests for Information, Item 4. Provide each PURPA requirement or Commission regulation regarding the implementation of PURPA

which necessitated Rate QFS and explain how BREC will continue to comply with these requirements and regulations in the absence of Rate QFS.

**For Commission-regulated utilities, PURPA requirements in Kentucky (specifically PURPA Section 210) are implemented by the Commission. The applicable Commission's regulation is 807 KAR 5:054. With regard to sales to a Qualifying Facility, the applicable sections of 807 KAR 5:054 include Sections 6(3)(b), 6(5), 6(6)(a), and 7(7). Specifically, Section 7(7) requires utilities to provide supplementary power, back-up power, maintenance power, and interruptible power to a qualifying facility requesting such service.**

**Note that Big Rivers does not provide retail electric service. Big Rivers provides wholesale electric service to its Members who, in turn, provide retail electric service to any qualifying facilities in their territory. For the reasons stated above, Big Rivers currently does not believe it is necessary to distinguish between supplementary, back-up, and maintenance service for Rural QF customers. Big Rivers instead will provide to the relevant Member the wholesale power to meet all of the retail customer's needs under Big Rivers' RDS tariff (which would include power for supplementary, back-up, and maintenance purposes, and Big Rivers' Voluntary Price Curtailable Service Rider). The Member will, in turn, provide the retail electric service to meet all of the retail customer's needs under a generally applicable retail tariff.**

**As noted above, this is the same arrangement that applies to any retail customers that qualify for net metering.**

**Rates for supplementary, back-up, and maintenance service to qualifying Large Industrial Customers are provided under Big Rivers' LICSS tariff.**