SOAH DOCKET NO. 473-21-0538
PUC DOCKET NO. 51415

APPLICATION OF SOUTHWESTERN ELECTRIC POWER COMPANY FOR AUTHORITY TO CHANGE RATES	§ § § §	BEFORE THE STATE OFFICE OF ADMINISTRATIVE HEARINGS

SOUTHWESTERN ELECTRIC POWER COMPANY'S RESPONSE TO SIERRA CLUB'S FOURTH SET OF REQUEST FOR INFORMATION

MARCH 18, 2021

TABLE OF CONTENTS

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Question No. Sierra Club 4-1:

Refer to SWEPCO response to Sierra Club 1-5, Highly Sensitive Attachment 6.

a. Indicate the date counsel requested the SWEPCO Unit Disposition Analysis.
b. Please define and provide a brief explanation of the following the following terms as used in the spreadsheet:
    i. CPW
    ii. Planning Period
    iii. End-Effects
c. Describe each of the specific planning periods, and explain why each planning period was selected for study.
d. For each of the portfolios listed in Column A,
    i. Please provide an itemized list and explanation of the costs and anticipated schedule of expenditures included in each scenario.
    ii. For each portfolio listed in Column A, what costs for environmental compliance are included in the "no CCR expenditure" for the specified unit in each scenario?
    iii. Do the "no CCR expenditure" portfolios for each unit assume ELG and CCRexpenditures at all other units?
    iv. Do the "no CCR expenditure" portfolios for each unit assume no ELGexpenditures at that unit?
e. Did SWEPCO run any scenarios that included no expenditures on ELG and CCR compliance at more than one unit in a given scenario? If yes, please indicate if various combinations of "no expenditure" at different units were included and what those combinations were.
f. Why did the analysis not include a baseline scenario of no CCR and no ELG expenditures at all units?
g. For the EIA Commodity Price Forecast with Carbon Pricing, what year did SWEPCO assume carbon pricing to begin? What carbon pricing is being used in the analysis?
h. State in narrative form why the Flint Creek expenditure appears to be more favorable when a carbon price is assumed for one of the planning periods studied.
i. For each of the retirement date assumptions, please state the reasoning for the three specific dates chosen.
j. Why did SWEPCO assume a March 2028 retirement for the "no CCR expenditure" assumption at Flint Creek?

Response No. Sierra Club 4-1:

a. Counsel requested the SWEPCO Unit Disposition Analysis on February 21, 2020.

b.

i. CPW is the acronym for Cumulative Present Worth which takes a series of future costs and present values them to the present day costs.

ii. The Planning Period is the period of time that the Plexos model develops the optimal plan (i.e. lowest cost mix) of new resource additions. The Planning Period for this analysis was selected to be long enough for the model to determine the year over year impacts of resources added in the optimal plan.

iii. Please see SC 2-2 for a description of the End-Effects period.

c. Please see the response to b. ii and iii.

d.

i. Please see the response to SC 2-2 c. for a list of all CCR and ELG related costs assumed in each scenario.

ii. Please see the response to SC 2-2 c. for the environmental compliance costs assumed in the No CCR Expenditure scenarios.

iii. In the No CCR Expenditure profiles for a specific unit, CCR and ELG expenditures are assumed to be spent at the other units

iv. No ELG expenditures are assumed at a unit in the No CCR Expenditure scenarios.

e. No. The economic analysis that supported the decision to retire Pirkey, Welsh 1 and Welsh 3 and Flint Creek's continued operation were performed on a individual basis.

f. The baseline scenario where CCR and ELG expenditures were made at all units was selected to measure the economic impact of not making those expenditures at specific units. Only one baseline scenario was needed to determine those economic impacts and there was no need for a second baseline scenario.

g. Please see the response to SC 2-2 d. for the year carbon pricing was assumed to begin and the carbon pricing assumed in the EIA Commodity Price Forecast with Carbon Pricing.

h. The reason why making the Flint Creek CCR and ELG expenditures is more favorable under the EIA with Carbon Pricing scenario than the EIA without Carbon Pricing scenario is due to differences in capacity expansion plans between those two carbon pricing scenarios.

i. The CCR+ELG Expenditure retirement date assumes that the units will run through the end of their operating life. The No CCR Expenditure retirement date is determined by when the units need to cease operations to allow the existing ponds to be remediated prior to the ELG compliance date. The CCR Expenditure retirement date is determined by the ELG compliance date.

j. Please see the response to i.

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