



February 12, 2021

President Joe Biden
The White House
1600 Pennsylvania Avenue, N.W.
Washington, DC 20500

President Biden,

I lead a not-for-profit electric cooperative that is responsible for providing electricity for 1.1 million Kentucky residents and businesses. As a cooperative, we serve rural populations that investor owned utilities had not desired to serve; and we serve numerous economically depressed counties and their communities

I wish to convey my growing concern that, as the U.S. shuts down traditional power plants and turns to renewables, we face a growing threat to the reliability of the electric grid should we fail to have a thoughtful, deliberate plan to ensure reliability through the transition. My company's strategic and sustainability plans are focused on ensuring that the right mix of generation resources remains available as we navigate the transition to ensure continued power supply to the people and businesses we serve. However, our plans will be affected by any national and state policies that do not share the same emphasis on reliability. We have experience with both traditional power plants and renewable generation; we understand first-hand the differing operational characteristics between the two types of resources. Renewable resources, particularly solar and wind, do not provide the same 24/7 assurance of reliable power as traditional baseload assets, a fact that is especially pertinent during emergencies and extreme weather events. I urge political and industry leaders across the nation to consider this information as they evaluate policies and decisions that could affect the reliability and affordability of electric service to homes and business across the country.

Understanding that 95 gigawatts (GW) of coal capacity has already shut down since 2011¹ due to economics and environmental regulations, including my company's 196 MW Dale station, it is the pace of the future projection that is particularly concerning. What is the plan to ensure all the people and businesses will have the necessary power to fuel our economy and to keep them safe during extreme weather? The U.S. Energy Information Administration is projecting an additional 25 GW of coal

¹ U.S. Energy Information Administration, *As U.S. coal-fired capacity and utilization decline, operators consider seasonal operation*, Sept. 1, 2020. <https://www.eia.gov/todayinenergy/detail.php?id=44976>

generation closures by 2025.² To put that into perspective, that is roughly equivalent to the nameplate capacity of all power plants in Kentucky.

In December, the North American Electric Reliability Corp. (NERC) released its latest long-term assessment³, which highlights the reliability risks associated with traditional baseload resources being replaced by intermittent solar and wind. It notes rising generator dependence on solar and wind, along with growing solar distributed generation, two trends which, together, are increasing the risk of error in forecasting both generation and load.⁴ The threat is that, without proper planning, our grid operators could find themselves without enough resources to serve power demand, leading to rolling blackouts.

This reliability threat is not simply a matter of hypothesis or conjecture. Already, thousands of California residents have felt the effects. “The recent experience during the wide-area heat wave in August 2020 provides evidence of the challenges faced in the (Western Interconnection) to reliably serve the changing demand profile with the evolving resource mix,” NERC writes.⁵

On the afternoons of Aug. 14 and 15, in the midst of a heatwave, thousands of California residents and businesses lost power as transmission system operators were forced to intermittently black out areas across the state. The grid operators did so in order to prevent much more serious and widespread blackouts as they worked to keep generation and load in careful balance or risk serious damage to the grid. When they do not have adequate generation capacity to serve load, grid operators must turn off power to portions of the grid to assure the transmission system remains stable; that is what California’s operators were forced to do.

Renewables account for 43 percent of the California grid’s generating capacity, and solar makes up 85 percent of those renewables.⁶ Comments from grid operators indicate that, as solar generation ramped down in the evening, they attempted to import more power from outside the state, as they normally do; but, because of the heat, other states faced similar high demand and had little power to spare.⁷

I agree with America’s Power President & CEO Michelle Bloodworth, who called the NERC assessment “another important wake-up call for decision-makers involved in managing the transitioning electric grid.” Even NERC’s assessment could underestimate the risk, Bloodworth said, “because there could be an additional 30,000 MW or more of coal retirements beyond those that NERC assumed in its analysis.

² Ibid

³ NERC 2020 Long Term Reliability Assessment.

https://www.nerc.com/pa/RAPA/ra/Reliability%20Assessments%20DL/NERC_LTRA_2020.pdf

⁴ NERC, *2020 Long-Term Reliability Assessment*, December 2020, page 7.

⁵ NERC, page 6

⁶ CAISO Supply and renewables, downloaded 8/31/20; <http://www.caiso.com/TodaysOutlook/Pages/supply.aspx>

⁷ Letter from California Public Utilities Commission (CPUC), California Independent System Operator (CAISO) and California Energy Commission (CEC) to Calif. Gov. Gavin Newsom, Aug. 19, 2020; downloaded from https://www.cpuc.ca.gov/uploadedFiles/CPUCWebsite/Content/News_Room/NewsUpdates/2020/Joint%20Response%20to%20Governor%20Newsom%20Letter%20August192020.pdf. “The CAISO has observed that during the current heat wave, energy supporting imports from other Western utilities have been significantly constrained during the late afternoon and evening hours, as those other utilities must plan to meet their own demand and have limited ability to export supplies to California.”

That's why we continue to be concerned about the impacts of accelerated coal retirements on grid reliability.”⁸

Undoubtedly, renewable energy will play a significant and growing role in the energy supply for the U.S. and Kentucky. As I noted, my company is transitioning its generation fleet. In fact, we have established a goal of obtaining an additional 15 percent of our energy from renewable sources by 2035, with an overall objective of reducing our carbon dioxide emissions 35 percent by 2035 and 70 percent by 2050, consistent with the announced plans of larger, for-profit utilities. In establishing these goals, supported by business plans, we remained focused on reliability and affordability for the 1.1 million residents and businesses we serve.

We urge policy makers and other industry leaders to consider how sustainability must account for consumer affordability and reliability. These factors are important for quality of life, and can be the difference between life and death during periods of extreme heat or cold. Electricity is an essential service because it sustains life, especially during such extreme temperatures.

Energy market economics and renewable energy policies have driven the shutdown of traditional baseload plants across the country. Plants that had remaining operational life are no longer available to grid operators to meet challenges like California experienced on Aug. 14 and 15. We should be very cautious about policies that further expedite this trend because, when those plants close, utilities lose the critical ability to call on them to generate power when it is really needed. Policies must address reliability and affordability throughout the transition to a grid more reliant on intermittent, renewable resources.

These are important issues, not only to the Kentucky residents who depend on my cooperative for electricity, but for people and businesses nationwide. I am available any time to discuss these important policy considerations inherent in the evolution of our nation's generation fleet as we design the grid of the future to ensure health, welfare and affordability.

Sincerely,



Anthony "Tony" Campbell
President & CEO

CC: Energy Cabinet Secretary Jennifer Granholm
FERC Chairman Richard Glick
Senate Minority Leader Mitch McConnell
Senator Rand Paul

⁸ America's Power, Dec. 16, 2020, *NERC Long-Term Reliability Assessment Underscores the Importance of Examining Impact of Increased Coal Retirements on Grid Reliability*.
https://www.americaspower.org/press_release/nerc-long-term-reliability-assessment-underscores-the-importance-of-examining-impact-of-increased-coal-retirements-on-grid-reliability/

Senator Joe Manchin
Congressman Andy Barr
Congressman Hal Rogers
Congressman Brett Guthrie
Congressman Thomas Massie
Congressman James Comer
Congressman John Yarmuth
Governor Andy Beshear
Kentucky Senate President Robert Stivers
Kentucky Energy and Environment Secretary Rebecca Goodman
Kentucky PSC Chairman Michael Schmitt
Kentucky PSC Vice-chairman Kent Chandler
Kentucky PSC Commissioner Talina Mathews