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August 26, 2021

Electronically Filed in TPUC Docket  
Room on August 27, 2021 at 9:34 a.m.

**VIA EMAIL ([tpuc.docketroom@tn.gov](mailto:tpuc.docketroom@tn.gov)) & FEDEX**

Dr. Kenneth C. Hill, Chair  
c/o Ectory Lawless, Dockets & Records Manager  
Tennessee Public Utility Commission  
502 Deaderick Street, 4th Floor  
Nashville, TN 37243

**Re: PETITION FOR APPROVAL OF DEMAND RESPONSE PROGRAM AND  
ASSOCIATED DEMAND RESPONSE TARIFFS ON BEHALF OF  
KINGSPORT POWER COMPANY D/B/A AEP APPALACHIAN POWER  
Docket No. 12-00012**

**and**

**JOINT PETITION OF EASTMAN CHEMICAL COMPANY AND AIR  
PRODUCTS AND CHEMICALS, INC., FOR EXPEDITED REVIEW  
TO ALLOW CERTAIN END USE CUSTOMERS OF KINGSPORT  
POWER COMPANY TO PARTICIPATE IN PJM  
INTERCONNECTION DEMAND RESPONSE PROGRAMS;  
Docket No.: 12-00026**

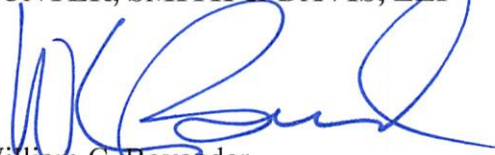
Dear Dr. Hill:

Enclosed please find the Annual Demand Response Report of Kingsport Power Company d/b/a AEP Appalachian Power for filing in the captioned dockets.

The original and four (4) copies are being sent via Federal Express for overnight delivery.

Sincerely yours,

**HUNTER, SMITH & DAVIS, LLP**



William C. Bovender

Enclosure: As stated

|     |                                    |           |
|-----|------------------------------------|-----------|
| cc: | David Foster (w/enc.)              | via email |
|     | William K. Castle (w/enc.)         | via email |
|     | James R. Bacha, Esq. (w/enc.)      | via email |
|     | Noelle J. Coates, Esq. (w/enc.)    | via email |
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|     | Karen H. Stachowski, Esq. (w/enc.) | via email |
|     | Eleanor K. Keeton (w/enc.)         | via email |

BEFORE THE  
TENNESSEE PUBLIC UTILITY COMMISSION  
NASHVILLE, TENNESSEE

August 26, 2021

|                                              |   |            |
|----------------------------------------------|---|------------|
| IN RE:                                       | ) |            |
|                                              | ) |            |
| PETITION FOR APPROVAL OF DEMAND RESPONSE     | ) |            |
| PROGRAM AND ASSOCIATED DEMAND RESPONSE       | ) | DOCKET NO. |
| TARIFFS ON BEHALF OF KINGSPORT POWER COMPANY | ) | 12-00012   |
| D/B/A AEP APPALACHIAN POWER                  | ) |            |
|                                              | ) |            |
| IN RE:                                       | ) |            |
|                                              | ) |            |
| JOINT PETITION OF EASTMAN CHEMICAL COMPANY   | ) |            |
| AND AIR PRODUCTS AND CHEMICALS, INC. FOR     | ) | DOCKET NO. |
| EXPEDITED REVIEW TO ALLOW CERTAIN END USE    | ) | 12-00026   |
| CUSTOMERS OF KINGSPORT POWER COMPANY TO      | ) |            |
| PARTICIPATE IN PJM INTERCONNECTION DEMAND    | ) |            |
| RESPONSE PROGRAMS                            | ) |            |

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ANNUAL DEMAND RESPONSE REPORT OF KINGSPORT POWER COMPANY  
D/B/A AEP APPALACHIAN POWER

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Comes Kingsport Power Company d/b/a AEP Appalachian Power (“KgPCo”), and submits its Annual Demand Response Report to the Utilities Division Staff of the Tennessee Public Utility Commission (“TPUC”). All correspondence and communications with respect to this report should be sent to the following on behalf of KgPCo:

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Respectfully submitted,  
**Kingsport Power Company, d/b/a  
AEP Appalachian Power**

By Counsel:



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**Kingsport Power Company d/b/a AEP Appalachian Power  
Annual Demand Response Report to the Utilities Division Staff of the  
Tennessee Public Utility Commission**

Pursuant to the TRA's March 4, 2013 Order in Docket Nos. 12-00012 and 12-00026, KgPCo provides the following information for the PJM Delivery Year ending May 31, 2021 ("2020/21 PJM Delivery Year"):

- (1) A list of participating KgPCo customers and the demand response programs they are enrolled in.

Response: Nine KgPCo customers, utilizing the services of a Curtailment Service Provider ("CSP"), were enrolled in PJM demand response programs for the 2020/21 PJM Delivery Year and are shown in the table below.

| <b>PJM<br/>Delivery<br/>Year</b> | <b>Customer</b>                              | <b>DR Program</b>       | <b>Part of<br/>Tariff<br/>RTODR?</b> |
|----------------------------------|----------------------------------------------|-------------------------|--------------------------------------|
| 2020/21                          | VCM - 1137 - Kingsport - TN                  | Load Management DR Full | Yes                                  |
| 2020/21                          | City of Kingsport Water Treatment Plant      | Load Management DR Full | Yes                                  |
| 2020/21                          | City of Kingsport Colonial View Pump Station | Load Management DR Full | Yes                                  |
| 2020/21                          | City of Kingsport Hillcrest Pump Station     | Load Management DR Full | Yes                                  |
| 2020/21                          | City of Kingsport Wastewater Treatment Plant | Load Management DR Full | Yes                                  |
| 2020/21                          | Dobyns-Bennett High School - Kingsport - TN  | Load Management DR Full | Yes                                  |
| 2020/21                          | Dobyns-Bennett High School - Kingsport - TN  | Load Management DR Full | Yes                                  |
| 2020/21                          | Sevier Middle School - Kingsport - TN        | Load Management DR Full | Yes                                  |
| 2020/21                          | Robinson Middle School - Kingsport - TN      | Load Management DR Full | Yes                                  |

- (2) The Number of curtailments called.

Response:

PJM did not initiate any Emergency or Pre-emergency Load Management Events for the AEP subzone during the Capacity Year 2020/2021 period. All customers were subject to a PJM required curtailment test during the summer of 2020.

- (3) A detailed calculation of the costs incurred and non-compliance payments received.

Response:

|                                                          |                    |
|----------------------------------------------------------|--------------------|
| Total Costs                                              | <b>\$56,644.71</b> |
| Less: Non-Compliance Payments Received                   | \$0                |
| Less: Load Management Test Failure Charge Passed-Through | \$0                |
| <b>Net Cost</b>                                          | <b>\$56,644.71</b> |

For the applicable demand response product registered by the CSP, the price is determined to be the average rate in \$/MW-day for all cleared MW, weighted by the megawatts cleared at each clearing price. Cleared MW shall include all cleared sell offers in the applicable Locational Deliverability Area from each RPM auction (Base Residual Auction, First Incremental Auction, Second Incremental Auction and Third Incremental Auction) for the relevant PJM Delivery Year.

(4) A cost/benefit analysis of the Demand Response programs.

Response: A formal cost/benefit analysis of the Demand Response programs has not been performed. For the 2020/21 PJM Delivery Year, AEP included 2.1 MW from Tariff RTODR in its Fixed Resource Requirement (“FRR”) plan with PJM. KgPCo benefits from Tariff RTODR by providing an alternative capacity resource to satisfy PJM reserve margin requirements.