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## NEWS RELEASE

FOR RELEASE

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## **PSC OKs Kentucky's First Utility-scale Solar Power Project** ***KU, LG&E will build 10-megawatt array at plant in Mercer County***

**FRANKFORT, Ky. (Dec. 22, 2014)** – The Kentucky Public Service Commission (PSC) has approved the construction of the state's first major solar-powered electric generating facility.

In an order issued Friday, Dec. 19, the PSC authorized Kentucky Utilities Co. (KU) and Louisville Gas & Electric Co. (LG&E) to build a 10-megawatt (MW) photovoltaic solar array at the E.W. Brown Generating Station in Mercer County. A megawatt of generating capacity produces enough power to supply about 800 average homes.

Friday's order approves an agreement reached by the two utilities and two other parties to the case: the Sierra Club, and Kentucky Industrial Utility Customers Inc. The PSC found the agreement to be consistent with its own analysis of the case. The Kentucky Office of Attorney General was a party to the case but did not sign the agreement.

KU and LG&E originally had sought approval to construct both the solar array and a 670-MW natural gas-fired power plant, to be built in Muhlenberg County. The latter project was canceled after nine municipalities that purchase wholesale power from KU decided to allow their contracts to expire over the next five years, reducing the utility's load by about 325 MW.

Although the loss of the municipal customers made the gas-fired power plant unnecessary, KU and LG&E stated that some new generating capacity would be needed to maintain adequate reserves. The solar plant would meet that need while providing insurance against both potential increases in the cost of fossil fuels and future constraints on carbon dioxide (CO<sub>2</sub>), the utilities said.

The \$36 million cost of the solar array will have a "relatively minor" impact on rates, the PSC said. The relatively higher initial investment required for the solar power project will be partly offset by tax credits and other factors, the PSC said.

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The PSC agreed with KU and LG&E that adding solar powered capacity now will help prepare for any future requirements to reduce CO2 emissions produced by burning fossil fuels and “has the ability to reduce potential future CO2 compliance costs,” the PSC said.

The solar array will be built on a 153-acre parcel owned by KU just south of the E.W. Brown power plant. The array will consist of about 260 solar panels and associated transformers, switches and other equipment.

KU will own 61 percent of the solar array and LG&E the remaining 39 percent – a split based upon the relative load of the two utilities during daylight hours. The E.W. Brown plant also has coal-fired and gas-fired units owned by KU.

KU and LG&E are both subsidiaries of PPL Corp. LG&E has 397,000 electric customers in the Louisville area. KU serves 543,000 customers in 77 Kentucky counties.

The PSC conducted an evidentiary hearing in the case Nov. 24, 2014.

The PSC's order, other documents in the case and a video of the hearing are available on the PSC website, [psc.ky.gov](http://psc.ky.gov). The case number is 2014-00002

In addition to the order approving construction, the PSC Friday issued an order granting a site compatibility certificate for the solar array, stating that the location is appropriate for the facility. That case is 2014-00133.

The PSC is an independent agency attached for administrative purposes to the Energy and Environment Cabinet. It regulates more than 1,500 gas, water, sewer, electric and telecommunication utilities operating in Kentucky and has approximately 85 employees.