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NEWS RELEASE

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PSC Approves Duke Energy Kentucky Solar Power Projects

Three small arrays will be pilot project

FRANKFORT, Ky. (July 10, 2017) – The Kentucky Public Service Commission (PSC) has approved a proposal by Duke Energy Kentucky to build three small solar power facilities in its service territory in northern Kentucky.

In its application to the PSC, Duke Kentucky said the facilities would be used to develop experience with small-scale solar power in preparation for adding more renewable power sources in the next 10 years.

The PSC, in an order issued today, found that building and operating the solar facilities would have no adverse impact on the operations or financial condition of Duke Kentucky. The PSC noted that, by building the solar facilities now, Duke Kentucky is making use of a 30 percent federal tax credit and is taking advantage of current low prices for solar panels.

Duke Kentucky stated in its application that power from the solar arrays will supplement power produced from its fossil-fuel-fired power plants. The arrays will generate solar renewable energy certificates, which can be sold in Ohio, with a portion of the revenue flowing back to Duke Kentucky customers as a credit.

Duke Kentucky is a subsidiary of Duke Energy, headquartered in Charlotte, N.C. Duke Kentucky serves about 139,000 electric customers in five counties in northern Kentucky. Duke Kentucky's nearly 97,000 natural gas customers are not affected by this case.

The three solar facilities, with a combined maximum output of nearly seven megawatts (MW) will be located at two sites, one in Kenton County and the other in Grant County. Duke Kentucky has entered into agreements to purchase both sites.

Two arrays will be on property near Walton. Each will produce up to two MW of power. A 2.75-MW array will be built on a site near Crittenden in Grant County. Evergreen trees will be planted along the property borders to minimize the visual impact on neighbors, Duke Kentucky said in its application.

Duke Kentucky stated that it will host community meetings to discuss the projects and obtain input from neighbors and others living close to the sites.

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Duke Kentucky estimates that the total cost of the three solar arrays will be \$14.8 million, with an annual operating and maintenance cost of \$132,000. There will be no immediate impact on rates, although Duke Kentucky said it will eventually seek to recover the costs from ratepayers.

Today's order and other records in the case are available on the PSC website, psc.ky.gov. The case number is 2017-00155.

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 75 employees.

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