



Matthew G. Bevin
Governor

Charles G. Snavely
Secretary
Energy and Environment Cabinet

Commonwealth of Kentucky
Public Service Commission
211 Sower Blvd.
P.O. Box 615
Frankfort, Kentucky 40602-0615
Telephone: (502) 564-3940
Fax: (502) 564-3460
psc.ky.gov

Michael J. Schmitt
Chairman

Robert Cicero
Vice Chairman

Daniel E. Logsdon Jr.
Commissioner

NEWS RELEASE

Contact: Andrew Melnykovich
502-782-2564 or 502-564-3940
502-330-5981 (cell)
Andrew.Melnykovich@ky.gov

PSC OKs East Kentucky Power Community Solar Project

Customers can purchase shares in 8.5-megawatt solar facility

FRANKFORT, Ky. (Nov. 23, 2016) – The Kentucky Public Service Commission (PSC) has allowed East Kentucky Power Cooperative, Inc. (EKPC) to offer its customers the opportunity to use solar power without putting solar panels on their roofs.

In an order issued Tuesday, the PSC approved an EKPC proposal that will allow customers to purchase licenses for – in effect, to lease - one or more of the 32,300 panels in a large-scale solar electric generating facility the utility will build in Clark County. The total capacity of the project is 8.5 megawatts.

Customers will pay a one-time fee of \$460 per panel for a 25-year lease. The electricity generated can be used to offset up to all of a customer's electric usage, and customers will also receive solar renewable energy credits that can be sold or retired.

In approving the proposal, the PSC found that the solar facility fills an unmet demand for renewable energy by EKPC customers. Even if no customers participate, the potential impact on EKPC's future rates would be very small, the PSC noted.

Community solar projects are intended to give customers an alternative to rooftop solar panels. In its application, EKPC stated that its proposed facility will cost – per-kilowatt of capacity - about half the median cost of rooftop solar, and will be somewhat less expensive to operate.

The EKPC facility is the second community solar project approved by the PSC. Earlier this month, the PSC authorized Kentucky Utilities Co. (KU) and Louisville Gas & Electric Co. (LG&E) to establish a 4-megawatt community solar facility in Shelby County.

The joint KU-LG&E facility is based on a different financial model than that of EKPC. Unlike the EKPC facility, KU and LG&E will not build the facility all at once, but will add panels in half-megawatt increments as customers purchase subscriptions.

EKPC is owned by and generates and transmits power for 16 electric distribution cooperatives. Together, those cooperatives serve about 520,000 retail customers in 87 counties in eastern and central Kentucky.

In its application, EKPC cited a 2013 study that indicated that between 7,870 and 15,741 of those retail customers were likely to participate in a community solar project.

-more-

PSC OKs East Kentucky Power Community Solar Project – Page 2

EKPC has contracted with Lendlease (S) Public Partnerships, LLC to plan and construct the solar project. The \$17.7 million facility will be built next year adjacent to the EKPC offices in Winchester. It is expected to begin producing power in November 2017.

Each of the member distribution cooperatives will be able to reserve a portion of the solar facility's capacity. Customers who wish to participate will then lease panels through their distribution cooperative.

In its order, the PSC directed EKPC to file annual reports on participation in the project.

The PSC's order and the case file are available on the PSC website, psc.ky.gov. The case number is 2016-00269.

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.

-30-

FOLLOW THE PSC ON TWITTER @KYPSC

QUESTIONS OR PROBLEMS REGARDING YOUR UTILITY SERVICE?

CALL THE PSC CONSUMER HOTLINE: 800-772-4636