

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

**ELECTRONIC JOINT APPLICATION OF)
KENTUCKY UTILITIES COMPANY AND)
LOUISVILLE GAS AND ELECTRIC)
COMPANY FOR CERTIFICATES OF)
PUBLIC CONVENIENCE AND NECESSITY)
AND APPROVAL OF A DEMAND SIDE)
MANAGEMENT PLAN AND APPROVAL OF)
FOSSIL FUEL-FIRED GENERATING UNIT)
RETIREMENTS)**

CASE NO. 2022-00402

**JUNE 9, 2023 SUPPLEMENTAL RESPONSE OF
KENTUCKY UTILITIES COMPANY
AND
LOUISVILLE GAS AND ELECTRIC COMPANY
TO
THE COMMISSION STAFF'S
SUPPLEMENTAL REQUEST FOR INFORMATION
DATED APRIL 14, 2023**

FILED: JUNE 9, 2023

**KENTUCKY UTILITIES COMPANY
AND
LOUISVILLE GAS AND ELECTRIC COMPANY**

**June 9, 2023 Supplemental Response to Commission Staff's
Supplemental Request for Information
Dated April 14, 2023**

Case No. 2022-00402

Question No. 58

Responding Witness: Lonnie E. Bellar

- Q-58. Refer to LG&E/KU's response to Staff's First Request, Item 47(a), Attachment 1, 2022 Resource Assessment, Generation Planning & Analysis, March 2023 Update, pages 13 and 34. For the Mercer Project:
- a. Explain the meaning of the statement, "LG&E/KU's Project Engineering group therefore revised their self-build proposal to suit the proposal at the Mercer County site, resulting in a 120 MW self-build solar proposal in Mercer County" Include in the response whether LG&E/KU acquired the proposed project from the developer and the Project Engineering group will develop the project from that stage.
 - b. Describe the current development stage of the project and whether any land has been acquired or leased.
 - c. Explain whether a transmission line and substation transmission system upgrades will have to be construction as a part of this project and, if so, whether these costs were included in the modeling.
- A-58. **Original Response**
- a. The Companies are negotiating with Savion to acquire the assets of their Mercer Solar II project. The acquired assets will be used by the Companies to develop the Mercer Solar project.
 - b. The current development stage of the Mercer Solar project is approximately 30% (conceptual design). Closure of the property purchase occurred on April 27, 2023.

June 9, 2023 Supplemental Response

- a. & b. As stated, closing took place on April 27, 2023 for 858 acres on what is now being referred to as "Southern Land." The price paid was \$9,871,324 with an additional obligation to pay Savion \$8,000,000 as compensation for the

development work necessary for the solar project. Thus, the property as measured by Savion's terms is \$17,871,324 or \$20,820 per acre.

Since that closing occurred, the Companies have continued to have discussions with the State Economic Development Cabinet and Mercer County officials to explore ways to move forward with the Mercer County Solar Facility while also facilitating the development of an industrial park in the area for Mercer County's benefit. Those discussions are ongoing and are focused on the "Northern Land" which consists of a total of 1,007 acres which Savion owns or has options on. The 1,007 acres consist of 459 acres Savion owns; 406 acres for which Savion has Option 1; and 142 acres for which Savion has Option 2. Similar to the Southern Land, the Northern Land comes with an obligation to pay Savion \$10,000,000 for development work. Thus, the property as measured by Savion's terms is \$21,580,500 or \$21,430 per acre, similar to the Southern Land per acre price. The Companies have entered into an agreement on June 8, 2023 with Savion by which they would acquire the Northern Land, shift the Mercer County Solar Facility from the Southern Land to the Northern Land, and then make the Southern Land available to Mercer County for industrial site development. This agreement removes all conditions on the Companies' ownership of the Southern Land, and regulatory approval conditions shift to the Northern Land purchase.