

COMMONWEALTH OF KENTUCKY
BEFORE THE KENTUCKY STATE BOARD ON ELECTRIC GENERATION
AND TRANSMISSION SITING

In the Matter of:

ELECTRONIC APPLICATION OF SEBREE	)	
SOLAR II, LLC FOR A CERTIFICATE TO	)	
CONSTRUCT AN APPROXIMATELY 150	)	CASE NO.
MEGAWATT MERCHANT SOLAR ELECTRIC	)	2022-00131
GENERATING FACILITY IN HENDERSON	)	
COUNTY, KENTUCKY PURSUANT TO KRS	)	
278.700 AND 807 KAR 5:110	)	

ORDER

On April 29, 2026, Sebree Solar II, LLC (Sebree Solar II) filed a motion for a declaratory order that Siting Board approval is not necessary for an anticipated equity transaction or, in the alternative, approval of the transaction. Sebree Solar II stated that a non-controlling equity investment transaction is needed. NextEra Energy Resources, LLC (NextEra) business model for building, owning and operating renewable energy projects, including Sebree Solar II, relies on the utilization of long-term financing from third parties.¹

Sebree Solar II filed an application to construct an approximately 150-megawatt (MW) merchant solar generating facility in Henderson County, Kentucky, on April 18, 2023.² During the pendency of the case, Sebree Solar II responded to two rounds of

¹ Sebree Solar II's Response to Siting Board's Staff's First Request for Information (Staff's First Request) (filed July 13, 2026), Item 3.

² Application (filed Apr. 18, 2023).

discovery;³ a site visit was conducted; the Siting Board hired a consultant who issued a report about the project;⁴ Sebree Solar II responded to the consultant's report;⁵ and a hearing was held August 17, 2023. The Siting Board evaluated the entire record before issuing the final Order on October 12, 2023. Sebree Solar II filed a motion for rehearing that requested the Siting Board reconsider Mitigation Measures 11, 15, 18, and 28 in the October 12, 2023 final Order. The Siting Board declined to remove Mitigation Measure 11 and 28 and continued to require the Siting Board's approval for transfers of the project.⁶ The Siting Board granted the motion for rehearing on Mitigation Measure 15 and 18 and made changes to those Mitigation Measures.⁷

On April 29, 2026, Sebree Solar II filed a motion and requested that the Siting Board issue a declaratory order in anticipation of a non-controlling tax equity transaction.⁸ Sebree Solar II requested a declaratory order that the transaction does not require Siting Board approval. In the alternative, should the Siting Board find the transaction does require approval, Sebree Solar II requested Siting Board approval for the anticipated non-

³ Sebree Solar II's Response to Siting Board Staff's First Request for Information (Staff's First Request) (filed June 16, 2023) and Sebree Solar II's Response to Siting Board Staff's Second Request for Information (Staff's Second Request) (filed July 21, 2023).

⁴ Wells Engineering Report (filed Aug. 7, 2023).

⁵ Sebree Solar II's Response to Consultant Report (filed Aug. 11, 2023).

⁶ Order (Ky. Siting Board Dec. 15, 2023).

⁷ Order (Ky. Siting Board Dec. 15, 2023).

⁸ Sebree Solar II's Application for Declaratory Order.

controlling tax equity transaction.⁹ After requesting additional time to respond,¹⁰ Sebree Solar II responded to one request for information related to the proposed transaction.¹¹

DISCUSSION AND FINDINGS

Sebree Solar II stated that a non-controlling equity investment transaction is needed because of NextEra Energy Resources, LLC (NextEra) business model for building, owning and operating renewable energy projects, including Sebree Solar II, relies on the utilization of long-term financing from third parties.¹² Sebree Solar II stated that, in the past, it has relied on tax equity or back leverage financing.¹³ However, now moving forward NextEra is going utilized non-controlling equity investment transactions that will raise funding under a partnership structure in which NextEra is the managing member.¹⁴

Sebree Solar II is a wholly owned subsidiary of NextEra.¹⁵ According to Sebree Solar II, the project would be transferred to a joint venture that is partially owned and controlled by NextEra.¹⁶ Sebree Solar stated that under proposed transaction that Class

⁹ Sebree Solar II's Application for Declaratory Order at 1.

¹⁰ Sebree Solar II's Motion for Extension (filed Jun. 29, 2026). Sebree Solar II's responses were due on June 30, 2026, and it requested to have until July 13, 2026. The Siting Board granted that request by Order dated July 7, 2026.

¹¹ Sebree Solar II's Response to Siting Board Staff's Request for Information (Staff's Request) (filed July 13, 2026).

¹² Sebree Solar II Response to Staff's Request, Item 1.

¹³ Sebree Solar II Response to Staff's Request, Item 1.

¹⁴ Sebree Solar II Response to Staff's Request, Item 1.

¹⁵ Sebree Solar II Response to Staff's Request, Item 9.

¹⁶ Sebree Solar II Response to Staff's Request, Item 9.

A Membership Interests in the joint venture would be owned by NextEra.¹⁷ The non-controlling equity investor would have Class B Membership Interests.¹⁸ NextEra will have direct control of Sebree Solar II as the 100 percent owner of the managing member of the joint venture.¹⁹

Sebree Solar II will remain controlled by NextEra.²⁰ Throughout the responses to Staff's Request, Sebree Solar II stated that NextEra is not being transferred to a newly formed liability company or any other entity.²¹ Sebree Solar II stated that this transfer is similar to the transfer and structure under a tax equity transaction.²² Sebree Solar II stated that the difference between this anticipated transaction and the tax equity structure that has already been approved is the allocation of tax credit to the Class B member.²³

Sebree Solar II stated that the non-controlling equity investment transaction is similar to the tax equity transaction that has already been approved.²⁴ These transactions are so much alike that Sebree Solar II stated that it considered whether the non-controlling equity investment transaction was already approved by the Siting Board under the tax equity transaction²⁵ approved in the Siting Board's order issued on June 11, 2025.²⁶

¹⁷ Sebree Solar II Response to Staff's Request, Item 2.

¹⁸ Sebree Solar II Response to Staff's Request, Item 2.

¹⁹ Sebree Solar II Response to Staff's Request, Item 7.

²⁰ Sebree Solar II Response to Staff's Request, Item 10.

²¹ Sebree Solar II Response to Staff's Request, Items 9, 10, and 11.

²² Sebree Solar II Response to Staff's Request, Item 9.

²³ Sebree Solar II Response to Staff's Request, Item 2.

²⁴ Sebree Solar II Response to Staff's Request, Item 2.

²⁵ Sebree Solar II Response to Staff's Request, Item 2.

²⁶ Order (Ky. Siting Board June 11, 2025).

The non-controlling equity investment will not affect the way Sebree Solar II is operated or its ability to comply with the Siting Board's mitigation measures.²⁷ Moreover, NextEra will continue to manage the operation of Sebree Solar II and ensure environmental compliance.²⁸ Sebree Solar II also stated that NextEra will ensure that Sebree Solar II complies with the decommissioning requirements under KRS 278.710(8).²⁹

Having considered the motion, the Siting Board finds that the motion for a declaratory order should be denied. This finding is consistent with prior Siting Board Orders³⁰ and reflects a desire for the Siting Board to continue to have authority to review transfers in order to ensure compliance with final Order, including any mitigation measures.

Based upon the motion and being otherwise sufficiently advised, the Siting Board finds that the non-controlling equity interest transaction should be approved. NextEra was the original entity with a controlling interest in Sebree Solar II, and its information was reviewed in the underlying proceedings. The Siting Board fully investigated its environment compliance history and its financial, technical, and managerial capacity to construct and operate the project. The Siting Board has taken notice from the October 12,

²⁷ Sebree Solar II Response to Staff First Request, Item 5.

²⁸ Sebree Solar II Response to Staff's Request, Item 10.

²⁹ Sebree Solar II Response to Staff's Request, Item 11.

³⁰ Case No. 2020-00387, *Electronic Application of Green River Solar, LLC for a Certificate to Construct an Approximately 200 Megawatt Merchant Solar Electric Generating Facility In Breckinridge County and Meade County, Kentucky Pursuant To KRS 278.700 and 807 KAR 5:110* (Ky. Siting Board Dec. 17, 2024), Order.

2023 Order that ESI has violated the Migratory Bird Treaty Act but otherwise has a good record of environmental compliance.³¹

The Siting Board further finds that when the non-controlling equity investment transaction occurs for the project, Sebree Solar II should file notice into the record. In addition, when the transaction is complete, notice shall be filed listing the lienholder, the amount of indebtedness as well as the portion of indebtedness as it relates to this project. This information should be updated to reflect any financing changes.

IT IS THEREFORE ORDERED that:

1. Sebree Solar II's request for declaratory order is denied.
2. Sebree Solar II's request to enter into and complete a non-controlling tax equity investment transaction, as set forth in the application, is granted.
3. Sebree Solar II shall provide notice to the Siting Board, in post-case correspondence referencing this case number, within 20 days of each of the transaction closing.
4. Sebree Solar II shall provide notice to the Siting Board, in post-case correspondence referencing this case number, of the ultimate lienholder, the total amount of indebtedness as well as the indebtedness related to this project, within 20 days of the financial transaction closing.

³¹ Order (Ky. Siting Board Oct.12, 2023) at 19.

Entered on this 13th day of August, 2026.

KENTUCKY STATE BOARD ON ELECTRIC GENERATION
AND TRANSMISSION SITING



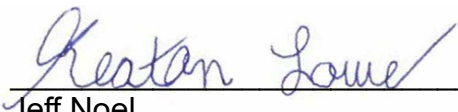
Angie Hatton
Chair, Public Service Commission



John Lyons
Secretary, Energy and Environment
Cabinet, or his designee



Mary Pat Regan
Vice Chair, Public Service Commission



Jeff Noel
Secretary, Cabinet for Economic
Development, or his designee



Andrew W. Wood
Commissioner, Public Service Commission

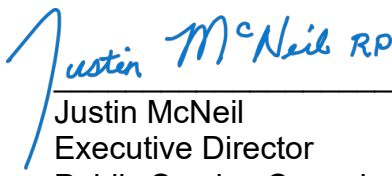
Nathaniel Comer, ad hoc member



Barry L. Mayfield
Commissioner, Public Service Commission

Brian Bishop, ad hoc member

ATTEST:



Justin McNeil
Executive Director
Public Service Commission
*on behalf of the Kentucky State Board on
Electric Generation and Transmission Siting*

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