

LG&E and KU Request KPSC Approval to Build Second Natural Gas Combined-Cycle Generating Unit and a Solar Generation Facility

Both units to be located on existing properties; NGCC to create about 40 full-time, 250 construction jobs

(LOUISVILLE, Ky.) – Louisville Gas and Electric and Kentucky Utilities companies today filed an application for certificates of public convenience and necessity with the Kentucky Public Service Commission requesting approval to construct a second natural gas combined-cycle generating unit (NGCC) and a solar generating facility. The NGCC plant, to be located in Muhlenberg County, is expected to create about 40 permanent full-time jobs and several hundred construction jobs in western Kentucky.

Due to increased federal environmental regulations, LG&E and KU previously announced they are retiring 800 megawatts of older coal-fired generation — at Cane Run, Green River and Tyrone stations — and building a 640-megawatt NGCC unit at Cane Run. The companies announced their plans to build a second NGCC and a photovoltaic solar facility in October, following a year-long review of proposals to address the remaining lost generation and long-term load growth.

LG&E and KU evaluated competitive bids which included renewable energy, existing energy within Kentucky and building new generation. The utilities also considered short-term proposals (from one to five years) and long-term proposals (from 10 to 20 years). After careful analysis, building a second NGCC at the existing Green River site proved to be the best long-term solution for baseload generation. The unit is expected to add approximately 700 megawatts of capacity and cost approximately \$700 million to construct. Additionally, the companies will be seeking to construct about a 10-megawatt solar facility costing approximately \$36 million at the Brown generating station.

"Our filing outlines the importance and the need for this additional generation," said Ed Staton, vice president of State Regulation and Rates. "Due to the more stringent environmental regulations, we are planning to retire six of our older-coal fired units, which will require us to build additional units to serve our customers' energy needs in the future."

"Our plan creates economic development in western Kentucky and provides LG&E and KU customers with reliable, low-cost energy that will meet the latest set of federal EPA regulations," added Staton.

The utilities intend to have the NGCC unit online in 2018 and the solar facility online in 2016. If approved, LG&E and KU's generation capacity will be 59 percent coal-fired, 40 percent natural gas-fired and 1 percent renewable.

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Louisville Gas and Electric Company and Kentucky Utilities Company, part of the PPL Corporation (NYSE: PPL) family of companies, are regulated utilities that serve a total of 1.2 million customers and have consistently ranked among the best companies for customer service in the United States. LG&E serves 318,000 natural gas and 393,000 electric customers in Louisville and 16 surrounding counties. KU serves 539,000 customers in 77 Kentucky counties and five counties in Virginia. More information is available at lge-ku.com and pplweb.com.

For further information: LG&E and KU, 502-627-4999 (Toll-free: 888-627-4999)

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