LG&E and KU receive approval for new generation and energy efficiency programs

More balanced generation portfolio allows utilities to maintain safe, reliable service well into the future.

(LOUISVILLE, Ky.) – Louisville Gas and Electric Company and Kentucky Utilities Company received approval yesterday (Nov. 6) from the Kentucky Public Service Commission to retire two aging coal generation units and build a new natural gas combined-cycle generating unit at its Mill Creek Generating Station. The commission also approved more than 1,000 megawatts of solar energy and battery storage and one of the largest energy efficiency portfolios in the company's history.

"We put forth the least-cost plan to continue serving our customers in a safe and reliable manner," said John Crockett, president of LG&E and KU. "We are pleased that the commission approved many aspects of our plan that will allow us to continue serving our customers safely and reliably, though we remain concerned that the deferral of the second NGCC could increase costs to customers."

Specifically, the order approves one of the two approximately 640-megawatt natural gas combined-cycle units; building a 120-megawatt solar array in Mercer County and acquiring another in Marion County; a 125-megawatt battery storage unit and 14 new energy efficiency offerings. The utilities also are authorized, subject to certain conditions, to secure four power purchase agreements for additional solar generation in excess of 600 megawatts and to retire two coal units, Mill Creek 1 and 2, totaling 600 megawatts and three small natural gas turbines.

The commission deferred the second NGCC given its denial of the retirements of the coal units, Ghent 2 and Brown 3. The commission noted the need for additional clarity surrounding environmental regulations as the basis for its decision.

The utilities' new energy efficiency programs will be the largest in the companies' history, reducing their overall need for future generation by nearly 200 megawatts. Importantly, it includes expanded programs and benefits for low-income customers that include weatherization, energy audits, and smart thermostats. The utilities also received approval for an appliance recycling program for residential customers and small businesses as well as incentives for customers who reduce their consumption during times of high energy demand.

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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 more than 1.3 million customers and have consistently ranked among the best companies for customer service in the United States. LG&E serves 334,000 natural gas and 433,000 electric customers in Louisville and 16 surrounding counties. KU serves 569,000 customers in 77 Kentucky counties and five counties in Virginia. More information is available at www.lge-ku.com and www.pplweb.com.

For further information: call the LG&E and KU media hotline at 502-627-4999.

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