



TO: Mayor Linda Gorton
Urban County Council

FROM: Jennifer M. Carey
Jennifer M. Carey, P.E., Director
Division of Environmental Services

DATE: February 14, 2023

SUBJECT: Kentucky Utilities Solar Share Program

Request

The purpose of this memorandum is to request approval to participate in the Kentucky Utilities (KU) Solar Share Program with the purchase of 24 solar shares at a cost of \$799.00/share, with each share representing a share of solar capacity in LGE-KU's solar farm, for a term of 25 years, for a total of \$19,176.00 using Energy Improvement Funds. The cost reflects a one-time payment and shares may be transferred to another LFUCG account with KU in the event of early termination of service.

Why are you requesting?

Subscribers to the program share the energy produced from LGE-KU's solar farm in Simpsonville, Kentucky. Solar shares do not create or imply any ownership interest in the farm or investment interest – the term “share” refers to the sharing of solar capacity. Each share acts like a virtual electric meter, potentially offsetting electricity at the subscriber's actual meter or generating a credit if the share's output exceeds actual use. LFUCG is able to take advantage of the program by (1) having a diverse portfolio of accounts from which to match a specific facility with the appropriate number of shares, and (2) being able to make a long term commitment.

Versailles Rd Building #2 has been selected for the program because its electrical rate and historical electric load are compatible with a solar offset, yet the building's roof is not ideal for physically supporting solar panels.

This will be LFUCG's second application to the Solar Share Program, yielding a total investment of 44 shares. When complete, the solar farm at Simpsonville will have a capacity of 4 MW, representing approximately 16,000 shares.



What is the cost in this budget year and future budget years?

The cost for FY23 is \$19,176.00. Additional solar shares for LFUCG's purchase are possible and may be recommended in future budget years.

Are the funds budgeted?

Yes, funds are budgeted in 1116-313201-3099-71299 2022 EIF_PROJ EIF.

File Number: 0208-23

Director / Commissioner: Carey / Albright

