

Utilities detail 'green' program

Customers can fund hydropower plant
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Louisville Gas and Electric Co. and Kentucky Utilities customers who participate in the utilities' "green power" program will support a small hydropower plant on the Kentucky River, officials announced yesterday.

The program is being sold voluntarily to residential and industrial customers in monthly increments of \$5 and \$13, respectively, as a way to offset heat-trapping gases from coal that contribute to global warming.



In exchange, the utilities, through a third-party broker, San Francisco-based 3Degrees, will invest in the renovations of an 80-year-old hydropower plant at Lock and Dam No. 7 near Shaker Village.

It's the first hydropower plant in Kentucky to be certified as having a "low impact" on the environment by the Low Impact Hydropower Institute, a group supported by several national environmental advocacy organizations. The certification means the power plant will have a minimal effect on river flows, water quality, fish passage, endangered species and other factors.

"Renovation of this retired ... renewable energy plant is very expensive and time consuming," said David Brown Kinloch, president of Lock 7 Hydro Partners, the group making repairs and operating it. "The green energy dollars will enable us to get more green power on line faster than we could otherwise."

Of each \$5 increment, the residential customer's utility will take \$1.25 to cover marketing for the program, said Chris Whelan, a spokeswoman for E.On U.S., the parent of LG&E and KU.

The remainder goes to 3Degrees, which will then pay the Lock 7 partners an undisclosed percentage.

Gabe Petlin, director of regulatory affairs and carbon markets for 3Degrees, called it a "very equitable portion" that will make development of the plant possible.

Revealing the percentage would put his group at a competitive disadvantage, he said.

The Kentucky Public Service Commission approved the green energy program in June.

Whelan said E.On. U.S. is pleased the money will be directed to a Kentucky project. She acknowledged, however, that the program has not been as popular as anticipated, drawing 260 customers so far instead of an anticipated 1,500.

Kinloch said the number would grow now that people know what they will be investing in.

The dam generates power from the river as it flows by, Kinloch said.

Named Mother Ann Lee after the founder of the Shakers, it was operated by KU from 1927 to 1999, and sold to Kinloch's group in 2005. The partnership includes Salt River Electric Cooperative, which is buying electricity from the plant.

Revenues from Salt River customers won't cover all costs of repairing and running the plant, Kinloch said. By selling the "renewable energy credits" to E.On customers, the partners should be able to cover expenses, he said.

Two of three turbines are running but need work, Kinloch said. The third remains idle.

When renovations are complete, the plant will supply up to 2 megawatts of electricity, enough to power 2,000 homes.

That will eliminate about 16 million tons of heat-trapping gases a year, Kinloch said.

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