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K&L Gates' ReNEWS Southeast – Volume 13

K&L Gates reports on the latest renewable energy policies and activities in the southeastern United States.

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K&L Gates' ReNEWS Southeast is a monthly update that tracks key developments in renewable energy policy, activities, and technologies that are driving the industry forward.

100 MW Solar Project Planned in Kentucky.

- On January 23, 2020, [Louisville Gas and Electric Company](#) (“LG&E”) and [Kentucky Utilities Company](#) (“KU”) filed an [application](#) for approval of a 20-year solar power contract with Rhudes Creek Solar, LLC. Under the proposed contract, LG&E and KU would purchase the output of a 100-megawatt (“MW”) solar facility to be constructed in Hardin County, Kentucky. This project would be the largest solar generating facility in Kentucky by far, eclipsing the 10-MW facility located at the utilities’ E.W. Brown Generating Station.
- LG&E and KU also seek approval to enter into renewable power agreements with [Toyota Motor Manufacturing Kentucky, Inc.](#) and with [Dow Silicones Corporation](#) under which portions of the facility’s output will be sold to the companies for use at their Kentucky-based facility. Under the renewable power agreements, Toyota will receive 50 percent of the facility output and Dow will receive 25 percent. LG&E and KU will use the remaining 25 percent to serve native load customers. The application notes the native load portion of the output will be used to displace “higher cost energy in the course of the Companies’ economic dispatch of their fossil fuel generation units.”
- This planned development is remarkable in a state like Kentucky that has historically relied almost exclusively on coal-fired electric generation and ranks 44th in the country for solar adoption.

Virginia Senate Committee Moves Updated Energy Goals to Senate Floor

- On January 20, 2020, the Virginia Senate [Commerce and Labor Committee](#) approved a bill to update the [Commonwealth Energy Policy](#) along with measures to include nuclear energy within the category of clean energy with a plan to develop how nuclear energy adds to the state’s renewable energy goals. The proposed revisions, which have moved to the Senate floor, would update the policy with new energy goals that surpass targets created by Governor Ralph Northam’s Executive Order Forty-Three, as covered in [previous ReNEWS Southeast issues](#). The updates set a goal of net-zero carbon emissions statewide by 2045.
- [Trade press](#) reports that public utilities and environmental groups, such as Sierra Club’s Virginia Chapter, support the bill. Two members of the committee, Senator Stephen Newman (R-Bedford) and Mark Obenshain (R-Rockingham) opposed the bill, and Senator Tommy Norment (R-James City County) abstained.

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- In addition, on January 17, 2020, [trade press](#) reported that telecom giant [Sprint Corporation](#) (“Sprint”) signed an agreement with [Direct Energy Renewable Services](#) to energize all of its locations in Virginia entirely with renewable energy. More than 800 Sprint locations, including retail stores, telephone towers, and corporate offices in Reston, Virginia, will receive 100 percent renewable energy to meet Sprint’s annual demand for more than 88,000 megawatt hours (“MWh”). The contract follows Sprint’s recent [corporate commitment](#) to carbon neutrality for all operations by 2025.

UK Investor US Solar Fund Acquires 39-MW North Carolina Solar Portfolio

- [US Solar Fund PLC](#), a London-listed investment fund [started in early 2019](#), has closed on the purchase of eight on-line solar power facilities in the State of North Carolina.
- The deal, [announced in December 2019](#), closed in [two phases](#) during the first half of January. The facilities are under long-term power purchase agreements (“PPAs”) with subsidiaries of [Duke Energy](#) and have a weighted average of around 10 years remaining on those agreements.

West Virginia House Bills Introduced to Spur Power Purchase Agreements in Renewable Energy Development

- On January 8, 2020, two West Virginia House bills were introduced that could open the door to more renewable choices.
- [House Bill \(“HB”\) 2911](#) proposes to allow electric customers to invest in and install renewable and alternative energy sources on their property and ultimately enter into PPAs. Currently, such arrangements are unavailable to individuals and third parties because of the risk of being classified as a “public utility” under West Virginia law. HB 2911 would amend the existing [West Virginia Public Utility Commission](#) (“WVPUC”) statute in order to exempt renewable developments on premises of a retail customer that are leased to the customer or that are subject to a PPA from the definition of “public utility” (removing the WVPUC’s jurisdiction).
- [HB 3072](#) seeks to, by way of an entirely new article in the WVPUC statute, allow third parties to enter into PPAs but focuses on solar photovoltaic installations. HB 3072 details the benefits of allowing PPAs for solar development in West Virginia but defers the specifics of implementation to the WVPUC for rulemaking.

Duke Energy Renewables Finalizes Acquisition of Nine More Georgia Solar Facilities

- On January 15, 2020, Duke Energy [announced](#) that its subsidiary, Duke Energy Renewables, had finalized the acquisition of nine solar projects in Georgia. The portfolio, developed with [Inman Solar](#), will use 81,060 solar panels and increase Duke Energy’s Georgia solar portfolio from 27.4 MW to 47.4 MW. Duke Energy has already signed 30- or 35-year PPAs with [Georgia Power](#) to sell the projects’ energy and renewable attributes.
- In August 2019, Duke Energy, in collaboration with [SolAmerica Energy](#), developed nine different Georgia solar facilities, as reported in [ReNEWS Southeast Volume 8](#). Both portfolios will contribute to Duke Energy’s goal of owning or purchasing 8,000 MWs of wind, solar, and biomass energy by the end of 2020 and carbon-reduction objectives. We previously reported on Duke Energy’s pledge to reach net-zero carbon emissions from electrical generation by 2050 and an interim carbon reduction goal of 50 percent by 2030 in [ReNEWS Southeast Volume 10](#).

Energy Storage Association to Host Policy Forum in Washington DC

- There are still a few tickets left for those who want to join the Energy Storage Association for one of the best energy policy discussions of the year: The 2020 ESA Policy Forum held on February 12, 2020 in Washington, DC.
- This year's speakers include U.S. Rep. Sean Casten (Illinois), FERC Commissioner Richard Glick, key energy chairs and commissioners of six states, and decisionmakers with six Independent System Operators to help discuss the following issues:
 1. How are states and regions moving ahead on energy storage decisions while awaiting important decisions in Washington on incentives and federal authority?
 2. Is there a real chance of a standalone storage ITC passage this year since it gained pivotal bipartisan, bicameral reception in December 2019?
 3. How would passage of a federal tax credit or FERC's treatment of distributed resources in wholesale markets dramatically change energy market dynamics?
 4. What new statewide plans are being made for resilience from Puerto Rico to California?

Come hear the latest, most direct insights from federal and state energy leaders. But space is limited and filling fast: register now to take part in this rare energy policy discussion. [You can click here to register.](#)

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