



Kentucky Sustainable
Energy Alliance



"By improving home energy efficiency and tapping renewable energy sources, we create local jobs and provide households with utility bills that will continue to be affordable. In essence, everyone benefits."

-Dave Kreher
Executive Director of People's Self
Help Housing, Lewis County



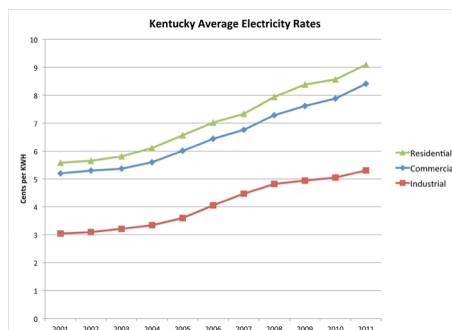
"Energy is a farming family's largest input cost. Energy efficiency and renewable energy turn a farm liability into a profitable asset!"

-Adam Barr
Barr Farms, Meade County

Clean Energy Opportunity Act (HB229) Investments That Work for Kentuckians

By passing this bill, we have an opportunity to:

Curb energy costs for our families, farms and businesses



Kentucky's electricity rates rose 68% from 2001 to 2011. That upward trend is expected to continue with or without this legislation. However, a recent study shows that this legislation will LOWER average utility bills by 8-10% in Kentucky over the next decade, compared to the business-as-usual scenario.

Use our resources and know-how to put people to work and get our economy back on track



Clean energy is one of Kentucky's fastest growing job markets, employing thousands of people right now across the state. Workers are making Kentucky's homes more efficient and over 100 schools have received clean energy upgrades (i.e. Bowling Green's Richardsville Elementary, left). Many clean energy businesses have also located in

Kentucky, including manufacturing plants making energy efficient appliances. **The bill is projected to create 28,000 new jobs for Kentuckians over the next decade.**

Improve our health and well-being

Local electric co-ops in Eastern Kentucky are improving Kentuckians' homes to help them save energy, money and enjoy a better quality of life through a program called How\$mart. The costs associated with the upgrades are paid back from a portion of the monthly energy savings. Joyce Mullins, a retiree living on a fixed income in McKee, is putting money in her pocket every month as a result. She says "My house is now a comfortable place to live." **This bill will bring these win-win programs to utility customers all across the state!**

The bill doesn't cost the state any tax revenue!



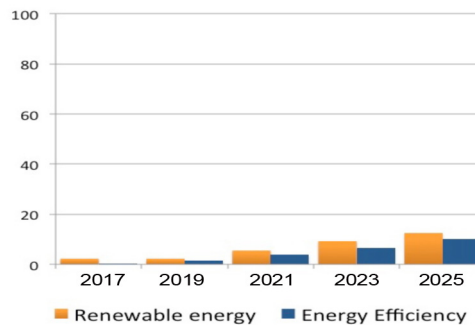
"I was eager to come back to Kentucky and start a renewable energy company. However in order for renewables to be scalable here, we need sound energy policies that enable industries to really take off. If Kentucky continues to lag behind in production of renewables, we are the ones that are going to pay for it."

***– Matt Partymiller,
Operating Manager
Solar Energy Solutions
Scott County***

Clean Energy Opportunity Act (HB229) Components

A renewable and efficiency portfolio standard (REPS) requires electric utilities to meet specified energy savings and renewable energy goals.

Kentucky REPS as % of Total Energy Portfolio



2025 Energy Savings Goal:

10.25% of annual cumulative retail sales will be achieved through consumer demand reduction programs, with a portion of savings achieved directly from efficiency improvements in low-income households.

2025 Renewable Energy Goal:

12.5% of retail sales will be provided from renewable sources - solar, geothermal, wind, low-impact biomass, hydro-power, landfill gas, anaerobic digestion and the renewable portion of co-generation – with a specified portion achieved by solar energy only.

Feed-in tariffs (FITs) establish payment rates that utilities pay in-state renewable energy producers. FITs will rapidly accelerate the development of large and small-scale renewable energy projects.

With FITs in place, Kentucky's renewable energy project developers are assured in advance that utility companies will purchase their power at set rates and for a set amount of time. They help utilities meet their renewable energy production goals and create more stability in the energy supply.

The KY Public Service Commission will establish FITs rates at amounts equal to the cost of renewable electricity production plus a reasonable rate of return. As energy production costs decrease, these rates will similarly decline.

Under this bill, participating utilities include investor-owned utilities and electric cooperatives. Implementation costs of all bill measures are fully recoverable by participating utilities.