

Lock 7 Hydro Partners to Be Primary Supplier for LG&E and KU Green Energy Program

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Lock 7 Hydro Partners, LLC, E.ON U.S. LLC, and 3Degrees Group, Inc. announced today that Lock 7 Hydro Partners will become the primary supplier of renewable energy credits (RECs) for Louisville Gas and Electric and Kentucky Utilities companies' "Green Energy" program. The Mother Ann Lee Hydroelectric Station on the Kentucky River at Lock and Dam 7 will generate the RECs. 3Degrees, a national climate change solutions provider, has agreed to purchase all of the RECs generated by the project and has committed to supply the RECs to E.ON U.S. for the Green Energy Program.

The agreement enables LG&E and KU to offer locally produced RECs for its Green Energy program and gives LG&E and KU customers the opportunity to help develop new renewable generating capacity in Kentucky. Customers will be able to see where their money is going and watch the progress of this new Kentucky renewable resource. Once the plant is completely renovated -- a timeframe which largely depends on contributions from the Green Energy program -- it will eliminate 16 million pounds of carbon dioxide emissions annually.

"Renovation of this retired 80-year-old renewable energy plant is very expensive and time consuming. The Green Energy dollars will enable us to get more green power on-line faster than we could otherwise," said David Brown Kinloch, President of Lock 7 Hydro Partners.

"We're very pleased to offer our customers an opportunity to have a direct impact on Kentucky's environment by contributing to the growth of local renewable energy," said Chris Hermann, Senior Vice President, Energy Delivery.

The Mother Ann Lee Hydroelectric Plant, located at Lock and Dam 7 on the Kentucky River near Harrodsburg, is adjacent to Shaker Village at Pleasant Hill, and sits on land once owned by the Shakers. It was renamed the "Mother Ann Lee Hydroelectric Station," in honor of the founder of the Shakers.

The Mother Ann Lee powerhouse is located 40 feet above the spillway on three concrete piers, an unusual feature in hydroelectric facilities that allows it to remain above the flood elevation. There is no road access to the plant, making it only accessible by boat or on foot. The plant contains three turbine-generators, each rated at 680 kilowatts. Three, 7 1/2 foot diameter propeller turbines will pass more than 1 million gallons of water per minute. The combined plant rated output is just over two megawatts, and will produce 8,300,000 kWh of electricity in an average year after being fully renovated. Salt River Electric is purchasing the electricity produced at the plant.

Lock 7 Hydro Partners purchased the retired Lock 7 hydro plant in December 2005 and began renovation in March 2006. After extensive rehabilitation work, one of the plant's three hydroelectric generators began producing power again on March 9, 2007. A second generator became operational in October. The third generating unit is currently being rehabilitated and will require much more work than the first two units. It's expected to be operational in late 2008.

The Mother Ann Lee Hydroelectric Station has received a special, "Super-Green" certification. In March 2007, the plant became one of only 28 U.S. hydro projects to receive Low Impact certification from the Low Impact Hydro Institute (LIHI). The rigorous evaluation done by LIHI is considered the "Green" seal of approval by Green Power certification organizations such as Green-e Energy. E.ON U.S. has applied to the national non-profit Center for Resource Solutions for Green-e certification of the program.

LG&E and KU customers can join the Green Energy program for as little as \$5 per month. For each \$5, the utilities will purchase 300 kWh of Renewable Energy Credit (REC) from Lock 7 Hydro partners, allowing customers to offset their carbon impact of their electricity usage. The revenue will primarily be used to grow the capacity of the Mother Ann Lee plant. To enroll in the Green Energy program, visit www.eon-us.com.

Lock 7 Hydro Partners is a 50/50 partnership between Shaker Landing Hydro Associates of Louisville and Salt River Electric, a member-owned Electric Cooperative based in Bardstown, Ky. Salt River Electric is a member of the East Kentucky Power Cooperative system. Renovation of the plant is being done by Shaker Landing Hydro Associates, Inc., under contract with Lock 7 Hydro Partners. The three partners in Shaker Landing Hydro Associates have been involved in hydroelectric development for more than 20 years, and developed Kentucky's first small hydro project at the Weisenberger Mill in 1989.

Tours of the Mother Ann Lee Hydroelectric Station are available to members of the media. For additional information or to schedule a tour of the plant, please contact David Brown Kinloch at 502-589-0975.

ABOUT 3DEGREES

3Degrees has served more than 150 U.S. and international business customers. Beginning in 2002, the 3Degrees team emerged as an early leader in the renewable energy marketing industry and has since set the standard for turn-key climate solutions. From voluntary reductions to understanding the regulatory market for renewable energy generation and greenhouse gas emissions, the 3Degrees team helps organizations chart a greenhouse gas strategy that fits business objectives and preferences.

More information is available at $\underline{\text{http://www.3degreesinc.com}}$. Contact: Gabe Petlin

Bibliography:

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