



KENAI SOLAR FARM

KPB ASSEMBLY PRESENTATION, OCTOBER 12, 2021

PRESENTER: JENN MILLER, CEO



DISCUSSION OUTLINE

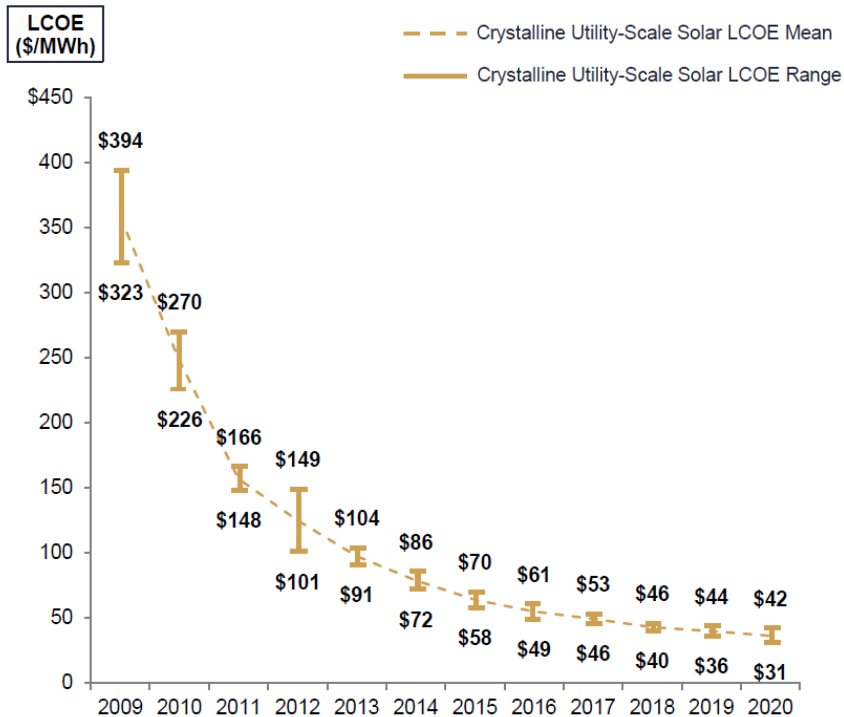
Discussion Outline

1. Solar... In Alaska?
2. Renewable IPP Company Overview
3. Independent Power Producers & Utility Scale Solar
4. Kenai Solar Farm Project
5. Property Tax Considerations
6. Next Steps



SOLAR... IN ALASKA?

Source: LAZARD
Unsubsidized Solar PV LCOE Levelized Cost of Energy Analysis, V14



- Since 2009 solar energy cost has decreased 90%
- HEA cost of generation: \$0.07-0.09/kWh
- Average US solar cost: \$0.03-\$0.04/kWh
 - Alaska's solar energy cost is higher due to lower production, but still competitive!

RENEWABLE IPP- COMPANY OVERVIEW



Mission:

- “Economic Renewable Energy for Alaska”

Who We Are:

- Alaska-grown small business, owned by 4 engineers

What We Do:

- Develop, construct & operate utility scale solar farms

Our Experience: Willow Solar Farm Project

- Alaska’s largest solar farm
- Delivered under budget & economic!



Renewable IPP Partners (left to right):
Sam Dennis, Chris Colbert, Grant Smith & Jenn Miller

INDEPENDENT POWER PRODUCERS (IPP) & THE UTILITY SCALE SOLAR BUSINESS MODEL



Independent Power Producer: An entity that is not a public utility but owns facilities to generate electric power for sale to utilities. Applies to any power generation technology (solar, wind, natural gas, hydro, etc.)

Independent Power Producer
Privately Funded
Builds & Owns Generation Plant



Utility Scale Solar Farm



Power Purchase Agreement
with Homer Electric,
RCA Approval Required

**** Pricing must be clearly competitive and benefit public to get RCA approval**

HEA Electricity Grid



Solar energy distributed to
Kenai community

Energy cost savings passed
onto KPB community

Kenai Community



Legend

- Homer Electric
- IPP
- KPB Community

KENAI SOLAR FARM PROJECT OVERVIEW



- 20 MW Output, 30 MW of Solar Panel Capacity
- Produces enough energy to support ~4,500 homes
- Provides generation to meet 6.5% of Homer Electric energy demand
- Approximately 60,000 solar panels
- 40-60 Construction jobs
- Land location identified (~160 acres), working on lease
- 30-40+ year operating life



20X the Willow Solar Farm!



PROPERTY TAXES

- Solar farms are expensive capital assets, Kenai Solar Farm ~\$30-35 million
 - Infrastructure project vs. retail business
- IPP's are at a competitive disadvantage because public utilities do not pay property taxes
- Property taxes threaten our ability to
 - Provide the lowest cost power to HEA members
 - Agree a power purchase contract with the utility & receive RCA approval



IPP PROPERTY TAX EXEMPTION REQUEST

Our Request:

- For the KPB Assembly to consider a property tax exemption for IPP's selling electricity to RCA regulated utilities
 - RCA oversight ensures electricity is cost competitive for KPB residents


Benefits to the KPB:

- Lower electricity prices for KPB residents & businesses
 - Value of property taxes are made up through electricity cost savings
 - Lower energy prices help other KPB businesses thrive
- Economic development
- Local jobs



NEXT STEPS & CONTACT INFO

- Feedback, Q&A from Assemblymembers
- KPB Resilience & Security Advisory Commission (RSAC)
 - Completing independent review
 - **November:** Memo & recommendation to KPB Assembly
- **THANK YOU!** Please Reach Out Anytime!



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