

1 AN ACT relating to nuclear energy development.

2 *Be it enacted by the General Assembly of the Commonwealth of Kentucky:*

3 ➔SECTION 1. A NEW SECTION OF KRS CHAPTER 164 IS CREATED TO  
4 READ AS FOLLOWS:

5 *(1) As used in this section:*

6 *(a) "Affiliate" means any person, partnership, or corporation that controls, is*  
7 *controlled by, or is under common control with, a utility;*

8 *(b) "Authority" means the Kentucky Nuclear Energy Development Authority*  
9 *established in Section 3 of this Act;*

10 *(c) "Combined operating license" means a license issued by the United States*  
11 *Nuclear Regulatory Commission pursuant to 10 C.F.R. sec. 52.71 et seq., or*  
12 *other licensing frameworks as may be adopted in federal regulations by the*  
13 *United States Nuclear Regulatory Commission for advanced nuclear*  
14 *generating reactors, that enables its holder to construct and operate a*  
15 *nuclear power plant at a specific site;*

16 *(d) "Construction permit" means a permit issued by the United States Nuclear*  
17 *Regulatory Commission pursuant to 10 C.F.R. pt. 50 that enables its holder*  
18 *to construct a nuclear power plant at a specific site;*

19 *(e) "Early site permit" means a permit issued by the United States Nuclear*  
20 *Regulatory Commission pursuant to 10 C.F.R. sec. 52.12 et seq. that*  
21 *enables its holder to secure federal site approval for a nuclear power plant*  
22 *site prior to seeking an operating reactor license from the United States*  
23 *Nuclear Regulatory Commission;*

24 *(f) "Eligible applicant" means any utility or any affiliate of a utility and any*  
25 *current or prospective customer of a utility that is acting in partnership or*  
26 *collaboration with the utility or the affiliate;*

27 *(g) "Generation III Plus" means the generation of nuclear reactor design*

1 following Generation III that incorporates passive and other safety  
 2 measures and design improvements not included in previous nuclear  
 3 reactor designs;

4 (h) "Generation IV" means the nuclear reactor designs identified and selected  
 5 by the Generation IV International Forum as follows:

6 1. Sodium-cooled fast reactors;

7 2. Gas-cooled fast reactors;

8 3. Lead-cooled fast reactors;

9 4. Molten salt reactors;

10 5. Supercritical water-cooled reactors; and

11 6. Very high temperature reactors;

12 (i) "Nuclear energy generating facility" means a facility containing a nuclear  
 13 reactor of Generation III Plus, Generation IV, or later design that produces  
 14 electricity, at least some of which is sold to the public; and

15 (j) "Utility" means a person, firm, corporation, association, cooperative  
 16 corporation, federally-owned electric utility corporation, or municipal  
 17 corporation who owns, controls, operates, or manages any facility used or to  
 18 be used for or in connection with the generation, production, transmission,  
 19 or distribution of electricity to or for the public for compensation.

20 (2) (a) The authority shall create and implement the Nuclear Reactor Site  
 21 Readiness Pilot Program to facilitate the application for and procurement  
 22 of early site permits, construction permits, or combined operating licenses  
 23 from the United States Nuclear Regulatory Commission for the siting of  
 24 new nuclear energy generating facilities in the Commonwealth.

25 (b) Upon recommendation of the authority, the General Assembly may award  
 26 eligible applicants grant funding of up to one-third (1/3) of the actual costs  
 27 incurred in applying for and procuring an early site permit, construction

1 permit, or combined operating license, not to exceed twenty-five million  
 2 dollars (\$25,000,000) per project.

3 (c) The authority shall:

- 4 1. Create grant applications;  
 5 2. Establish grant applicant eligibility requirements;  
 6 3. Establish objective scoring criteria to evaluate grant applications;  
 7 4. Review any partnership agreement between eligible applicants for  
 8 validity and completeness and to ensure that the agreement provides  
 9 for the surety bonding or similar security requirements required under  
 10 subsection (4) of this section and repayment responsibilities for all  
 11 partners in the event that forfeiture and repayment of grant funding is  
 12 required under subsection (5) of this section; and  
 13 5. Make determinations on applicant eligibility and evaluate and score  
 14 each eligible applicant's grant application, in consultation with the  
 15 Energy and Environment Cabinet's Office of Energy Policy and the  
 16 Cabinet for Economic Development, according to the following  
 17 criteria:
- 18 a. The location, suitability, and previous use of the site for which  
 19 the early site permit, construction permit, or combined operating  
 20 license is sought;
- 21 b. The economic condition of the region where the new nuclear  
 22 energy generating facility would be located;
- 23 c. The economic impact that the siting of a new nuclear energy  
 24 generating facility would have in the region;
- 25 d. Whether, in relation to other pending or past grant applications  
 26 or awards under this section, the proposed site would be located  
 27 in a geographically diverse region of the Commonwealth;

1                    e. The amount of additional investment being made in the proposed  
 2                    project by the eligible applicant or applicants or other sources;  
 3                    and

4                    f. Any other criteria the authority deems appropriate to evaluate.

5                    (d) Notwithstanding any provision of law to the contrary, any information,  
 6                    data, or records provided as part of an application for grant funding under  
 7                    this section shall be confidential and exempt from disclosure under the  
 8                    requirements of KRS 61.870 to 61.884.

9                    (3) (a) To be eligible to apply for grant funding under this section, eligible  
 10                    applicants must demonstrate that:

11                    1. The community where the proposed site of the new nuclear energy  
 12                    generating facility would be located has applied for a nuclear-ready  
 13                    community designation under KRS 164.2804; and

14                    2. There would be material benefits, including but not limited to the  
 15                    provision of electric utility service, job creation, and return on  
 16                    investment to the ratepayers and the impacted community to be served  
 17                    by the proposed new nuclear energy generating facility.

18                    (b) To be eligible to be awarded grant funding under this section, eligible  
 19                    applicants must demonstrate that the community where the proposed site of  
 20                    the new nuclear energy generating facility would be located has received a  
 21                    nuclear-ready community designation under KRS 164.2804.

22                    (4) In exchange for any grant funding authorized by the General Assembly under  
 23                    this section, the utility or the affiliate and any partners it may have shall procure  
 24                    a surety bond or other similar security acceptable to the authority in the amount  
 25                    of the grant funding to be awarded. The surety bond or similar security shall bind  
 26                    the principal or principals and the surety to the Commonwealth to repay all grant  
 27                    monies forfeited pursuant to subsection (5) of this section. The surety bond or

1 other similar security shall be continuous and remain in effect until the  
 2 completion of the construction of the nuclear energy generating facility for which  
 3 the permit or license was issued or upon the repayment of all forfeited grant  
 4 funds pursuant to subsection (5) of this section. Any cancellation of the bond or  
 5 similar security shall not occur until thirty (30) days written notice is provided by  
 6 the provider of the surety bond or other similar security to the authority.

7 (5) A grant funding recipient and all of its partners shall forfeit and repay all grant  
 8 funding awarded under this section within sixty (60) days of:

9 (a) Failing to apply to the United States Nuclear Regulatory Commission for a  
 10 construction permit or combined operating license for a nuclear energy  
 11 generating facility, or for a necessary license issued under other licensing  
 12 frameworks that may be adopted in federal regulations by the United States  
 13 Nuclear Regulatory Commission for advanced nuclear generating reactors,  
 14 for which an early site permit was awarded within five (5) years of obtaining  
 15 the early site permit. The authority may approve extensions of the deadline  
 16 established by this paragraph in one (1) year increments for good cause  
 17 shown;

18 (b) Failing to commence construction of the nuclear energy generating facility  
 19 for which all necessary permits or licenses have been awarded by the United  
 20 States Nuclear Regulatory Commission within ten (10) years of obtaining  
 21 all necessary permits or licenses. The authority may approve extensions of  
 22 the deadline established by this paragraph in one (1) year increments for  
 23 good cause shown; or

24 (c) The transferring of the entirety of a utility's or affiliate's interest in the  
 25 early site permit, the construction permit, or the combined operating license  
 26 to an entity other than another utility prior to the commencement of  
 27 construction of the nuclear energy generating facility for which a permit or

1           license was awarded, unless the authority finds that the transfer is in the  
 2           best interest of the Commonwealth.

3           ➔SECTION 2. A NEW SECTION OF KRS CHAPTER 278 IS CREATED TO  
 4 READ AS FOLLOWS:

5           (1) As used in this section:

6           (a) "Combined operating license" means a license issued by the United States  
 7           Nuclear Regulatory Commission pursuant to 10 C.F.R. sec. 52.71 et seq.  
 8           that enables its holder to construct and operate a nuclear power plant at a  
 9           specific site;

10          (b) "Construction permit" means a permit issued by the United States Nuclear  
 11          Regulatory Commission pursuant to 10 C.F.R. pt. 50 that enables its holder  
 12          to construct a nuclear power plant at a specific site;

13          (c) "Early site permit" means a permit issued by the United States Nuclear  
 14          Regulatory Commission pursuant to 10 C.F.R. sec. 52.12 et seq. that  
 15          enables its holder to secure federal site approval for a nuclear power plant  
 16          site prior to seeking an operating reactor license from the United States  
 17          Nuclear Regulatory Commission;

18          (d) "Generation III Plus" means the generation of nuclear reactor design  
 19          following Generation III that incorporates passive and other safety  
 20          measures and design improvements not included in previous nuclear  
 21          reactor designs;

22          (e) "Generation IV" means the nuclear reactor designs identified and selected  
 23          by the Generation IV International Forum as follows:

24                1. Sodium-cooled fast reactors;

25                2. Gas-cooled fast reactors;

26                3. Lead-cooled fast reactors;

27                4. Molten salt reactors;

1           **5. Supercritical water-cooled reactors; and**

2           **6. Very high temperature reactors; and**

3           **(f) "Nuclear energy generating facility" means a facility containing a nuclear**  
4           **reactor of Generation III Plus, Generation IV, or later design that produces**  
5           **electricity, at least some of which is sold to the public.**

6           **(2) (a) Notwithstanding any provision of law to the contrary, upon application by a**  
7           **regulated utility, the commission may allow for the recovery of costs which**  
8           **are not covered in the existing rates of the utility that have been incurred in:**

9           **1. Applying for and procuring an early site permit, construction permit,**  
10           **or combined operating license for a new nuclear energy generating**  
11           **facility to be located within the Commonwealth; and**

12           **2. Procuring and maintaining a surety bond or similar security required**  
13           **for a grant funding recipient under the Nuclear Reactor Site**  
14           **Readiness Pilot Program established in Section 1 of this Act.**

15           **(b) The commission shall not allow cost recovery under this section for any**  
16           **amounts that have been offset by grant funding awarded pursuant to**  
17           **Section 1 of this Act.**

18           ➔ Section 3. KRS 154.32-010 is amended to read as follows:

19           (1) "Activation date" means the date established in the tax incentive agreement that is  
20           within two (2) years of final approval;

21           (2) "Affiliate" means the following:

22           (a) Members of a family, including only brothers and sisters of the whole or half  
23           blood, spouse, ancestors, and lineal descendants of an individual;

24           (b) An individual, and a corporation more than fifty percent (50%) in value of the  
25           outstanding stock of which is owned, directly or indirectly, by or for that  
26           individual;

27           (c) An individual, and a limited liability company of which more than fifty

- 1           percent (50%) of the capital interest or profits are owned or controlled,  
2           directly or indirectly, by or for that individual;
- 3       (d) Two (2) corporations which are members of the same controlled group, which  
4       includes and is limited to:
- 5           1. One (1) or more chains of corporations connected through stock  
6           ownership with a common parent corporation if:
- 7               a. Stock possessing more than fifty percent (50%) of the total  
8               combined voting power of all classes of stock entitled to vote or  
9               more than fifty percent (50%) of the total value of shares of all  
10              classes of stock of each of the corporations, except the common  
11              parent corporation, is owned by one (1) or more of the other  
12              corporations; and
- 13               b. The common parent corporation owns stock possessing more than  
14              fifty percent (50%) of the total combined voting power of all  
15              classes of stock entitled to vote or more than fifty percent (50%) of  
16              the total value of shares of all classes of stock of at least one (1) of  
17              the other corporations, excluding, in computing the voting power  
18              or value, stock owned directly by the other corporations; or
- 19           2. Two (2) or more corporations if five (5) or fewer persons who are  
20           individuals, estates, or trusts own stock possessing more than fifty  
21           percent (50%) of the total combined voting power of all classes of stock  
22           entitled to vote or more than fifty percent (50%) of the total value of  
23           shares of all classes of stock of each corporation, taking into account the  
24           stock ownership of each person only to the extent the stock ownership is  
25           identical with respect to each corporation;
- 26       (e) A grantor and a fiduciary of any trust;
- 27       (f) A fiduciary of a trust and a fiduciary of another trust, if the same person is a

- 1 grantor of both trusts;
- 2 (g) A fiduciary of a trust and a beneficiary of that trust;
- 3 (h) A fiduciary of a trust and a beneficiary of another trust, if the same person is a  
4 grantor of both trusts;
- 5 (i) A fiduciary of a trust and a corporation more than fifty percent (50%) in value  
6 of the outstanding stock of which is owned, directly or indirectly, by or for the  
7 trust or by or for a person who is a grantor of the trust;
- 8 (j) A fiduciary of a trust and a limited liability company more than fifty percent  
9 (50%) of the capital interest, or the interest in profits, of which is owned  
10 directly or indirectly, by or for the trust or by or for a person who is a grantor  
11 of the trust;
- 12 (k) A corporation, a partnership, or a limited partnership if the same persons own:  
13 1. More than fifty percent (50%) in value of the outstanding stock of the  
14 corporation; and  
15 2. More than fifty percent (50%) of the capital interest, or the profits  
16 interest, in the partnership or limited partnership;
- 17 (l) A corporation and a limited liability company if the same persons own:  
18 1. More than fifty percent (50%) in value of the outstanding stock of the  
19 corporation; and  
20 2. More than fifty percent (50%) of the capital interest or the profits in the  
21 limited liability company;
- 22 (m) A partnership or limited partnership and a limited liability company if the  
23 same persons own:  
24 1. More than fifty percent (50%) of the capital interest or profits in the  
25 partnership or limited partnership; and  
26 2. More than fifty percent (50%) of the capital interest or the profits in the  
27 limited liability company;

- 1 (n) An S corporation and another S corporation if the same persons own more  
 2 than fifty percent (50%) in value of the outstanding stock of each corporation;  
 3 S corporation designation being the same as that designation under the  
 4 Internal Revenue Code of 1986, as amended;
- 5 (o) An S corporation and a C corporation, if the same persons own more than  
 6 fifty percent (50%) in value of the outstanding stock of each corporation; S  
 7 and C corporation designations being the same as those designations under the  
 8 Internal Revenue Code of 1986, as amended; or
- 9 (p) Two (2) or more limited liability companies, if the same persons own more  
 10 than fifty percent (50%) of the capital interest or are entitled to more than fifty  
 11 percent (50%) of the capital profits in the limited liability companies;
- 12 (3) "Agribusiness" means the processing of raw agricultural products, including but not  
 13 limited to timber and industrial hemp, or the performance of value-added functions  
 14 with regard to raw agricultural products;
- 15 (4) "Alternative fuel production" means a Kentucky operation that primarily produces  
 16 alternative transportation fuels for sale. The alternative fuel production may  
 17 produce electricity as a by-product if the primary function of the operations remains  
 18 the production and sale of alternative transportation fuels;
- 19 (5) "Alternative transportation fuels" has the same meaning as in KRS 152.715;
- 20 (6) "Approved company" means an eligible company that has received final approval  
 21 to receive incentives under this subchapter;
- 22 (7) "Approved costs" means the amount of eligible costs approved by the authority at  
 23 final approval;
- 24 (8) "Authority" means the Kentucky Economic Development Finance Authority  
 25 established by KRS 154.20-010;
- 26 (9) "Biomass resources" has the same meaning as in KRS 152.715;
- 27 (10) "Capital lease" means a lease classified as a capital lease by the Statement of

1 Financial Accounting Standards No. 13, Accounting for Leases, issued by the  
2 Financial Accounting Standards Board, November 1976, as amended;

3 (11) "Carbon dioxide or hydrogen transmission pipeline" means the in-state portion of a  
4 pipeline, including appurtenant facilities, property rights, and easements, that is  
5 used exclusively for the purpose of transporting carbon dioxide or hydrogen to the  
6 point of sale, storage, or other carbon or hydrogen management applications;

7 (12) "Coal severing and processing" means activities resulting in the eligible company  
8 being subject to the tax imposed by KRS Chapter 143;

9 (13) "Commonwealth" means the Commonwealth of Kentucky;

10 (14) "Confirmed approved costs" means:

11 (a) For owned economic development projects, the documented eligible costs  
12 incurred on or before the activation date; or

13 (b) For leased economic development projects:

14 1. The documented eligible costs incurred on or before the activation date;  
15 and

16 2. Estimated rent to be incurred by the approved company throughout the  
17 term of the tax incentive agreement.

18 For both owned and leased economic development projects, "confirmed approved  
19 costs" may be less than approved costs, but shall not be more than approved costs;

20 (15) "Department" means the Department of Revenue;

21 (16) "Economic development project" means:

22 (a) The acquisition, leasing, or construction of a new facility;

23 (b) The acquisition, leasing, rehabilitation, or expansion of an existing facility; or

24 (c) The installation and equipping of a facility;

25 by an eligible company. "Economic development project" does not include any  
26 economic development project that will result in the replacement of facilities  
27 existing in the Commonwealth, except as provided in KRS 154.32-060;

1 (17) (a) "Eligible company" means any corporation, limited liability company,  
 2 partnership, limited partnership, sole proprietorship, business trust, or any  
 3 other entity with a proposed economic development project that is engaged in  
 4 or is planning to be engaged in one (1) or more of the following activities  
 5 within the Commonwealth:

- 6 1. Manufacturing;
- 7 2. Agribusiness;
- 8 3. Nonretail service or technology;
- 9 4. Headquarters operations, regardless of the underlying business activity  
 10 of the company;
- 11 5. Alternative fuel, gasification, energy-efficient alternative fuel, or  
 12 renewable energy production;
- 13 6. Carbon dioxide or hydrogen transmission pipeline;
- 14 7. Coal severing and processing;~~[-or]~~
- 15 8. Hospital operations; or
- 16 9. Development of the nuclear energy ecosystem, including but not  
 17 limited to nuclear energy generating facility siting and development.

18 (b) "Eligible company" does not include companies where the primary activity to  
 19 be conducted within the Commonwealth is forestry, fishing, the provision of  
 20 utilities, except as provided in paragraph (a)9. of this subsection,  
 21 construction, wholesale trade, retail trade, real estate, rental and leasing,  
 22 educational services, accommodation and food services, or public  
 23 administration services;

24 (18) "Eligible costs" means:

- 25 (a) For owned economic development projects:
  - 26 1. Start-up costs;
  - 27 2. Nonrecurring obligations incurred for labor and nonrecurring payments

- 1 to contractors, subcontractors, builders, and materialmen in connection  
 2 with the economic development project;
- 3 3. The cost of acquiring land or rights in land and any cost incidental  
 4 thereto, including recording fees;
- 5 4. The cost of contract bonds and of insurance of all kinds that may be  
 6 required or necessary for completion of an economic development  
 7 project which is not paid by a contractor or otherwise provided for;
- 8 5. All costs of architectural and engineering services, including test  
 9 borings, surveys, estimated plans and specifications, preliminary  
 10 investigations, and supervision of construction, as well as for the  
 11 performance of all the duties required for construction of the economic  
 12 development project;
- 13 6. All costs which are required to be paid under the terms of any contract  
 14 for the economic development project;
- 15 7. All costs incurred for construction activities, including site tests and  
 16 inspections; subsurface site work; excavation; removal of structures,  
 17 roadways, cemeteries, and other surface obstructions; filling, grading,  
 18 and providing drainage and storm water retention; installation of utilities  
 19 such as water, sewer, sewage treatment, gas, electric, communications,  
 20 and similar facilities; off-site construction of utility extensions to the  
 21 boundaries of the real estate; construction and installation of railroad  
 22 spurs as needed to connect the economic development project to existing  
 23 railways; or similar activities as the authority may determine necessary  
 24 for construction of the economic development project; and
- 25 8. All other costs of a nature comparable to those described above; and
- 26 (b) For leased economic development projects:
- 27 1. Start-up costs;

- 1           2.    Building/leasehold improvements; and
- 2           3.    Fifty percent (50%) of the estimated annual rent for each year of the tax
- 3                 incentive agreement.

4           Notwithstanding any other provision of this subsection, for economic development  
5           projects that are not in enhanced incentive counties, the cost of equipment eligible  
6           for recovery as an eligible cost shall not exceed twenty thousand dollars (\$20,000)  
7           for each new full-time job created as of the activation date;

8   (19) "Employee benefits" means payments by an approved company for its full-time  
9       employees for health insurance, life insurance, dental insurance, vision insurance,  
10      defined benefits, 401(k), or similar plans;

11   (20) "Energy-efficient alternative fuel production" means a Kentucky operation that  
12      produces for sale energy-efficient alternative fuels;

13   (21) "Energy-efficient alternative fuels" means homogeneous fuels that:

14       (a)    Are produced from processes designed to densify feedstock coal, waste coal,  
15              or biomass resources; and

16       (b)    Have an energy content that is greater than the feedstock coal, waste coal, or  
17              biomass resource;

18   (22) "Enhanced incentive counties" means counties certified by the authority pursuant to  
19      KRS 154.32-050;

20   (23) "Final approval" means the action taken by the authority authorizing the eligible  
21      company to receive incentives under this subchapter;

22   (24) (a)   "Full-time job" means a job held by a person who:

23       1.    Is required to work a minimum of thirty-five (35) hours per week; and

24       2.    a.    Is subject to the Kentucky individual income tax imposed by KRS  
25              141.020; or

26       b.    Works remotely away from the economic development project if  
27              the job meets all of the following conditions:

- 1                   i.    Is held by a Kentucky resident;
- 2                   ii.   Was created as a result of the economic development project;
- 3                   and
- 4                   iii.   The payroll of this job is expensed to the economic
- 5                   development project.
- 6           (b) "Full-time job" does not include a job held by a resident of any state with a
- 7           reciprocal agreement between the Commonwealth and the other state as
- 8           described in KRS 141.070;
- 9   (25) "Gasification process" means a process that converts any carbon-containing
- 10       material into a synthesis gas composed primarily of carbon monoxide and
- 11       hydrogen;
- 12   (26) "Gasification production" means a Kentucky operation that primarily produces for
- 13       sale:
- 14       (a) Alternative transportation fuels;
- 15       (b) Synthetic natural gas;
- 16       (c) Chemicals;
- 17       (d) Chemical feedstocks; or
- 18       (e) Liquid fuels;
- 19       from coal, waste coal, coal-processing waste, or biomass resources, through a
- 20       gasification process. The gasification production may produce electricity as a by-
- 21       product if the primary function of the operations remains the production and sale of
- 22       alternative transportation fuels, synthetic natural gas, chemicals, chemical
- 23       feedstocks, or liquid fuels;
- 24   (27) "Headquarters" means the principal office where the principal executives of the
- 25       entity are located and from which other personnel, branches, affiliates, offices, or
- 26       entities are controlled;
- 27   (28) "Hospital" means a facility licensed by the Cabinet for Health and Family Services

- 1 under KRS Chapter 216B for the operation of a hospital and the basic services  
2 provided by a hospital;
- 3 (29) "Incentives" means the incentives available under this subchapter, as listed in KRS  
4 154.32-020(3);
- 5 (30) "Job target" means the annual average number of new full-time jobs that the  
6 approved company commits to create and maintain at the economic development  
7 project, which shall not be less than ten (10) new full-time jobs;
- 8 (31) "Kentucky gross receipts" has the same meaning as in KRS 141.0401;
- 9 (32) "Kentucky gross profits" has the same meaning as in KRS 141.0401;
- 10 (33) "Lease agreement" means an agreement between an approved company and an  
11 unrelated entity conveying the right to use a facility, the terms of which reflect an  
12 arms' length transaction. "Lease agreement" does not include a capital lease;
- 13 (34) "Leased project" means an economic development project site occupied by an  
14 approved company pursuant to a lease agreement;
- 15 (35) "Manufacturing" means any activity involving:
- 16 (a) Processing, assembling, or production of any property, including the  
17 processing resulting in a change in the conditions of the property and any  
18 activity related to the processing, assembling, or production of property,  
19 together with the storage, warehousing, distribution, and related office  
20 facilities; or
- 21 (b) Production of vital medications, personal protective equipment, or equipment  
22 necessary to produce personal protective equipment;
- 23 (36) (a) "Nonretail service or technology" means any activity where service or  
24 technology is provided predominantly outside the Commonwealth and  
25 designed to serve a multistate, national, or international market.
- 26 (b) "Nonretail service or technology" includes but is not limited to call centers,  
27 centralized administrative or processing centers, telephone or Internet sales

- 1 order or processing centers, distribution or fulfillment centers, data processing  
2 centers, research and development facilities, and other similar activities;
- 3 (37) "Owned project" means an economic development project owned in fee simple by  
4 the approved company or an affiliate, or possessed by the approved company or an  
5 affiliate pursuant to a capital lease;
- 6 (38) "Personal protective equipment" means protective clothing, helmets, gloves, face  
7 shields, goggles, face masks, respirators, and other equipment designed to protect  
8 the user from injury or the spread of infection or illness;
- 9 (39) "Preliminary approval" means the action taken by the authority preliminarily  
10 approving an eligible company for incentives under this subchapter;
- 11 (40) "Renewable energy production" means a Kentucky operation that utilizes wind  
12 power, biomass resources, landfill methane gas, hydropower, solar power, or other  
13 similar renewable resources to generate electricity for sale to unrelated entities;
- 14 (41) "Rent" means the actual annual rent or fee paid by an approved company under a  
15 lease agreement;
- 16 (42) "Start-up costs" means nonrecurring costs incurred to furnish and equip a facility  
17 for an economic development project, including costs incurred for:
- 18 (a) Computers, furnishings, office equipment, manufacturing equipment, and  
19 fixtures;
- 20 (b) The relocation of out-of-state equipment; and
- 21 (c) Cost of fixed telecommunications equipment;
- 22 as certified to the authority in accordance with KRS 154.32-030;
- 23 (43) "Synthetic natural gas" means the same thing as in KRS 152.715;
- 24 (44) "Tax incentive agreement" means the agreement entered into pursuant to KRS  
25 154.32-040 between the authority and an approved company;
- 26 (45) "Term" means the period of time for which a tax incentive agreement may be in  
27 effect, which shall not exceed fifteen (15) years for an economic development

1 project located in an enhanced incentive county, or ten (10) years for an economic  
2 development project not located in any other county;

3 (46) "Vital medications" means any drug or biologic used to prevent or treat a serious  
4 life-threatening disease or medical condition for which there is no other available  
5 source with sufficient supply of that drug or biologic or alternative drug or biologic;

6 (47) "Wage" means the per hour earnings of a full-time employee, including wages, tips,  
7 overtime, bonuses, and commissions, as reflected on the employee's federal form  
8 W-2 wage and tax statement, but excludes employee benefits; and

9 (48) "Wage target" means the average total hourly compensation amount, including the  
10 minimum wage and employee benefits, that the approved company commits to  
11 meet for all new full-time jobs created and maintained as a result of the economic  
12 development project, which shall not be less than:

13 (a) One hundred twenty-five percent (125%) of the federal minimum wage in  
14 enhanced incentive counties; or

15 (b) One hundred fifty percent (150%) of the federal minimum wage in all other  
16 counties.

17 → Section 4. KRS 164.2802 is amended to read as follows:

18 (1) The Kentucky Nuclear Energy Development Authority is hereby established and  
19 attached to the University of Kentucky Center for Applied Energy Research for  
20 administrative purposes. The mission of the Kentucky Nuclear Energy  
21 Development Authority shall be to:

22 (a) Serve as the nonregulatory, trusted state government agency on nuclear  
23 energy issues and development in the Commonwealth; and

24 (b) Support and facilitate the development of the nuclear energy ecosystem across  
25 the Commonwealth in a collaborative manner that:

26 1. Enhances the Commonwealth's economy;

27 2. Offers energy production and economic development opportunities that

1                   are safe;

2                   3.   Protects the environment across the Commonwealth;

3                   4.   Supports community voices, especially in underrepresented or  
4                   historically impacted areas;

5                   5.   Increases energy education; and

6                   6.   Prepares a future workforce.

7   (2)   The Kentucky Nuclear Energy Development Authority shall be governed by an  
8        advisory board consisting of the following twenty-two (22) voting members and  
9        eight (8) nonvoting members:

10       (a)   Seven (7) state government members or their designees who shall be voting  
11        members:

12               1.   The director of the University of Kentucky Center for Applied Energy  
13               Research, who shall serve as chair;

14               2.   The secretary of the Energy and Environment Cabinet;

15               3.   The secretary of the Cabinet for Economic Development;

16               4.   The chair of the Public Service Commission;

17               5.   The president of the Council on Postsecondary Education;

18               6.   The secretary of the Education and Labor Cabinet; and

19               7.   The director of the Division of Emergency Management;

20       (b)   Fifteen (15) at-large members who shall be voting members:

21               1.   A representative from each of the four (4) investor-owned electric  
22               utilities operating in the Commonwealth, designated by the president of  
23               each investor-owned electric utility, unless two (2) or more of the  
24               investor-owned electric utilities are operated under common ownership,  
25               in which case only one (1) representative shall be designated for the  
26               commonly owned utilities;

27               2.   Three (3) representatives of electric cooperatives designated by the chief

1 operating officer of the Kentucky Association of Electric Cooperatives,  
2 as follows:

- 3 a. One (1) of whom shall represent distribution cooperatives; and
- 4 b. Two (2) of whom shall represent each of the generation and  
5 transmission electric cooperatives operating in the  
6 Commonwealth, unless they are operated under common  
7 ownership, in which case only one (1) representative shall be  
8 designated for the commonly owned generation and transmission  
9 electric cooperatives;
- 10 3. A representative of the Tennessee Valley Authority, designated by its  
11 chief nuclear officer;
- 12 4. A representative of municipal utilities, designated by the executive  
13 director of the Kentucky League of Cities;
- 14 5. A representative of nuclear site remediation services, designated by the  
15 director of business services for the Four Rivers Nuclear Partnership or  
16 by another organization that provides nuclear site remediation services;
- 17 6. A representative for environmental interests, designated by the  
18 executive director of the Kentucky Conservation Committee;
- 19 7. A representative of manufacturers, designated by the president of the  
20 Kentucky Association of Manufacturers;
- 21 8. A representative for commercial interests, designated by the president of  
22 the Kentucky Chamber of Commerce;
- 23 9. A mayor of a city, designated by the executive director of the Kentucky  
24 League of Cities, who lives in an "energy community" as that term is  
25 used in the Inflation Reduction Act of 2022, Pub. L. No. 117-169, and as  
26 it is defined in the latest guidance by the Internal Revenue Service; and
- 27 10. A county judge/executive, designated by the executive director of the

1           Kentucky Association of Counties, who lives in an "energy community"  
 2           as that term is used in the Inflation Reduction Act of 2022, Pub. L. No.  
 3           117-169, and as it is defined in the latest guidance by the Internal  
 4           Revenue Service; and

5       (c) Eight (8) nonvoting members:

- 6           1. The president of the Nuclear Energy Institute, or designee;
- 7           2. A representative from a national nuclear educational nonprofit  
 8           organization, designated by the chair and confirmed by a majority of the  
 9           voting members;
- 10          3. A representative from a United States Department of Energy National  
 11          Laboratory with expertise in nuclear energy policy issues, designated by  
 12          the chair and confirmed by a majority of the voting members;
- 13          4. A representative from a nongovernmental nuclear policy advocacy  
 14          organization, designated by the chair and confirmed by a majority of the  
 15          voting members;
- 16          5. Two (2) members of the Senate, who shall serve as ex officio members,  
 17          designated by the President of the Senate; and
- 18          6. Two (2) members of the House of Representatives, who shall serve as  
 19          ex officio members, designated by the Speaker of the House of  
 20          Representatives.

21       (3) State government members named in subsection (2)(a) of this section and members  
 22       of the General Assembly named in subsection (2)(c)5. and 6. of this section shall  
 23       serve on the advisory board during the terms of their appointed or elected state  
 24       government positions. After the initial appointments, all other members of the  
 25       advisory board shall serve terms of four (4) years. Members shall be eligible to  
 26       succeed themselves and shall serve until their successors are appointed. A vacancy  
 27       occurring during the term of any member shall be filled in the same manner as the

1 original appointment.

2 (4) A majority of the voting members of the advisory board shall constitute a quorum  
3 for the purposes of conducting business. The advisory board shall meet at least  
4 quarterly, or more often at the call of the chair.

5 (5) Members of the advisory board shall not be paid for their service as board  
6 members, and they shall not be reimbursed for any expenses relating to their  
7 attendance of board meetings.

8 (6) The advisory board shall hire a director of the authority who shall possess the skills  
9 and experience necessary to lead the authority effectively, promote the safe and  
10 responsible development of nuclear energy, publicize and encourage application to  
11 the Nuclear Energy Development Grant Program established in KRS 164.2803, and  
12 achieve the authority's purposes described in subsection ~~(8)~~(7) of this section.

13 (7) **Beginning January 1, 2027, the authority shall provide to its advisory board**  
14 **members at least twenty (20) hours of training each year in any area relating to**  
15 **nuclear energy generation, siting, or policy.**

16 **(8)** The purposes of the authority shall be to:

17 (a) Assist interested communities in understanding advanced nuclear  
18 opportunities, including the importance of secure, firm, cost-competitive  
19 power for customers and for economic development opportunities, as well as  
20 the potential for direct and indirect economic benefits associated with the  
21 employment and tax revenue generated from nuclear energy projects;

22 (b) Provide information to the public on the history of nuclear energy  
23 technologies in the Commonwealth, the status of existing nuclear energy  
24 projects within the Commonwealth, and the potential benefits and concerns  
25 associated with nuclear energy technologies;

26 (c) Develop the capacity for nuclear energy economic development in the  
27 Commonwealth, which shall include providing information to educational

- 1 institutions on the types of career opportunities that will be available with the  
2 development of nuclear energy, building strong relationships with economic  
3 development professionals, promoting existing economic development  
4 incentives applicable to nuclear energy development, and seeking out new  
5 grants and other financial support for nuclear energy development;
- 6 (d) Seek greater clarity and certainty with stakeholders on financial support for  
7 early nuclear site permitting, the process for obtaining a nuclear power facility  
8 certificate of public convenience and necessity, and the recovery of  
9 construction work in progress for nuclear energy projects;
- 10 (e) Work with communities that have previously hosted nuclear-related activities  
11 and other communities facing a transition away from fossil fuels to empower  
12 those communities with the resources and information necessary to engage  
13 with regulators, developers, and decisionmakers on new nuclear power  
14 facilities, nuclear component manufacturing facilities, and fuel cycle facilities;
- 15 (f) Strengthen engagement with the federal Nuclear Regulatory Commission by  
16 reviewing current safety and security practices implemented at different types  
17 of nuclear energy facilities under their purview, promoting the streamlining of  
18 permitting efforts, and supporting the siting of interim and permanent nuclear  
19 storage facilities via the continued use of consent-based siting;
- 20 (g) Build the organizational capacity to engage and potentially convene a  
21 consortium of stakeholders interested in nuclear energy technologies that  
22 would consist of utilities, environmental advocates, electric cooperatives, and  
23 major industrial companies in order to share best practices, including how to  
24 share risk associated with developing and constructing new nuclear power  
25 plants within the Commonwealth;
- 26 (h) Engage with the United States Department of Energy National Laboratories,  
27 academic institutions, and private companies on efforts to develop deployable

- 1 technologies to reprocess or recycle spent nuclear fuel;
- 2 (i) Maintain awareness of potential events that could initiate or accelerate the  
3 development of new nuclear energy technologies within the Commonwealth  
4 to allow the public to benefit from these projects;~~and~~
- 5 (j) Through the nuclear energy development grant administration subcommittee,  
6 review and evaluate grant applications and make grant awards in accordance  
7 with KRS 164.2803;and
- 8 **(k) Through the Nuclear Reactor Site Readiness Pilot Program, review and**  
9 **evaluate grant applications and make recommendations to the General**  
10 **Assembly for funding eligible projects.**
- 11 ~~(9)~~~~(8)~~ The authority, with the approval of the advisory board, shall:
- 12 (a) Propose and adopt bylaws for the management and operation of the authority,  
13 including for the Nuclear Energy Development Grant Program established in  
14 KRS 164.2803;
- 15 (b) Develop and adopt a strategic plan for carrying out the purposes of the  
16 authority described in subsection ~~(8)~~~~(7)~~ of this section;
- 17 (c) Create and update at least once every two (2) years a nuclear energy economic  
18 impact analysis for the Commonwealth;
- 19 (d) Employ necessary staff to carry out the functions of the authority, **including,**  
20 **subject to available funding, third-party consultants with the subject matter**  
21 **expertise to assist as needed with the studies, reviews, examinations, and**  
22 **recommendations for which the authority is responsible;** and
- 23 (e) By December 1, 2025, and each December 1 thereafter, submit a report to the  
24 Governor and the Legislative Research Commission for referral to the Interim  
25 Joint Committees on Natural Resources and Energy, Appropriations and  
26 Revenue, and Economic Development and Workforce Investment providing:
- 27 1. A summary of the authority's activities and achievements since its last

1 report;

2 2. The evaluations and scores of all nuclear energy development grant  
3 applications received and all grant awards made pursuant to KRS  
4 164.2803 since its last report;

5 **3. The evaluations, scores, and funding recommendations for applicants**  
6 **to the Nuclear Reactor Site Readiness Pilot Program established in**  
7 **Section 1 of this Act;** and

8 ~~4.~~ Recommendations for the support and expansion of the nuclear energy  
9 ecosystem in the Commonwealth.

10 → Section 5. KRS 164.2803 is amended to read as follows:

11 (1) The Kentucky Nuclear Energy Development Authority established in KRS  
12 164.2802 shall create and implement the Nuclear Energy Development Grant  
13 Program for the advancement and location of nuclear **fission and fusion** energy-  
14 related projects to support the entire nuclear energy ecosystem in the  
15 Commonwealth, including utility and private sector economic development  
16 activities. The nuclear energy ecosystem includes but is not limited to:

17 (a) The nuclear fuel cycle, which includes fuel conversion, enrichment, and  
18 fabrication, as well as potential future spent fuel recycling and reprocessing;

19 (b) **Nuclear fission or fusion** reactor design and component manufacturing;

20 (c) Component supply chain manufacturing and distribution;

21 (d) **Nuclear fission or fusion** facility siting and development;

22 (e) Radioisotope production;

23 (f) Facility operation and maintenance;

24 (g) Decommissioning waste storage, transport, and management; and

25 (h) End uses of nuclear energy and co-products.

26 (2) The membership of the Kentucky Nuclear Energy Development Authority shall  
27 select five (5) of its voting members to serve on the nuclear energy development

1 grant administration subcommittee. A majority of the members of the grant  
2 administration subcommittee shall constitute a quorum for the purposes of doing  
3 business. The subcommittee shall:

- 4 (a) Create grant applications;
- 5 (b) Establish grant applicant eligibility requirements;
- 6 (c) Establish objective scoring criteria to evaluate grant applications, including  
7 but not limited to:
  - 8 1. The likelihood that the proposed project funded by the grant will  
9 precipitate further investment in the nuclear energy ecosystem;
  - 10 2. The economic impact of the grant funding on the community and region  
11 where the proposed project will be located;
  - 12 3. The readiness of the community where the proposed project will be  
13 located to host nuclear-related investments, including whether the  
14 community has been awarded a nuclear-ready community designation  
15 under KRS 164.2804; and
  - 16 4. The amount of additional investment that would be made in the  
17 proposed project by the grant applicant and other sources; and
- 18 (d) Make determinations on grant eligibility and funding and make grant awards  
19 based on those determinations, not to exceed two million dollars (\$2,000,000)  
20 per individual grant.