

INTERIM JOINT COMMITTEE ON NATURAL RESOURCES AND ENERGY

Minutes of the 4th Meeting of the 2025 Interim

September 18, 2025

Call to Order and Roll Call

The fourth meeting of the Interim Joint Committee on Natural Resources and Energy was held on September 18, 2025, at 1:00 PM in Room 154 of the Capitol Annex. Senator Brandon Smith, Chair, called the meeting to order, and the secretary called the roll.

Present were:

Members: Representative Jim Gooch Jr., Co-Chair; Senator Brandon Smith, Co-Chair; Senators Gary Boswell, Greg Elkins, Rick Girdler, Keturah J. Herron, Scott Madon, Robby Mills, Stephen West, Phillip Wheeler, and Gex Williams; and Representatives Shane Baker, Jared Bauman, John Blanton, Adam Bowling, Randy Bridges, Beverly Chester-Burton, Myron Dossett, Patrick Flannery, Chris Fugate, Erika Hancock, Adam Moore, Tom Smith, Mitch Whitaker, and Richard White.

Guests: Senator Cassie Chambers Armstrong; George Eklund, Director of Education and Advocacy, Coalition for the Homeless; Wesley Bryant, Social Worker; Erik Hubbard, Executive Director, Backroads of Appalachia (BOA); Luke Bogner, Daniel Boone Backcountry Byway Stewardship Committee (DBBB); John Lawson, DBBB; Linda Bridwell, Executive Director, Public Service Commission (PSC); Angie Hatton, Chair, PSC; and Jeb Pinney, Executive Advisor Attorney, PSC.

LRC Staff: Stefan Kasacavage, Kayla Carroway, Tanya Monsanto, and Rachel Hartley.

Approval of minutes for the meeting of August 29, 2025

A motion to approve the August 29, 2025, minutes was made by Senator Madon and seconded by Representative Chester-Burton. The minutes were approved by voice vote.

Discussion of 2025 RS SB 137 - Utility Service Disconnections During Extreme Weather Conditions

Senator Chambers Armstrong discussed proposed legislation to prohibit utility disconnections for non-payment during extreme weather conditions and highlighted the need for consistent disconnection standards across utilities in Kentucky. The proposed legislation would seek to protect vulnerable citizens during dangerous

weather events, ensuring that utility disconnections do not occur during extreme cold, excessive heat, or natural disasters.

George Eklund, Director of Education and Advocacy, Coalition for the Homeless, and Wesley Bryant, Social Worker, both expressed support for the proposed legislation that they say would provide an important safety net for families during emergencies, especially in eastern Kentucky where some residents struggle to balance essential needs with utility costs.

Co-Chair Gooch expressed concern regarding the long-term sustainability and affordability of energy due to federal regulations regarding fuel sources.

In response to Senator Williams, Senator Chambers Armstrong stated the proposed legislation refers specifically to extreme heat warnings as defined by the National Weather Service.

In response to Representative Blanton, Mr. Eklund stated the Low-Income Home Energy Assistance Program (LIHEAP) only provides limited assistance and may not be sufficient to address the ongoing financial burdens imposed by utility costs on families.

Senator Chambers Armstrong acknowledged utility companies can adopt their own policies regarding utility disconnections; however, the proposed legislation would make a uniform minimum standard for all utility companies.

In response to Senator West, Senator Chambers Armstrong stated the proposed legislation aims to address the immediate period after a natural disaster. The types of declarations of natural disasters that the proposed legislation references are defined in statute.

Representative Smith stated the proposed legislation should not only address immediate utility concerns, but should also address the long-term rising utility costs because of federal regulations regarding fuel sources.

Representative Moore raised questions about the penalties for utility companies that disconnect utility services during extreme weather and stated the intent of the proposed bill is to save lives.

Senator Wheeler stated energy policies at the federal level have disproportionately impacted low-income communities.

Outdoor Adventure Tourism Opportunities

Erik Hubbard, Executive Director, BOA, discussed the founding and purpose of the non-profit organization BOA and the associated DBBB, and detailed their efforts to promote motorsports-focused tourism in eastern Kentucky. The economic impact generated through motorsport events and outdoor activities has transformed the region into a multi-night destination for visitors, which has significantly increased local economic activity. It is projected that the economic impact of adventure tourism for 2025 will be \$60 million.

John Lawson, DBBB, stated the DBBB is a network of roads and trails over 1,000 miles that is managed by volunteers. DBBB's efforts to maintain and promote the network of roads and trails have been crucial to preserving access to natural resources in eastern Kentucky. There has been increased traffic and economic growth, with local businesses benefiting.

Mr. Hubbard highlighted upcoming events including: 24 Hours of Appalachia, the Appalachia 1000, the Boone Forest Rally, and the Grand National Cross Country racing series.

Mr. Hubbard stated the King of Hammers, the largest off-road event in the United States, is coming to Kentucky starting in 2026. The event is expected to draw significant crowds and will require substantial lodging and infrastructure improvements in the region.

In response to Senator Boswell, Mr. Hubbard stated DBBB is working closely with local governments regarding environmental impacts from off-road activities, including studies on sedimentation, erosion, and creek crossings.

In response to Representative Baker, Mr. Hubbard emphasized the need for collaboration with small businesses to ensure they are prepared for the increase in tourists.

In response to Senator Madon, Mr. Hubbard addressed the implementation of 2025 RS SB 63, which aimed to streamline the process for registering and tagging off-road vehicles.

In response to Representative Flannery, Mr. Hubbard stated Green APU is actively hiring personnel for the manufacturing facility in Boyd County, which is set to open in 2026.

Update on the 2025 & 2026 Winter Heating Season Regarding Energy Demand and Rates

Angie Hatton, Chair, PSC, stated there has been volatility in the energy sector, which has made it increasingly difficult to predict demand and pricing. The historical stability of energy demand has shifted, with recent years showing significant fluctuations due to factors like increased electrification across numerous sectors, the rise of data centers, and the impact of severe weather events.

Kentucky's energy demand is expected to grow, at varying rates across different regions. While eastern Kentucky may see a decline in energy demand, central and western areas of the Commonwealth anticipate growth. PSC-regulated utilities are required to file integrated resources plans to address these changes. Kentucky's energy mix remains predominantly coal-based, which provides some insulation against market volatility that may exist for other fuel sources. Kentucky's utility rates are generally lower than the national average.

In response to Representative Blanton, Ms. Hatton stated the projected declines in power needs for eastern Kentucky is based on current expectations from utility companies. Maintaining infrastructure in areas with diminishing customers results in the remaining customers paying higher fixed costs on their utility bill.

Representative Blanton stated there needs to be a renewed focus on coal as a reliable energy source, which would provide affordable electricity and support job creation in eastern Kentucky.

In response to Senator West, Ms. Hatton stated some utilities currently have excess energy capacity to meet future energy demand, particularly because of data center developments. The PSC is monitoring the developments to ensure customers are protected from the financial implications of overbuilding energy infrastructure for data centers.

In response to Representative Fugate, Ms. Hatton stated the region in eastern Kentucky served by the electric utility company Kentucky Power pays the highest rates in the state.

In response to Representative Smith, Ms. Hatton stated the PSC is actively assessing alternatives to ensure reliable electric supply, emphasizing the importance of Kentucky's integrated approach to power generation.

Representative Smith stated there are socio-economic impacts of transitioning from coal, particularly for workers in the industry. There is a need for a balanced approach that considers both energy reliability and the livelihoods of those affected by changes in the energy landscape.

Senator Williams stated new power generation facilities, particularly coal plants, should be built to meet the energy demand for data centers.

Adjournment

There being no further business, the meeting was adjourned.