

INTERIM JOINT COMMITTEE ON NATURAL RESOURCES AND ENERGY

Minutes of the 2nd Meeting of the 2026 Interim

July 2, 2026

Call to Order and Roll Call

The second meeting of the Interim Joint Committee on Natural Resources and Energy was held on July 2, 2026, at 1:00 PM ET/12:00 PM CT 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, Rick Girdler, Scott Madon, Robby Mills, Stephen West, Phillip Wheeler, and Gex Williams; and Representatives Shane Baker, Jared Bauman, John Blanton, Randy Bridges, Patrick Flannery, Chris Fugate, Erika Hancock, DJ Johnson, Bobby McCool, Suzanne Miles, Adam Moore, Tom Smith, Joshua Watkins, Bill Wesley, Mitch Whitaker, Richard White, and Wade Williams.

Guests: Shannon Hall, Executive Advisor, Department for Community Based Services (DCBS), Cabinet for Health and Family Services (CHFS); Roger McCann, Director, Division of Family Support, DCBS, CHFS; Rick Baker, Executive Director, Community Action Kentucky, Inc.; Angie Hatton, Chair, Public Service Commission (PSC); Linda Bridwell, Executive Director, PSC; Mark Hogg, Founder and Chief Executive Officer, WaterStep; Steve Combest, Chief Operating Officer, WaterStep; Jen Carver, Senior Vice President of Mission Advancement, WaterStep; and Jim Goodrich, Ph.D., Senior Science Advisor, Office of Research and Development, United States Environmental Protection Agency (USEPA).

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

Approval of minutes for the meeting of June 4, 2026

A motion to approve the June 4, 2026, meeting minutes was made by Senator Williams and seconded by Senator Mills. The meeting minutes were approved by voice vote.

Presentation and Public Hearing on the Low Income Home Energy Assistance Program (LIHEAP) Block Grant Application - Federal Fiscal Year 2027

Roger McCann, Director, Division of Family Support, DCBS, CHFS, stated that LIHEAP was established in 1982 to assist low-income households with high energy costs. LIHEAP is entirely federally funded, with \$46.9 million provide to Kentucky in federal fiscal year 2026, and an anticipated \$54 million for federal fiscal year 2027.

LIHEAP provides benefits such as bill payment assistance for heating and cooling, crisis assistance to avoid utility shut-offs, and weatherization activities to improve home energy efficiency.

Rick Baker, Executive Director, Community Action Kentucky, Inc. (CAK), stated LIHEAP is administered by DCBS and passed through to CAK, which operates in partnership with 24 community action agencies to serve all 120 counties.

In response to Chair Smith, Mr. McCann stated weatherization funds can only be utilized by a household once every 20 years.

In response to Representative Fugate, Mr. Baker stated that crisis funds can be accessed with a past-due notice from the utility company and can be awarded to the same applicant multiple times a year up to the \$400 annual cap. Larger urban areas often receive larger allocations of LIHEAP funds due to population and higher poverty rates.

Representative Moore stated that federal budget proposals have included eliminating LIHEAP funding and requested legislators to reach out to the Kentucky congressional delegation.

In response to Representative Blanton, Mr. Baker stated kerosene disbursements are now transmitted electronically to vendors rather than issued as vouchers.

In response to Representative Baker, Mr. McCann stated a formula is used to factor population and need, with occasional adjustments for regions that are underfunded.

Representative Smith raised concerns about the \$400 annual cap for the crisis funds.

A motion was made by Senator Madon, and seconded by Representative Blanton, to approve the Findings of Fact for the LIHEAP State Plan for Federal Fiscal Year 2027, including the finding that the block grant application meets the standards and criteria set out in KRS 45.353. The motion passed by voice vote.

Update on 2026 RS SB 8

Angie Hatton, Chair, PSC, stated Senior Advisor Justin McNeil will replace Linda Bridwell as Executive Director of the commission.

Ms. Hatton provided a briefing on 2026 RS SB 8, which enhanced the PSC's independence and expanded its makeup from 3 to 5 commissioners. The chair can assign 3 commissioners to each case rather than all 5 commissioners hearing every case. The PSC is administratively attached to the Energy and Environment Cabinet (EEC), but the legislation allowed the PSC to review and select which administrative duties will be performed by the EEC.

Ms. Hatton outlined plans to hire dedicated personnel to handle procurement and other functions previously performed by the EEC, clarifying that while some services will remain shared, others will be brought in-house to improve efficiency and decrease costs.

Ms. Hatton addressed salary and budget considerations for the 2 new commissioners and their assistants, as well as potential needs related to nuclear energy oversight.

In response to Chair Smith, Ms. Hatton stated the minimum threshold for commission review of an electric transmission line extension was 1 mile and had not been changed by 2026 RS SB 8 as enacted. Linda Bridwell, Executive Director, PSC, emphasized the need to consider the utilities' integrated resource plan to ensure that future infrastructure needs are properly accounted for when contemplating an increase to the review threshold.

In response to Senator Mills, Ms. Hatton stated all the PSC cases have specific statutory due dates.

In response to Senator Wheeler, Ms. Hatton stated the PSC will need robust staffing and expertise as energy developments accelerate, particularly in nuclear energy, and utility service needs for data centers.

In response to Senator West, Ms. Hatton stated almost all the major utilities in Kentucky have filed an extreme high load factor tariff with the PSC. Utilities must justify rates and terms of service within a pre-approved tariff structure or through special contracts.

Representative Smith requested figures regarding how many times natural gas companies have requested and received rate increases from the PSC.

In response to Senator Mills, Ms. Hatton stated cost allocations for regional transmission projects and multi-state ownership are within the purview of the PSC's cost-allocation framework, with the ability to deny projects that would force high-market costs onto Kentucky ratepayers.

Discussion of Safe Drinking Water Provision in Disaster Response

Mark Hogg, Founder and Chief Executive Officer, WaterStep, stated WaterStep is establishing a statewide ecosystem of mission-ready safe water packages, called the Kentucky Lilypad Initiative, which would be pre-positioned across Kentucky's 10 emergency response regions to deliver on-site water treatment and on-site manufacturing of disinfectant during disasters. A centralized readiness director would coordinate with state and federal agencies. Kentucky would become the first state to implement this scalable network.

Steve Combest, Chief Operating Officer, WaterStep, stated WaterStep illustrated the concept with a live demonstration in Carrollton, where a mission-ready package treated river-sourced water on-site for city officials, highlighting the system's independence from supply chains and its capacity to produce safe water at high volumes for a community.

WaterStep has proposed a 5-year funding plan and has requested a \$10 million appropriation from the General Assembly, which would enable statewide readiness. WaterStep would also provide 5 years of deployment data and performance reporting to the General Assembly.

In response to Chair Smith, Mr. Combest confirmed that the on-site water filtration system can integrate evolving filtration technologies relating to per-and-polyfluoroalkyl substances (PFAS).

In response to Representative Fugate, Mr. Hogg stated up to 15,000 gallons of water can be treated on-site using their technology. Jim Goodrich, Ph.D., Senior Science Advisor, Office of Research and Development, USEPA, stated the Federal Emergency Management Agency (FEMA) does not directly purchase any equipment from WaterStep, but it may approve contractors that may use the equipment.

In response to Representative Smith, Dr. Goodrich stated WaterStep utilizes carbon filtration, which removes PFAS. He confirmed that new technologies aim not to merely transfer PFAS from one medium to another, but to destroy it.

In response to Representative Johnson, Mr. Hogg stated prepositioning of a mobile water-treatment unit is regionally oriented. The aim is to enable the 10 emergency response regions to position mobile water-treatment units in accordance with their own plan while maintaining a statewide framework.

Adjournment

There being no further business, the meeting was adjourned.