

164.2805 Nuclear Reactor Site Readiness Pilot Program -- Definitions for section -- Grants -- Application process -- Eligibility.

(1) As used in this section:

- (a) "Affiliate" means any person, partnership, or corporation that controls, is controlled by, or is under common control with, a utility;
- (b) "Authority" means the Kentucky Nuclear Energy Development Authority established in KRS 164.2802;
- (c) "Combined operating license" means a license issued by the United States Nuclear Regulatory Commission pursuant to 10 C.F.R. sec. 52.71 et seq., or other licensing frameworks as may be adopted in federal regulations by the United States Nuclear Regulatory Commission for advanced nuclear generating reactors, that enables its holder to construct and operate a nuclear power plant at a specific site;
- (d) "Construction permit" means a permit issued by the United States Nuclear Regulatory Commission pursuant to 10 C.F.R. pt. 50 that enables its holder to construct a nuclear power plant at a specific site;
- (e) "Early site permit" means a permit issued by the United States Nuclear Regulatory Commission pursuant to 10 C.F.R. sec. 52.12 et seq., that enables its holder to secure federal site approval for a nuclear power plant site prior to seeking an operating reactor license from the United States Nuclear Regulatory Commission;
- (f) "Eligible applicant" means any utility or any affiliate of a utility and any current or prospective customer of a utility that is acting in partnership or collaboration with the utility or the affiliate;
- (g) "Generation III Plus" means the generation of nuclear reactor design following Generation III that incorporates passive and other safety measures and design improvements not included in previous nuclear reactor designs;
- (h) "Generation IV" means the nuclear reactor designs identified and selected by the Generation IV International Forum as follows:
 - 1. Sodium-cooled fast reactors;
 - 2. Gas-cooled fast reactors;
 - 3. Lead-cooled fast reactors;
 - 4. Molten salt reactors;
 - 5. Supercritical water-cooled reactors; and
 - 6. Very high temperature reactors;
- (i) "Nuclear energy generating facility" means a facility containing a nuclear reactor of Generation III Plus, Generation IV, or later design that produces electricity, at least some of which is sold to the public; and
- (j) "Utility" means a person, firm, corporation, association, cooperative corporation, federally owned electric utility corporation, or municipal corporation who owns, controls, operates, or manages any facility used or to be used for or in connection with the generation, production, transmission, or distribution of electricity to or for the public for compensation.

- (2) (a) The authority shall create and implement the Nuclear Reactor Site Readiness Pilot Program to facilitate the application for and procurement of early site permits, construction permits, or combined operating licenses from the United States Nuclear Regulatory Commission for the siting of new nuclear energy generating facilities in the Commonwealth.
- (b) Upon recommendation of the authority, the General Assembly may award eligible applicants grant funding of up to one-third (1/3) of the actual costs incurred in applying for and procuring an early site permit, construction permit, or combined operating license, not to exceed twenty-five million dollars (\$25,000,000) per project.
- (c) The authority shall:
 - 1. Create grant applications;
 - 2. Establish grant applicant eligibility requirements;
 - 3. Establish objective scoring criteria to evaluate grant applications;
 - 4. Review any partnership agreement between eligible applicants for validity and completeness and to ensure that the agreement provides for the surety bonding or similar security requirements required under subsection (4) of this section and repayment responsibilities for all partners in the event that forfeiture and repayment of grant funding is required under subsection (5) of this section; and
 - 5. Make determinations on applicant eligibility and evaluate and score each eligible applicant's grant application, in consultation with the Energy and Environment Cabinet's Office of Energy Policy and the Cabinet for Economic Development, according to the following criteria:
 - a. The location, suitability, and previous use of the site for which the early site permit, construction permit, or combined operating license is sought;
 - b. The economic condition of the region where the new nuclear energy generating facility would be located;
 - c. The economic impact that the siting of a new nuclear energy generating facility would have in the region;
 - d. Whether, in relation to other pending or past grant applications or awards under this section, the proposed site would be located in a geographically diverse region of the Commonwealth;
 - e. The amount of additional investment being made in the proposed project by the eligible applicant or applicants or other sources; and
 - f. Any other criteria the authority deems appropriate to evaluate.
- (d) Notwithstanding any provision of law to the contrary, any information, data, or records provided as part of an application for grant funding under this section shall be confidential and exempt from disclosure under the requirements of KRS 61.870 to 61.884.
- (3) (a) To be eligible to apply for grant funding under this section, eligible applicants must demonstrate that:

1. The community where the proposed site of the new nuclear energy generating facility would be located has applied for a nuclear-ready community designation under KRS 164.2804; and
 2. There would be material benefits, including but not limited to the provision of electric utility service, job creation, and return on investment to the ratepayers and the impacted community to be served by the proposed new nuclear energy generating facility.
- (b) To be eligible to be awarded grant funding under this section, eligible applicants must demonstrate that the community where the proposed site of the new nuclear energy generating facility would be located has received a nuclear-ready community designation under KRS 164.2804.
- (4) In exchange for any grant funding authorized by the General Assembly under this section, the utility or the affiliate and any partners it may have shall procure a surety bond or other similar security acceptable to the authority in the amount of the grant funding to be awarded. The surety bond or similar security shall bind the principal or principals and the surety to the Commonwealth to repay all grant moneys forfeited pursuant to subsection (5) of this section. The surety bond or other similar security shall be continuous and remain in effect until the completion of the construction of the nuclear energy generating facility for which the permit or license was issued or upon the repayment of all forfeited grant funds pursuant to subsection (5) of this section. Any cancellation of the bond or similar security shall not occur until thirty (30) days written notice is provided by the provider of the surety bond or other similar security to the authority.
- (5) A grant funding recipient and all of its partners shall forfeit and repay all grant funding awarded under this section within sixty (60) days of:
- (a) If it has not already done so, failing to apply to the United States Nuclear Regulatory Commission for an early site permit within one (1) year of receiving any grant funding under this section;
 - (b) Failing to apply to the United States Nuclear Regulatory Commission for a construction permit or combined operating license for a nuclear energy generating facility, or for a necessary license issued under other licensing frameworks that may be adopted in federal regulations by the United States Nuclear Regulatory Commission for advanced nuclear generating reactors, for which an early site permit was awarded within five (5) years of obtaining the early site permit. The authority may approve extensions of the deadline established by this paragraph in one (1) year increments for good cause shown;
 - (c) Failing to commence construction of the nuclear energy generating facility for which all necessary permits or licenses have been awarded by the United States Nuclear Regulatory Commission within ten (10) years of obtaining all necessary permits or licenses. The authority may approve extensions of the deadline established by this paragraph in one (1) year increments for good cause shown; or
 - (d) The transferring of the entirety of a utility's or affiliate's interest in the early site permit, the construction permit, or the combined operating license to an

entity other than another utility prior to the commencement of construction of the nuclear energy generating facility for which a permit or license was awarded, unless the authority finds that the transfer is in the best interest of the Commonwealth.

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