

278.704 Merchant electric generating facility -- Construction certificate -- Location of exhaust stack -- Decommissioning and setback requirements -- Public meeting concerning property acquisition -- Exception.

- (1) No person shall commence to construct a merchant electric generating facility until that person has applied for and obtained a construction certificate for the facility from the board. The construction certificate shall be valid for a period of three (3) years after the issuance date of the last permit required to be obtained from the Energy and Environment Cabinet after which the certificate shall be void. The certificate shall be conditioned upon the applicant obtaining necessary air, water, and waste permits. If an applicant has not obtained all necessary permits and has not commenced to construct prior to the expiration date of the certificate, the applicant shall be required to obtain a new valid certificate from the board.
- (2)
 - (a) Except as provided in subsections (3), (4), and (5) of this section, no construction certificate shall be issued to construct a merchant electric generating facility unless:
 1. The exhaust stack of the proposed facility and any wind turbine is at least one thousand (1,000) feet from the property boundary of any adjoining property owner;
 2. All proposed structures or facilities used in connection with the generation of electricity are two thousand (2,000) feet from any residential neighborhood, school, hospital, or nursing home facility; and
 3. With regard to a wind power facility, the maximum height of the wind turbine, as measured from the natural grade to the top of the hub where the rotor attaches, does not exceed three hundred fifty (350) feet.
 - (b) For purposes of applications for site compatibility certificates pursuant to KRS 278.216:
 1. Only the exhaust stack of the proposed facility to be actually used for coal or gas-fired generation shall be required to be at least one thousand (1,000) feet from the property boundary of any adjoining property owner and two thousand (2,000) feet from any residential neighborhood, school, hospital, or nursing home facility;
 2. Any proposed structure to be actually used for the generation of electricity from solar or wind power shall be at least one thousand (1,000) feet from the property boundary of any adjoining property owner; and
 3. Any proposed structures or facilities used in connection with the generation of electricity from solar or wind power shall be at least two thousand (2,000) feet from any residential neighborhood, school, hospital, or nursing home facility.
- (3) If the merchant electric generating facility is proposed to be located in a county or a municipality with planning and zoning, then maximum height, decommissioning, and setback requirements from a property boundary, residential neighborhood, school, hospital, or nursing home facility may be established by the planning and zoning commission. Any decommissioning requirement, maximum height

limitation, or setback established by a planning and zoning commission for a facility in an area over which it has jurisdiction shall:

- (a) Except with regard to the minimum decommission bonding amount required in KRS 278.706(2)(m)5.a., have primacy over the decommissioning requirements in KRS 278.706(2)(m), the maximum height limitation in subsection (2)(a)3. of this section, and the setback requirement in subsections (2) and (5) of this section; and
 - (b) Not be subject to modification or waiver by the board through a request for deviation by the applicant, as provided in subsection (4) of this section or otherwise.
- (4) The board may grant a deviation from the requirements of subsection (2) of this section on a finding that the proposed facility is designed to and, as located, would meet the goals of KRS 224.10-280, 278.010, 278.212, 278.214, 278.216, 278.218, and 278.700 to 278.716 at a distance closer than those provided in subsection (2) of this section.
 - (5) If the merchant electric generating facility is proposed to be located on a site of a former coal processing plant in the Commonwealth where the electric generating facility will utilize on-site waste coal as a fuel source, then the one thousand (1,000) foot property boundary requirement in subsection (2)(a)1. of this section shall not be applicable; however, the applicant shall be required to meet any other setback requirements contained in subsection (2)(a)2. of this section.
 - (6) If requested, a merchant electric generating entity considering construction of a facility for the generation of electricity or a person acting on behalf of such an entity shall hold a public meeting in any county where acquisition of real estate or any interest in real estate is being considered for the facility. A request for such a meeting may be made by the commission, or by any city or county governmental entity, including a board of commissioners, planning and zoning, fiscal court, mayor, or county judge/executive. The meeting shall be held not more than thirty (30) days from the date of the request.
 - (7) The purpose of the meeting under subsection (6) of this section is to fully inform landowners and other interested parties of the full extent of the project being considered, including the project time line. One (1) or more representatives of the entity with full knowledge of all aspects of the project shall be present and shall answer questions from the public.
 - (8) Notice of the time, subject, and location of the meeting under subsection (6) of this section shall be posted in both a local newspaper, if any, and a newspaper of general circulation in the county. Notice shall also be placed on the websites of the unregulated entity, and any local governmental unit. Owners of real estate known to be included in the project and any person whose property adjoins at any point any property to be included in the project shall be notified personally by mail. All notices must be mailed or posted at least two (2) weeks prior to the meeting.
 - (9) The merchant electric generating entity or a person acting on behalf of a merchant electric generating entity shall, on or before the date of the public meeting held under subsection (6) of this section, provide notice of all research, testing, or any other activities being planned or considered to:

- (a) The Energy and Environment Cabinet;
 - (b) The Public Service Commission;
 - (c) The Transportation Cabinet;
 - (d) The Attorney General; and
 - (e) The Office of the Governor.
- (10) Subsections (6) to (9) of this section shall not apply to any facility or project that has already received a certificate of construction from the board.

Effective: July 15, 2026

History: Amended 2026 Ky. Acts ch. 152, sec. 25, effective July 15, 2026; and ch. 198, sec. 56, effective July 15, 2026. -- Amended 2023 Ky. Acts ch. 140, sec. 2, effective June 29, 2023. -- Amended 2014 Ky. Acts ch. 88, sec. 2, effective April 10, 2014. -- Amended 2010 Ky. Acts ch. 24, sec. 606, effective July 15, 2010. -- Created 2002 Ky. Acts ch. 365, sec. 3, effective April 24, 2002.

Legislative Research Commission Note (7/15/2026). This statute was amended by 2026 RS HB 677 (2026 Ky. Acts ch. 152, sec. 25), which was subsequently amended by 2026 RS HB 869 (2026 Ky. Acts ch. 198, sec. 56), and the amendments have been codified together.