

# **INTERIM JOINT COMMITTEE ON NATURAL RESOURCES AND ENERGY**

## **Minutes of the 1<sup>st</sup> Meeting of the 2025 Interim**

**June 18, 2025**

### **Call to Order and Roll Call**

The first meeting of the Interim Joint Committee on Natural Resources and Energy was held on June 18, 2025, at 3:00 PM in the Crystal Ballroom of the Madison Events Center in Covington, Kentucky. 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 Herron, Scott Madon, Robin L. Webb, and Gex Williams; Representatives Shane Baker, Jared Bauman, John Blanton, Patrick Flannery, Erika Hancock, DJ Johnson, Suzanne Miles, Adam Moore, Joshua Watkins, Bill Wesley, Mitch Whitaker, and Richard White.

Guests: Brad Thomas, Manager, Economic Development, East Kentucky Power Cooperative/Touchstone Energy Cooperatives; David Samford, General Counsel, East Kentucky Power; Mike Cobb, CEO, Owen Electric Cooperative; Caroline Clark, Director of External Affairs, LG&E/KU; and Chuck Schram, VP Energy Supply and Analysis, LG&E/KU.

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

### **Discussion of economic development opportunities and the potential impacts for load growth**

Brad Thomas, Manager, Economic Development, East Kentucky Power Cooperative/Touchstone Energy Cooperatives, and Mike Cobb, CEO, Owen Electric Cooperative, discussed the electric cooperatives' efforts to drive economic development across the state and emphasized the importance of a diverse energy portfolio to attract companies and mitigate price impacts. Since 2015, Kentucky's electric cooperatives have invested over \$13 billion dollars in energy infrastructure, resulting in 20,000 jobs in 89 counties.

To meet growing energy demand, the electric cooperatives are investing in new power generation facilities and are incorporating natural gas into existing coal-fired power plants to comply with federal greenhouse gas rules.

In response to Representative Flannery, David Samford, General Counsel, East Kentucky Power, stated the fuel adjustment clause (FAC) is a straight pass-through of fuel costs and tends to be volatile due to commodity market fluctuations. The confusion over recent high electric bills was due to increased fuel costs from a cold winter being recovered during a mild spring. Customers were expecting lower electric bills due to decreased electricity usage during the mild spring, but instead had higher than expected bills due to the fuel cost recovery for their usage during the winter months.

In response to Representative Watkins, Mr. Thomas stated the cost and time for transmission line approvals can impact economic development projects. A streamlined process for transmission projects would be beneficial.

In response to Senator Smith, Mr. Thomas explained the need for Kentucky to be proactive in attracting large-scale energy projects because of increased competition from other states. It is important to ensure Kentucky's infrastructure, particularly transmission, keeps pace with generation capacity.

Caroline Clark, Director of External Affairs, LG&E/KU, stated there has been unprecedented economic development and growth, particularly in data centers because the General Assembly has prioritized attracting those projects in the last two legislative sessions.

Chuck Schram, VP Energy Supply and Analysis, LG&E/KU, stated there has been a significant increase in potential projects, with over 8,000 megawatts of potential opportunities, including 6,000 megawatts for data centers and 2,000 megawatts for non-data center development. To meet this demand, the construction of two new natural gas combined cycle generating units is planned, as well as adding environmental controls to an existing coal plant to enable its year-round use. The proposed use of existing resources and limited battery storage will be cost-effective and extend the life of the assets. Mr. Schram emphasized that any additional load added will be done to maintain a safe and reliable service for all customers.

In response to Senator Elkins, Mr. Schram stated the load would only be connected if they have the supply. The non-data center load typically comes in smaller increments and is easier to absorb, while data centers require more robust planning due to their large load additions.

Senator Boswell spoke about ownership of fish in private ponds and recourse for property damage caused by black bears and beavers.

### **Adjournment**

There being no further business, the meeting was adjourned.