

INTERIM JOINT COMMITTEE ON NATURAL RESOURCES AND ENERGY

Minutes of the 6th Meeting of the 2025 Interim

November 6, 2025

Call to Order and Roll Call

The sixth meeting of the Interim Joint Committee on Natural Resources and Energy was held on November 6, 2025, at 1:00 PM in Room 154 of the Capitol Annex. Representative Jim Gooch Jr., Chair, called the meeting to order, and the secretary called the roll.

Present were:

Members: Representative Jim Gooch Jr., Co-Chair; Senators Gary Boswell, Scott Madon, Robby Mills, Robin L. Webb, Stephen West, Phillip Wheeler, and Gex Williams; and Representatives Shane Baker, John Blanton, Randy Bridges, Beverly Chester-Burton, Myron Dossett, Patrick Flannery, Chris Fugate, Erika Hancock, DJ Johnson, Bobby McCool, Suzanne Miles, Adam Moore, Tom Smith, Joshua Watkins, Richard White, and Wade Williams.

Guests: John Bevington, Senior Director of Business and Economic Development, LG&E/KU; Caroline Clark, Director of External Affairs, LG&E/KU; Don Gulley, President and CEO, Big Rivers Electric Corporation; David Samford, General Counsel, East Kentucky Power Cooperative; and Chase Crigler, Vice President, Government Affairs, Kentucky Electric Cooperatives.

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

Approval of minutes for the meeting of October 16, 2025

A motion to approve the October 16, 2025, minutes was made by Representative Fugate and seconded by Representative Johnson. The minutes were approved by voice vote.

Helping Power Kentucky's Growth

John Bevington, Senior Director of Business and Economic Development, LG&E/KU, stated LG&E/KU serves 93 counties in Kentucky and parts of Virginia, with diverse energy generation resources including coal, natural gas, and solar power. Mr. Bevington emphasized the importance of energy generation in maintaining Kentucky's competitive

advantage in economic development. In 2024, LG&E/KU supported 76 projects, resulting in significant private sector investment and job creation.

Mr. Bevington discussed the current project pipeline of new load potential totaling 9.7 gigawatts, primarily driven by data centers. Data centers require high-capacity transmission access compared to traditional manufacturing operations.

Mr. Bevington provided insights into LG&E/KU's current and future energy generation plans including the construction of a 120-megawatt solar facility in Mercer County and another in Marion County, along with a 645-megawatt natural gas combined cycle plant in Louisville. LG&E/KU is planning for a projected load growth of 1,750 megawatts based on forecasted demand.

In response to Senator Boswell, Mr. Bevington stated LG&E/KU is actively exploring solutions to accommodate the energy demands of data centers while addressing community concerns.

In response to Representative Moore, Mr. Bevington stated that LG&E/KU does not expect all proposed projects to proceed.

In response to Senator Williams, Mr. Bevington stated his team does not specialize in cybersecurity.

In response to Senator West, Mr. Bevington stated LG&E/KU currently has generation capacity of 7.5 gigawatts, with about 80 percent of that being utilized. There are plans to build 1,750 megawatts of new generation capacity to supported anticipated economic growth, while noting the importance of resource management to avoid overbuilding.

In response to Chair Gooch, Mr. Bevington stated that proposed new power generating units would be located near existing pipelines, negating the need for additional pipeline construction.

In response to Representative Blanton, Mr. Bevington responded to concerns about the efficiency and cost-effectiveness of coal compared to renewable resources, emphasizing that coal remains a reliable and affordable energy source for customers.

In response to Representative Chester-Burton, Mr. Bevington acknowledged the community concerns regarding pollution from the Mill Creek 2 generating unit in Oldham County. Carolyn Clark, Director of External Affairs, LG&E/KU, offered to follow-up with more detailed information.

In response to Senator Wheeler, Mr. Bevington stated LG&E/KU has skilled planners focused on long-term strategies to ensure cost-effective energy policies. LG&E/KU is exploring hybrid generation options, which could allow for flexibility in energy sourcing depending on market and regulatory conditions.

In response to Representative Watkins, Mr. Bevington stated the cost of energy generation must be weighed with capacity and dispatchability of different energy sources. Solar is economically competitive in some cases; however, the reliability of the energy supply is crucial.

In response to Senator West, Mr. Bevington confirmed that LG&E/KU is actively evaluating nuclear technologies including small modular reactors.

Update from Kentucky's Electric Cooperatives

Chase Crigler, Vice President, Government Affairs, Kentucky Electric Cooperatives (KEC), stated KEC serves nearly a million homes and businesses across 117 of Kentucky's 120 counties. KEC is not-for-profit and is committed to providing safe, reliable, and affordable energy. KEC faces challenges, including the need to maintain high service standards despite having fewer members per mile compared to investor-owned utilities. Many of the KEC members live in economically disadvantaged areas.

David Samford, General Counsel, East Kentucky Power Cooperative (EKPC), highlighted the cooperative's ownership structure, and emphasized their commitment to serving 1.1 million customers across 89 counties in Kentucky.

Mr. Samford detailed a \$2 billion investment plan over the next 5 years aimed at expanding electric generation assets, including a new combined cycle natural gas unit at the Cooper Station in Pulaski County. Mr. Samford discussed EKPC's co-firing initiatives, which will allow for a mix of coal and natural gas, providing cost benefits and adaptability in response to regulatory changes. The construction of new pipelines to facilitate natural gas access would promote economic development in the communities served.

Mr. Samford explained EKPC's recently approved a tariff for data centers, which is designed to ensure that these facilities bear the costs and risks associated with their energy use. This tariff requires data centers to invest in necessary infrastructure upgrades upfront, ensuring that existing customers are not financially burdened by new developments.

Don Gulley, President and CEO, Big Rivers Electric Corporation (BREC), stated coal continues to play a significant role in BREC's energy mix, providing 90 percent of their energy needs despite the increasing reliance on natural gas and renewable sources. There are challenges posed by aging infrastructure and the need for replacement capacity, particularly following a catastrophic failure of a natural gas unit. Proactive planning and investment in energy infrastructure are needed to accommodate the anticipated growth in demand while ensuring that the financial responsibilities are distributed among all customers. Mr. Gulley highlighted the importance of transmission development and BREC has long-range transmission plans, which would enhance reliability.

Mr. Gulley presented concerns regarding the reliability of the energy grid, particularly in the Midcontinent Independent System Operator (MISO) market, where projections indicate potential reserve margin issues as early as 2028.

Mr. Gulley stated it is important to maintain the coal plants as reliable energy sources, especially during periods of high demand when natural gas prices increase dramatically. Coal remains a significant part of BREC's energy mix even though the regulatory environment poses challenges, particularly with new source review requirements under the federal Clean Air Act, which has historically hindered upgrades to existing coal plants. He stated a more favorable regulatory environment would allow for the construction of new coal plans. A balanced approach of a mix of coal, natural gas, and renewable sources is important to keep energy rates competitive.

In response to Chair Gooch, Mr. Gulley stated the United States Environmental Protection Agency (EPA) is currently reviewing new source review requirements under the Clean Air Act to make federal regulatory changes.

In response to Representative McCool, Mr. Samford stated it is not possible to construct a new coal plant in the United States based on current EPA regulations. Mr. Gulley expressed hope for a more favorable regulatory environment because of new leadership at the EPA that would allow for the construction of new coal plans.

In response to Representative Miles, Mr. Gulley stated modernization of existing coal plants could extend their operational lifespan significantly.

In response to Senator West, Mr. Samford explained the application and review process that EKPC has implemented for data centers interested in locating in their service area. EKPC's data center tariff that the Public Service Commission recently approved seeks to

protect their customers from bearing the costs and risks of constructing the new generation, transmission, and other resources necessary to serve the data center.

Senator Mills discussed the necessity of fossil fuels in the context of global competition, particularly in artificial intelligence. There is growing recognition of the need for reliable energy sources, which include fossil fuels, to support economic development.

Chair Gooch discussed the implications of climate policies, with concerns raised about the potential negative impacts of aggressive carbon reduction targets on global populations that lack access to electricity.

Adjournment

There being no further business, the meeting was adjourned.