

1 AN ACT relating to nuclear energy development, making an appropriation therefor,
2 and declaring an emergency.

3 *Be it enacted by the General Assembly of the Commonwealth of Kentucky:*

4 ➔SECTION 1. A NEW SECTION OF KRS CHAPTER 164 IS CREATED TO
5 READ AS FOLLOWS:

6 *(1) The Kentucky Nuclear Energy Development Authority shall create and*
7 *implement the Nuclear Energy Development Grant Program for the advancement*
8 *and location of nuclear energy-related projects to support the entire nuclear*
9 *energy ecosystem in the Commonwealth, including utility and private sector*
10 *economic development activities. The nuclear energy ecosystem includes but is*
11 *not limited to:*

12 *(a) The nuclear fuel cycle, which includes fuel conversion, enrichment, and*
13 *fabrication, as well as potential future spent fuel recycling and*
14 *reprocessing;*

15 *(b) Reactor design and component manufacturing;*

16 *(c) Component supply chain manufacturing and distribution;*

17 *(d) Facility siting and development;*

18 *(e) Radioisotope production;*

19 *(f) Facility operation and maintenance;*

20 *(g) Decommissioning waste storage, transport, and management; and*

21 *(h) End uses of nuclear energy and co-products.*

22 *(2) The membership of the Kentucky Nuclear Energy Development Authority shall*
23 *select five (5) of its voting members to serve on the nuclear energy development*
24 *grant administration subcommittee. A majority of the members of the grant*
25 *administration subcommittee shall constitute a quorum for the purposes of doing*
26 *business. The subcommittee shall:*

27 *(a) Create grant applications;*

1 (b) Establish grant applicant eligibility requirements;

2 (c) Establish objective scoring criteria to evaluate grant applications, including
 3 but not limited to:

4 1. The likelihood that the proposed project funded by the grant will
 5 precipitate further investment in the nuclear energy ecosystem;

6 2. The economic impact of the grant funding on the community and
 7 region where the proposed project will be located;

8 3. The readiness of the community where the proposed project will be
 9 located to host nuclear-related investments, including whether the
 10 community has been awarded a nuclear-ready community designation
 11 under KRS 164.2804; and

12 4. The amount of additional investment that would be made in the
 13 proposed project by the grant applicant and other sources; and

14 (d) Make determinations on grant eligibility and funding and make grant
 15 awards based on those determinations, not to exceed two million dollars
 16 (\$2,000,000) per individual grant.

17 ➔Section 2. KRS 164.2802 is amended to read as follows:

18 (1) The Kentucky Nuclear Energy Development Authority is hereby established and
 19 attached to the University of Kentucky Center for Applied Energy Research for
 20 administrative purposes. The mission of the Kentucky Nuclear Energy
 21 Development Authority shall be to:

22 (a) Serve as the nonregulatory, trusted state government agency on nuclear
 23 energy issues and development in the Commonwealth; and

24 (b) Support and facilitate the development of the nuclear energy ecosystem across
 25 the Commonwealth in a collaborative manner that:

26 1. Enhances the Commonwealth's economy;

27 2. Offers energy production and economic development opportunities that

1 are safe;

2 3. Protects the environment across the Commonwealth;

3 4. Supports community voices, especially in underrepresented or
4 historically impacted areas;

5 5. Increases energy education; and

6 6. Prepares a future workforce.

7 (2) The Kentucky Nuclear Energy Development Authority shall be governed by an
8 advisory board consisting of the following twenty-two (22) voting members and
9 eight (8) nonvoting members:

10 (a) Seven (7) state government members or their designees who shall be voting
11 members:

12 1. The director of the University of Kentucky Center for Applied Energy
13 Research, who shall serve as chair;

14 2. The secretary of the Energy and Environment Cabinet;

15 3. The secretary of the Cabinet for Economic Development;

16 4. The chair of the Public Service Commission;

17 5. The president of the Council on Postsecondary Education;

18 6. The secretary of the Education and Labor Cabinet; and

19 7. The director of the Division of Emergency Management;

20 (b) Fifteen (15) at-large members who shall be voting members:

21 1. A representative from each of the four (4) investor-owned electric
22 utilities operating in the Commonwealth, designated by the president of
23 each investor-owned electric utility, unless two (2) or more of the
24 investor-owned electric utilities are operated under common ownership,
25 in which case only one (1) representative shall be designated for the
26 commonly owned utilities;

27 2. Three (3) representatives of electric cooperatives designated by the chief

1 operating officer of the Kentucky Association of Electric Cooperatives,
2 as follows:

- 3 a. One (1) of whom shall represent distribution cooperatives; and
- 4 b. Two (2) of whom shall represent each of the generation and
5 transmission electric cooperatives operating in the
6 Commonwealth, unless they are operated under common
7 ownership, in which case only one (1) representative shall be
8 designated for the commonly owned generation and transmission
9 electric cooperatives;
- 10 3. A representative of the Tennessee Valley Authority, designated by its
11 chief nuclear officer;
- 12 4. A representative of municipal utilities, designated by the executive
13 director of the Kentucky League of Cities;
- 14 5. A representative of nuclear site remediation services, designated by the
15 director of business services for the Four Rivers Nuclear Partnership or
16 by another organization that provides nuclear site remediation services;
- 17 6. A representative for environmental interests, designated by the
18 executive director of the Kentucky Conservation Committee;
- 19 7. A representative of manufacturers, designated by the president of the
20 Kentucky Association of Manufacturers;
- 21 8. A representative for commercial interests, designated by the president of
22 the Kentucky Chamber of Commerce;
- 23 9. A mayor of a city, designated by the executive director of the Kentucky
24 League of Cities, who lives in an "energy community" as that term is
25 used in the Inflation Reduction Act of 2022, Pub. L. No. 117-169, and as
26 it is defined in the latest guidance by the Internal Revenue Service; and
- 27 10. A county judge/executive, designated by the executive director of the

1 Kentucky Association of Counties, who lives in an "energy community"
2 as that term is used in the Inflation Reduction Act of 2022, Pub. L. No.
3 117-169, and as it is defined in the latest guidance by the Internal
4 Revenue Service; and

5 (c) Eight (8) nonvoting members:

- 6 1. The president of the Nuclear Energy Institute, or designee;
- 7 2. A representative from a national nuclear educational nonprofit
8 organization, designated by the chair and confirmed by a majority of the
9 voting members;
- 10 3. A representative from a United States Department of Energy National
11 Laboratory with expertise in nuclear energy policy issues, designated by
12 the chair and confirmed by a majority of the voting members;
- 13 4. A representative from a nongovernmental nuclear policy advocacy
14 organization, designated by the chair and confirmed by a majority of the
15 voting members;
- 16 5. Two (2) members of the Senate, who shall serve as ex officio members,
17 designated by the President of the Senate; and
- 18 6. Two (2) members of the House of Representatives, who shall serve as
19 ex officio members, designated by the Speaker of the House of
20 Representatives.

21 (3) State government members named in subsection (2)(a) of this section and members
22 of the General Assembly named in subsection (2)(c)5. and 6. of this section shall
23 serve on the advisory board during the terms of their appointed or elected state
24 government positions. After the initial appointments, all other members of the
25 advisory board shall serve terms of four (4) years. Members shall be eligible to
26 succeed themselves and shall serve until their successors are appointed. A vacancy
27 occurring during the term of any member shall be filled in the same manner as the

1 original appointment.

2 (4) A majority of the voting members of the advisory board shall constitute a quorum
3 for the purposes of conducting business. The advisory board shall meet at least
4 quarterly, or more often at the call of the chair.

5 (5) Members of the advisory board shall not be paid for their service as board
6 members, and they shall not be reimbursed for any expenses relating to their
7 attendance of board meetings.

8 (6) The advisory board shall hire a director of the authority who shall possess the skills
9 and experience necessary to lead the authority effectively, promote the safe and
10 responsible development of nuclear energy, **publicize and encourage application to**
11 **the Nuclear Energy Development Grant Program established in Section 1 of this**
12 **Act**, and achieve the authority's purposes described in subsection (7) of this section.

13 (7) The purposes of the authority shall be to:

14 (a) Assist interested communities in understanding advanced nuclear
15 opportunities, including the importance of secure, firm, cost-competitive
16 power for customers and for economic development opportunities, as well as
17 the potential for direct and indirect economic benefits associated with the
18 employment and tax revenue generated from nuclear energy projects;

19 (b) Provide information to the public on the history of nuclear energy
20 technologies in the Commonwealth, the status of existing nuclear energy
21 projects within the Commonwealth, and the potential benefits and concerns
22 associated with nuclear energy technologies;

23 (c) Develop the capacity for nuclear energy economic development in the
24 Commonwealth, which shall include providing information to educational
25 institutions on the types of career opportunities that will be available with the
26 development of nuclear energy, building strong relationships with economic
27 development professionals, promoting existing economic development

- 1 incentives applicable to nuclear energy development, and seeking out new
2 grants and other financial support for nuclear energy development;
- 3 (d) Seek greater clarity and certainty with stakeholders on financial support for
4 early nuclear site permitting, the process for obtaining a nuclear power facility
5 certificate of public convenience and necessity, and the recovery of
6 construction work in progress for nuclear energy projects;
- 7 (e) Work with communities that have previously hosted nuclear-related activities
8 and other communities facing a transition away from fossil fuels to empower
9 those communities with the resources and information necessary to engage
10 with regulators, developers, and decisionmakers on new nuclear power
11 facilities, nuclear component manufacturing facilities, and fuel cycle facilities;
- 12 (f) Strengthen engagement with the federal Nuclear Regulatory Commission by
13 reviewing current safety and security practices implemented at different types
14 of nuclear energy facilities under their purview, promoting the streamlining of
15 permitting efforts, and supporting the siting of interim and permanent nuclear
16 storage facilities via the continued use of consent-based siting;
- 17 (g) Build the organizational capacity to engage and potentially convene a
18 consortium of stakeholders interested in nuclear energy technologies that
19 would consist of utilities, environmental advocates, electric cooperatives, and
20 major industrial companies in order to share best practices, including how to
21 share risk associated with developing and constructing new nuclear power
22 plants within the Commonwealth;
- 23 (h) Engage with the United States Department of Energy National Laboratories,
24 academic institutions, and private companies on efforts to develop deployable
25 technologies to reprocess or recycle spent nuclear fuel;~~and~~
- 26 (i) Maintain awareness of potential events that could initiate or accelerate the
27 development of new nuclear energy technologies within the Commonwealth

1 to allow the public to benefit from these projects; and
 2 (j) Through the nuclear energy development grant administration
 3 subcommittee, review and evaluate grant applications and make grant
 4 awards in accordance with Section 1 of this Act.

- 5 (8) The authority, with the approval of the advisory board, shall:
- 6 (a) Propose and adopt bylaws for the management and operation of the authority,
 7 including for the Nuclear Energy Development Grant Program established
 8 in Section 1 of this Act;
- 9 (b) Develop and adopt a strategic plan for carrying out the purposes of the
 10 authority described in subsection (7) of this section;
- 11 (c) Create and update at least once every two (2) years a nuclear energy economic
 12 impact analysis for the Commonwealth;
- 13 (d) Employ necessary staff to carry out the functions of the authority; and
- 14 (e) By December 1, 2025, and each December 1 thereafter, submit a report to the
 15 Governor and the Legislative Research Commission for referral to the Interim
 16 Joint Committees on Natural Resources and Energy, Appropriations and
 17 Revenue, and Economic Development and Workforce Investment providing:
- 18 1. A summary of the authority's activities and achievements since its last
 19 report;
- 20 2. The evaluations and scores of all nuclear energy development grant
 21 applications received and all grant awards made pursuant to Section 1
 22 of this Act since its last report; and
- 23 3. ~~offering~~ Recommendations for the support and expansion of the
 24 nuclear energy ecosystem in the Commonwealth.

25 ➔Section 3. 2024 Kentucky Acts Chapter 173, Section 1, (207), at page 1766, is
 26 amended to read as follows:

27 (207) \$20,000,000 in each fiscal year to the University of Kentucky budget unit to

1 be invested as a quasi-endowment by the University. *Of this amount, \$10,000,000 may*
2 *be used in fiscal year 2025-2026 to support the Nuclear Energy Development Grant*
3 *Program.* The interest earned on the investment shall be used for the Center for Applied
4 Energy Research's administration and support of the Kentucky Nuclear Energy
5 Development Authority and the Energy Planning and Inventory Commission;

6 →Section 4. The following KRS section is repealed:

7 154.12-340 Financial assistance program for nuclear energy-related projects -- Cabinet
8 to verify and process financial assistance requests -- Administrative regulations.

9 →Section 5. Whereas it is critical to the economic development and energy
10 reliability goals of the Commonwealth that grant funding be made available to contribute
11 to the advancement and location of nuclear energy-related projects in Kentucky, an
12 emergency is declared to exist, and this Act takes effect upon its passage and approval by
13 the Governor or upon its otherwise becoming a law.