

1 AN ACT relating to nuclear energy development.

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

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

5 (1) As used in this section:

6 (a) "Affiliate" means any person, partnership, or corporation that controls, is
7 controlled by, or is under common control with, a utility;

8 (b) "Authority" means the Kentucky Nuclear Energy Development Authority
9 established in Section 3 of this Act;

10 (c) "Combined operating license" means a license issued by the United States
11 Nuclear Regulatory Commission pursuant to 10 C.F.R. sec. 52.71 et seq., or
12 other licensing frameworks as may be adopted in federal regulations by the
13 United States Nuclear Regulatory Commission for advanced nuclear
14 generating reactors, that enables its holder to construct and operate a
15 nuclear power plant at a specific site;

16 (d) "Construction permit" means a permit issued by the United States Nuclear
17 Regulatory Commission pursuant to 10 C.F.R. pt. 50 that enables its holder
18 to construct a nuclear power plant at a specific site;

19 (e) "Early site permit" means a permit issued by the United States Nuclear
20 Regulatory Commission pursuant to 10 C.F.R. sec. 52.12 et seq. that
21 enables its holder to secure federal site approval for a nuclear power plant
22 site prior to seeking an operating reactor license from the United States
23 Nuclear Regulatory Commission;

24 (f) "Eligible applicant" means any utility or any affiliate of a utility and any
25 current or prospective customer of a utility that is acting in partnership or
26 collaboration with the utility or the affiliate;

27 (g) "Generation III Plus" means the generation of nuclear reactor design

1 following Generation III that incorporates passive and other safety
2 measures and design improvements not included in previous nuclear
3 reactor designs;

4 (h) "Generation IV" means the nuclear reactor designs identified and selected
5 by the Generation IV International Forum as follows:

6 1. Sodium-cooled fast reactors;

7 2. Gas-cooled fast reactors;

8 3. Lead-cooled fast reactors;

9 4. Molten salt reactors;

10 5. Supercritical water-cooled reactors; and

11 6. Very high temperature reactors;

12 (i) "Nuclear energy generating facility" means a facility containing a nuclear
13 reactor of Generation III Plus, Generation IV, or later design that produces
14 electricity, at least some of which is sold to the public; and

15 (j) "Utility" means a person, firm, corporation, association, cooperative
16 corporation, federally-owned electric utility corporation, or municipal
17 corporation who owns, controls, operates, or manages any facility used or to
18 be used for or in connection with the generation, production, transmission,
19 or distribution of electricity to or for the public for compensation.

20 (2) (a) The authority shall create and implement the Nuclear Reactor Site
21 Readiness Pilot Program to facilitate the application for and procurement
22 of early site permits, construction permits, or combined operating licenses
23 from the United States Nuclear Regulatory Commission for the siting of
24 new nuclear energy generating facilities in the Commonwealth.

25 (b) Upon recommendation of the authority, the General Assembly may award
26 eligible applicants grant funding of up to one-third (1/3) of the actual costs
27 incurred in applying for and procuring an early site permit, construction

1 permit, or combined operating license, not to exceed twenty-five million
2 dollars (\$25,000,000) per project.

3 (c) The authority shall:

4 1. Create grant applications;

5 2. Establish grant applicant eligibility requirements;

6 3. Establish objective scoring criteria to evaluate grant applications;

7 4. Review any partnership agreement between eligible applicants for
8 validity and completeness and to ensure that the agreement provides
9 for the surety bonding or similar security requirements required under
10 subsection (4) of this section and repayment responsibilities for all
11 partners in the event that forfeiture and repayment of grant funding is
12 required under subsection (5) of this section; and

13 5. Make determinations on applicant eligibility and evaluate and score
14 each eligible applicant's grant application, in consultation with the
15 Energy and Environment Cabinet's Office of Energy Policy and the
16 Cabinet for Economic Development, according to the following
17 criteria:

18 a. The location, suitability, and previous use of the site for which
19 the early site permit, construction permit, or combined operating
20 license is sought;

21 b. The economic condition of the region where the new nuclear
22 energy generating facility would be located;

23 c. The economic impact that the siting of a new nuclear energy
24 generating facility would have in the region;

25 d. Whether, in relation to other pending or past grant applications
26 or awards under this section, the proposed site would be located
27 in a geographically diverse region of the Commonwealth;

- 1 e. The amount of additional investment being made in the proposed
2 project by the eligible applicant or applicants or other sources;
3 and
4 f. Any other criteria the authority deems appropriate to evaluate.
- 5 (d) Notwithstanding any provision of law to the contrary, any information,
6 data, or records provided as part of an application for grant funding under
7 this section shall be confidential and exempt from disclosure under the
8 requirements of KRS 61.870 to 61.884.
- 9 (3) (a) To be eligible to apply for grant funding under this section, eligible
10 applicants must demonstrate that:
- 11 1. The community where the proposed site of the new nuclear energy
12 generating facility would be located has applied for a nuclear-ready
13 community designation under KRS 164.2804; and
14 2. There would be material benefits, including but not limited to the
15 provision of electric utility service, job creation, and return on
16 investment to the ratepayers and the impacted community to be served
17 by the proposed new nuclear energy generating facility.
- 18 (b) To be eligible to be awarded grant funding under this section, eligible
19 applicants must demonstrate that the community where the proposed site of
20 the new nuclear energy generating facility would be located has received a
21 nuclear-ready community designation under KRS 164.2804.
- 22 (4) In exchange for any grant funding authorized by the General Assembly under
23 this section, the utility or the affiliate and any partners it may have shall procure
24 a surety bond or other similar security acceptable to the authority in the amount
25 of the grant funding to be awarded. The surety bond or similar security shall bind
26 the principal or principals and the surety to the Commonwealth to repay all grant
27 monies forfeited pursuant to subsection (5) of this section. The surety bond or

1 other similar security shall be continuous and remain in effect until the
2 completion of the construction of the nuclear energy generating facility for which
3 the permit or license was issued or upon the repayment of all forfeited grant
4 funds pursuant to subsection (5) of this section. Any cancellation of the bond or
5 similar security shall not occur until thirty (30) days written notice is provided by
6 the provider of the surety bond or other similar security to the authority.

7 (5) A grant funding recipient and all of its partners shall forfeit and repay all grant
8 funding awarded under this section within sixty (60) days of:

9 (a) Failing to apply to the United States Nuclear Regulatory Commission for a
10 construction permit or combined operating license for a nuclear energy
11 generating facility, or for a necessary license issued under other licensing
12 frameworks that may be adopted in federal regulations by the United States
13 Nuclear Regulatory Commission for advanced nuclear generating reactors,
14 for which an early site permit was awarded within five (5) years of obtaining
15 the early site permit. The authority may approve extensions of the deadline
16 established by this paragraph in one (1) year increments for good cause
17 shown;

18 (b) Failing to commence construction of the nuclear energy generating facility
19 for which all necessary permits or licenses have been awarded by the United
20 States Nuclear Regulatory Commission within ten (10) years of obtaining
21 all necessary permits or licenses. The authority may approve extensions of
22 the deadline established by this paragraph in one (1) year increments for
23 good cause shown; or

24 (c) The transferring of the entirety of a utility's or affiliate's interest in the
25 early site permit, the construction permit, or the combined operating license
26 to an entity other than another utility prior to the commencement of
27 construction of the nuclear energy generating facility for which a permit or

1 license was awarded, unless the authority finds that the transfer is in the
2 best interest of the Commonwealth.

3 ➔SECTION 2. A NEW SECTION OF KRS CHAPTER 278 IS CREATED TO
4 READ AS FOLLOWS:

5 (1) As used in this section:

6 (a) "Combined operating license" means a license issued by the United States
7 Nuclear Regulatory Commission pursuant to 10 C.F.R. sec. 52.71 et seq.
8 that enables its holder to construct and operate a nuclear power plant at a
9 specific site;

10 (b) "Construction permit" means a permit issued by the United States Nuclear
11 Regulatory Commission pursuant to 10 C.F.R. pt. 50 that enables its holder
12 to construct a nuclear power plant at a specific site;

13 (c) "Early site permit" means a permit issued by the United States Nuclear
14 Regulatory Commission pursuant to 10 C.F.R. sec. 52.12 et seq. that
15 enables its holder to secure federal site approval for a nuclear power plant
16 site prior to seeking an operating reactor license from the United States
17 Nuclear Regulatory Commission;

18 (d) "Generation III Plus" means the generation of nuclear reactor design
19 following Generation III that incorporates passive and other safety
20 measures and design improvements not included in previous nuclear
21 reactor designs;

22 (e) "Generation IV" means the nuclear reactor designs identified and selected
23 by the Generation IV International Forum as follows:

24 1. Sodium-cooled fast reactors;

25 2. Gas-cooled fast reactors;

26 3. Lead-cooled fast reactors;

27 4. Molten salt reactors;

1 5. Supercritical water-cooled reactors; and

2 6. Very high temperature reactors; and

3 (f) "Nuclear energy generating facility" means a facility containing a nuclear
4 reactor of Generation III Plus, Generation IV, or later design that produces
5 electricity, at least some of which is sold to the public.

6 (2) (a) Notwithstanding any provision of law to the contrary, upon application by a
7 regulated utility, the commission may allow for the recovery of costs which
8 are not covered in the existing rates of the utility that have been incurred in:

9 1. Applying for and procuring an early site permit, construction permit,
10 or combined operating license for a new nuclear energy generating
11 facility to be located within the Commonwealth; and

12 2. Procuring and maintaining a surety bond or similar security required
13 for a grant funding recipient under the Nuclear Reactor Site
14 Readiness Pilot Program established in Section 1 of this Act.

15 (b) The commission shall not allow cost recovery under this section for any
16 amounts that have been offset by grant funding awarded pursuant to
17 Section 1 of this Act.

18 ➔Section 3. KRS 154.32-010 is amended to read as follows:

19 (1) "Activation date" means the date established in the tax incentive agreement that is
20 within two (2) years of final approval;

21 (2) "Affiliate" means the following:

22 (a) Members of a family, including only brothers and sisters of the whole or half
23 blood, spouse, ancestors, and lineal descendants of an individual;

24 (b) An individual, and a corporation more than fifty percent (50%) in value of the
25 outstanding stock of which is owned, directly or indirectly, by or for that
26 individual;

27 (c) An individual, and a limited liability company of which more than fifty

- 1 percent (50%) of the capital interest or profits are owned or controlled,
2 directly or indirectly, by or for that individual;
- 3 (d) Two (2) corporations which are members of the same controlled group, which
4 includes and is limited to:
- 5 1. One (1) or more chains of corporations connected through stock
6 ownership with a common parent corporation if:
- 7 a. Stock possessing more than fifty percent (50%) of the total
8 combined voting power of all classes of stock entitled to vote or
9 more than fifty percent (50%) of the total value of shares of all
10 classes of stock of each of the corporations, except the common
11 parent corporation, is owned by one (1) or more of the other
12 corporations; and
- 13 b. The common parent corporation owns stock possessing more than
14 fifty percent (50%) of the total combined voting power of all
15 classes of stock entitled to vote or more than fifty percent (50%) of
16 the total value of shares of all classes of stock of at least one (1) of
17 the other corporations, excluding, in computing the voting power
18 or value, stock owned directly by the other corporations; or
- 19 2. Two (2) or more corporations if five (5) or fewer persons who are
20 individuals, estates, or trusts own stock possessing more than fifty
21 percent (50%) of the total combined voting power of all classes of stock
22 entitled to vote or more than fifty percent (50%) of the total value of
23 shares of all classes of stock of each corporation, taking into account the
24 stock ownership of each person only to the extent the stock ownership is
25 identical with respect to each corporation;
- 26 (e) A grantor and a fiduciary of any trust;
- 27 (f) A fiduciary of a trust and a fiduciary of another trust, if the same person is a

- 1 grantor of both trusts;
- 2 (g) A fiduciary of a trust and a beneficiary of that trust;
- 3 (h) A fiduciary of a trust and a beneficiary of another trust, if the same person is a
- 4 grantor of both trusts;
- 5 (i) A fiduciary of a trust and a corporation more than fifty percent (50%) in value
- 6 of the outstanding stock of which is owned, directly or indirectly, by or for the
- 7 trust or by or for a person who is a grantor of the trust;
- 8 (j) A fiduciary of a trust and a limited liability company more than fifty percent
- 9 (50%) of the capital interest, or the interest in profits, of which is owned
- 10 directly or indirectly, by or for the trust or by or for a person who is a grantor
- 11 of the trust;
- 12 (k) A corporation, a partnership, or a limited partnership if the same persons own:
- 13 1. More than fifty percent (50%) in value of the outstanding stock of the
- 14 corporation; and
- 15 2. More than fifty percent (50%) of the capital interest, or the profits
- 16 interest, in the partnership or limited partnership;
- 17 (l) A corporation and a limited liability company if the same persons own:
- 18 1. More than fifty percent (50%) in value of the outstanding stock of the
- 19 corporation; and
- 20 2. More than fifty percent (50%) of the capital interest or the profits in the
- 21 limited liability company;
- 22 (m) A partnership or limited partnership and a limited liability company if the
- 23 same persons own:
- 24 1. More than fifty percent (50%) of the capital interest or profits in the
- 25 partnership or limited partnership; and
- 26 2. More than fifty percent (50%) of the capital interest or the profits in the
- 27 limited liability company;

- 1 (n) An S corporation and another S corporation if the same persons own more
2 than fifty percent (50%) in value of the outstanding stock of each corporation;
3 S corporation designation being the same as that designation under the
4 Internal Revenue Code of 1986, as amended;
- 5 (o) An S corporation and a C corporation, if the same persons own more than
6 fifty percent (50%) in value of the outstanding stock of each corporation; S
7 and C corporation designations being the same as those designations under the
8 Internal Revenue Code of 1986, as amended; or
- 9 (p) Two (2) or more limited liability companies, if the same persons own more
10 than fifty percent (50%) of the capital interest or are entitled to more than fifty
11 percent (50%) of the capital profits in the limited liability companies;
- 12 (3) "Agribusiness" means the processing of raw agricultural products, including but not
13 limited to timber and industrial hemp, or the performance of value-added functions
14 with regard to raw agricultural products;
- 15 (4) "Alternative fuel production" means a Kentucky operation that primarily produces
16 alternative transportation fuels for sale. The alternative fuel production may
17 produce electricity as a by-product if the primary function of the operations remains
18 the production and sale of alternative transportation fuels;
- 19 (5) "Alternative transportation fuels" has the same meaning as in KRS 152.715;
- 20 (6) "Approved company" means an eligible company that has received final approval
21 to receive incentives under this subchapter;
- 22 (7) "Approved costs" means the amount of eligible costs approved by the authority at
23 final approval;
- 24 (8) "Authority" means the Kentucky Economic Development Finance Authority
25 established by KRS 154.20-010;
- 26 (9) "Biomass resources" has the same meaning as in KRS 152.715;
- 27 (10) "Capital lease" means a lease classified as a capital lease by the Statement of

1 Financial Accounting Standards No. 13, Accounting for Leases, issued by the
2 Financial Accounting Standards Board, November 1976, as amended;

3 (11) "Carbon dioxide or hydrogen transmission pipeline" means the in-state portion of a
4 pipeline, including appurtenant facilities, property rights, and easements, that is
5 used exclusively for the purpose of transporting carbon dioxide or hydrogen to the
6 point of sale, storage, or other carbon or hydrogen management applications;

7 (12) "Coal severing and processing" means activities resulting in the eligible company
8 being subject to the tax imposed by KRS Chapter 143;

9 (13) "Commonwealth" means the Commonwealth of Kentucky;

10 (14) "Confirmed approved costs" means:

11 (a) For owned economic development projects, the documented eligible costs
12 incurred on or before the activation date; or

13 (b) For leased economic development projects:

14 1. The documented eligible costs incurred on or before the activation date;
15 and

16 2. Estimated rent to be incurred by the approved company throughout the
17 term of the tax incentive agreement.

18 For both owned and leased economic development projects, "confirmed approved
19 costs" may be less than approved costs, but shall not be more than approved costs;

20 (15) "Department" means the Department of Revenue;

21 (16) "Economic development project" means:

22 (a) The acquisition, leasing, or construction of a new facility;

23 (b) The acquisition, leasing, rehabilitation, or expansion of an existing facility; or

24 (c) The installation and equipping of a facility;

25 by an eligible company. "Economic development project" does not include any
26 economic development project that will result in the replacement of facilities
27 existing in the Commonwealth, except as provided in KRS 154.32-060;

(17) (a) "Eligible company" means any corporation, limited liability company, partnership, limited partnership, sole proprietorship, business trust, or any other entity with a proposed economic development project that is engaged in or is planning to be engaged in one (1) or more of the following activities within the Commonwealth:

1. Manufacturing;
2. Agribusiness;
3. Nonretail service or technology;
4. Headquarters operations, regardless of the underlying business activity of the company;
5. Alternative fuel, gasification, energy-efficient alternative fuel, or renewable energy production;
6. Carbon dioxide or hydrogen transmission pipeline;
7. Coal severing and processing;~~[-or]~~
8. Hospital operations; or

9. Development of the nuclear energy ecosystem, including but not limited to nuclear energy generating facility siting and development.

(b) "Eligible company" does not include companies where the primary activity to be conducted within the Commonwealth is forestry, fishing, the provision of utilities, except as provided in paragraph (a)9. of this subsection, construction, wholesale trade, retail trade, real estate, rental and leasing, educational services, accommodation and food services, or public administration services;

(18) "Eligible costs" means:

(a) For owned economic development projects:

1. Start-up costs;
2. Nonrecurring obligations incurred for labor and nonrecurring payments

- 1 to contractors, subcontractors, builders, and materialmen in connection
2 with the economic development project;
- 3 3. The cost of acquiring land or rights in land and any cost incidental
4 thereto, including recording fees;
- 5 4. The cost of contract bonds and of insurance of all kinds that may be
6 required or necessary for completion of an economic development
7 project which is not paid by a contractor or otherwise provided for;
- 8 5. All costs of architectural and engineering services, including test
9 borings, surveys, estimated plans and specifications, preliminary
10 investigations, and supervision of construction, as well as for the
11 performance of all the duties required for construction of the economic
12 development project;
- 13 6. All costs which are required to be paid under the terms of any contract
14 for the economic development project;
- 15 7. All costs incurred for construction activities, including site tests and
16 inspections; subsurface site work; excavation; removal of structures,
17 roadways, cemeteries, and other surface obstructions; filling, grading,
18 and providing drainage and storm water retention; installation of utilities
19 such as water, sewer, sewage treatment, gas, electric, communications,
20 and similar facilities; off-site construction of utility extensions to the
21 boundaries of the real estate; construction and installation of railroad
22 spurs as needed to connect the economic development project to existing
23 railways; or similar activities as the authority may determine necessary
24 for construction of the economic development project; and
- 25 8. All other costs of a nature comparable to those described above; and
- 26 (b) For leased economic development projects:
- 27 1. Start-up costs;

- 1 2. Building/leasehold improvements; and
- 2 3. Fifty percent (50%) of the estimated annual rent for each year of the tax
- 3 incentive agreement.

4 Notwithstanding any other provision of this subsection, for economic development
5 projects that are not in enhanced incentive counties, the cost of equipment eligible
6 for recovery as an eligible cost shall not exceed twenty thousand dollars (\$20,000)
7 for each new full-time job created as of the activation date;

8 (19) "Employee benefits" means payments by an approved company for its full-time
9 employees for health insurance, life insurance, dental insurance, vision insurance,
10 defined benefits, 401(k), or similar plans;

11 (20) "Energy-efficient alternative fuel production" means a Kentucky operation that
12 produces for sale energy-efficient alternative fuels;

13 (21) "Energy-efficient alternative fuels" means homogeneous fuels that:

14 (a) Are produced from processes designed to densify feedstock coal, waste coal,
15 or biomass resources; and

16 (b) Have an energy content that is greater than the feedstock coal, waste coal, or
17 biomass resource;

18 (22) "Enhanced incentive counties" means counties certified by the authority pursuant to
19 KRS 154.32-050;

20 (23) "Final approval" means the action taken by the authority authorizing the eligible
21 company to receive incentives under this subchapter;

22 (24) (a) "Full-time job" means a job held by a person who:

23 1. Is required to work a minimum of thirty-five (35) hours per week; and

24 2. a. Is subject to the Kentucky individual income tax imposed by KRS
25 141.020; or

26 b. Works remotely away from the economic development project if
27 the job meets all of the following conditions:

- 1 i. Is held by a Kentucky resident;
- 2 ii. Was created as a result of the economic development project;
- 3 and
- 4 iii. The payroll of this job is expensed to the economic
- 5 development project.

6 (b) "Full-time job" does not include a job held by a resident of any state with a
7 reciprocal agreement between the Commonwealth and the other state as
8 described in KRS 141.070;

9 (25) "Gasification process" means a process that converts any carbon-containing
10 material into a synthesis gas composed primarily of carbon monoxide and
11 hydrogen;

12 (26) "Gasification production" means a Kentucky operation that primarily produces for
13 sale:

14 (a) Alternative transportation fuels;

15 (b) Synthetic natural gas;

16 (c) Chemicals;

17 (d) Chemical feedstocks; or

18 (e) Liquid fuels;

19 from coal, waste coal, coal-processing waste, or biomass resources, through a
20 gasification process. The gasification production may produce electricity as a by-
21 product if the primary function of the operations remains the production and sale of
22 alternative transportation fuels, synthetic natural gas, chemicals, chemical
23 feedstocks, or liquid fuels;

24 (27) "Headquarters" means the principal office where the principal executives of the
25 entity are located and from which other personnel, branches, affiliates, offices, or
26 entities are controlled;

27 (28) "Hospital" means a facility licensed by the Cabinet for Health and Family Services

- 1 under KRS Chapter 216B for the operation of a hospital and the basic services
2 provided by a hospital;
- 3 (29) "Incentives" means the incentives available under this subchapter, as listed in KRS
4 154.32-020(3);
- 5 (30) "Job target" means the annual average number of new full-time jobs that the
6 approved company commits to create and maintain at the economic development
7 project, which shall not be less than ten (10) new full-time jobs;
- 8 (31) "Kentucky gross receipts" has the same meaning as in KRS 141.0401;
- 9 (32) "Kentucky gross profits" has the same meaning as in KRS 141.0401;
- 10 (33) "Lease agreement" means an agreement between an approved company and an
11 unrelated entity conveying the right to use a facility, the terms of which reflect an
12 arms' length transaction. "Lease agreement" does not include a capital lease;
- 13 (34) "Leased project" means an economic development project site occupied by an
14 approved company pursuant to a lease agreement;
- 15 (35) "Manufacturing" means any activity involving:
- 16 (a) Processing, assembling, or production of any property, including the
17 processing resulting in a change in the conditions of the property and any
18 activity related to the processing, assembling, or production of property,
19 together with the storage, warehousing, distribution, and related office
20 facilities; or
- 21 (b) Production of vital medications, personal protective equipment, or equipment
22 necessary to produce personal protective equipment;
- 23 (36) (a) "Nonretail service or technology" means any activity where service or
24 technology is provided predominantly outside the Commonwealth and
25 designed to serve a multistate, national, or international market.
- 26 (b) "Nonretail service or technology" includes but is not limited to call centers,
27 centralized administrative or processing centers, telephone or Internet sales

1 order or processing centers, distribution or fulfillment centers, data processing
2 centers, research and development facilities, and other similar activities;

3 (37) "Owned project" means an economic development project owned in fee simple by
4 the approved company or an affiliate, or possessed by the approved company or an
5 affiliate pursuant to a capital lease;

6 (38) "Personal protective equipment" means protective clothing, helmets, gloves, face
7 shields, goggles, face masks, respirators, and other equipment designed to protect
8 the user from injury or the spread of infection or illness;

9 (39) "Preliminary approval" means the action taken by the authority preliminarily
10 approving an eligible company for incentives under this subchapter;

11 (40) "Renewable energy production" means a Kentucky operation that utilizes wind
12 power, biomass resources, landfill methane gas, hydropower, solar power, or other
13 similar renewable resources to generate electricity for sale to unrelated entities;

14 (41) "Rent" means the actual annual rent or fee paid by an approved company under a
15 lease agreement;

16 (42) "Start-up costs" means nonrecurring costs incurred to furnish and equip a facility
17 for an economic development project, including costs incurred for:

18 (a) Computers, furnishings, office equipment, manufacturing equipment, and
19 fixtures;

20 (b) The relocation of out-of-state equipment; and

21 (c) Cost of fixed telecommunications equipment;

22 as certified to the authority in accordance with KRS 154.32-030;

23 (43) "Synthetic natural gas" means the same thing as in KRS 152.715;

24 (44) "Tax incentive agreement" means the agreement entered into pursuant to KRS
25 154.32-040 between the authority and an approved company;

26 (45) "Term" means the period of time for which a tax incentive agreement may be in
27 effect, which shall not exceed fifteen (15) years for an economic development

1 project located in an enhanced incentive county, or ten (10) years for an economic
2 development project not located in any other county;

3 (46) "Vital medications" means any drug or biologic used to prevent or treat a serious
4 life-threatening disease or medical condition for which there is no other available
5 source with sufficient supply of that drug or biologic or alternative drug or biologic;

6 (47) "Wage" means the per hour earnings of a full-time employee, including wages, tips,
7 overtime, bonuses, and commissions, as reflected on the employee's federal form
8 W-2 wage and tax statement, but excludes employee benefits; and

9 (48) "Wage target" means the average total hourly compensation amount, including the
10 minimum wage and employee benefits, that the approved company commits to
11 meet for all new full-time jobs created and maintained as a result of the economic
12 development project, which shall not be less than:

13 (a) One hundred twenty-five percent (125%) of the federal minimum wage in
14 enhanced incentive counties; or

15 (b) One hundred fifty percent (150%) of the federal minimum wage in all other
16 counties.

17 ➔Section 4. 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 KRS 164.2803, and
12 achieve the authority's purposes described in subsection (8)~~[(7)]~~ of this section.

13 (7) **Beginning January 1, 2027, the authority shall provide to its advisory board**
14 **members at least twenty (20) hours of training each year in any area relating to**
15 **nuclear energy generation, siting, or policy.**

16 **(8)** The purposes of the authority shall be to:

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

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

26 (c) Develop the capacity for nuclear energy economic development in the
27 Commonwealth, which shall include providing information to educational

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

1 technologies to reprocess or recycle spent nuclear fuel;

2 (i) Maintain awareness of potential events that could initiate or accelerate the
3 development of new nuclear energy technologies within the Commonwealth
4 to allow the public to benefit from these projects;~~and~~

5 (j) Through the nuclear energy development grant administration subcommittee,
6 review and evaluate grant applications and make grant awards in accordance
7 with KRS 164.2803;and

8 (k) Through the Nuclear Reactor Site Readiness Pilot Program, review and
9 evaluate grant applications and make recommendations to the General
10 Assembly for funding eligible projects.

11 (9)~~(8)~~ The authority, with the approval of the advisory board, shall:

12 (a) Propose and adopt bylaws for the management and operation of the authority,
13 including for the Nuclear Energy Development Grant Program established in
14 KRS 164.2803;

15 (b) Develop and adopt a strategic plan for carrying out the purposes of the
16 authority described in subsection (8)~~(7)~~ of this section;

17 (c) Create and update at least once every two (2) years a nuclear energy economic
18 impact analysis for the Commonwealth;

19 (d) Employ necessary staff to carry out the functions of the authority, including,
20 subject to available funding, third-party consultants with the subject matter
21 expertise to assist as needed with the studies, reviews, examinations, and
22 recommendations for which the authority is responsible; and

23 (e) By December 1, 2025, and each December 1 thereafter, submit a report to the
24 Governor and the Legislative Research Commission for referral to the Interim
25 Joint Committees on Natural Resources and Energy, Appropriations and
26 Revenue, and Economic Development and Workforce Investment providing:

27 1. A summary of the authority's activities and achievements since its last

1 report;

2 2. The evaluations and scores of all nuclear energy development grant
3 applications received and all grant awards made pursuant to KRS
4 164.2803 since its last report;

5 3. The evaluations, scores, and funding recommendations for applicants
6 to the Nuclear Reactor Site Readiness Pilot Program established in
7 Section 1 of this Act; and

8 ~~4.~~^[3.] Recommendations for the support and expansion of the nuclear energy
9 ecosystem in the Commonwealth.

10 ➔Section 5. KRS 164.2803 is amended to read as follows:

11 (1) The Kentucky Nuclear Energy Development Authority established in KRS
12 164.2802 shall create and implement the Nuclear Energy Development Grant
13 Program for the advancement and location of nuclear fission and fusion energy-
14 related projects to support the entire nuclear energy ecosystem in the
15 Commonwealth, including utility and private sector economic development
16 activities. The nuclear energy ecosystem includes but is not limited to:

- 17 (a) The nuclear fuel cycle, which includes fuel conversion, enrichment, and
18 fabrication, as well as potential future spent fuel recycling and reprocessing;
- 19 (b) Nuclear fission or fusion reactor design and component manufacturing;
- 20 (c) Component supply chain manufacturing and distribution;
- 21 (d) Nuclear fission or fusion facility siting and development;
- 22 (e) Radioisotope production;
- 23 (f) Facility operation and maintenance;
- 24 (g) Decommissioning waste storage, transport, and management; and
- 25 (h) End uses of nuclear energy and co-products.

26 (2) The membership of the Kentucky Nuclear Energy Development Authority shall
27 select five (5) of its voting members to serve on the nuclear energy development

1 grant administration subcommittee. A majority of the members of the grant
2 administration subcommittee shall constitute a quorum for the purposes of doing
3 business. The subcommittee shall:

- 4 (a) Create grant applications;
- 5 (b) Establish grant applicant eligibility requirements;
- 6 (c) Establish objective scoring criteria to evaluate grant applications, including

7 but not limited to:

- 8 1. The likelihood that the proposed project funded by the grant will
- 9 precipitate further investment in the nuclear energy ecosystem;
- 10 2. The economic impact of the grant funding on the community and region
- 11 where the proposed project will be located;
- 12 3. The readiness of the community where the proposed project will be
- 13 located to host nuclear-related investments, including whether the
- 14 community has been awarded a nuclear-ready community designation
- 15 under KRS 164.2804; and
- 16 4. The amount of additional investment that would be made in the
- 17 proposed project by the grant applicant and other sources; and

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