

1 AN ACT relating to reliable energy portfolio standards.

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

3 ➔SECTION 1. A NEW SECTION OF KRS CHAPTER 278 IS CREATED TO
4 READ AS FOLLOWS:

5 *The intent of Sections 1 to 6 of this Act is to maintain reliable electricity generation*
6 *and keep jobs, businesses, and investment opportunities in the Kentucky energy sector*
7 *by:*

8 *(1) Continuing to use the most reliable sources for electricity generation as possible;*
9 *(2) Promoting energy independence and security; and*
10 *(3) Stabilizing long-term energy prices and reducing economic risks to electric utility*
11 *customers in Kentucky.*

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

14 *As used in Sections 1 to 6 of this Act:*

15 *(1) "Commission" means the Public Service Commission;*
16 *(2) "Reliable energy" means electricity generated from a source that is always*
17 *available on site or is delivered in advance and stored on site where the electricity*
18 *is generated. "Reliable energy" does not include electricity generated from*
19 *sources that are intermittent in availability or delivered on demand; and*
20 *(3) "Retail electric supplier" has the same meaning as in KRS 278.010.*

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

23 *(1) Each retail electric supplier shall be subject to the requirements of this section*
24 *and shall, by the end of the calendar year specified, achieve the requirement for*
25 *reliable energy for that year, as follows:*

26 *(a) In calendar year 2020, seventy percent (70%) of the average of Kentucky*
27 *retail electric sales for 2018 and 2019 shall be from reliable energy*

- 1 *purchased or generated by that retail electric supplier;*
2 *(b) In calendar year 2023, seventy-two and one-half percent (72.5%) of the*
3 *average of 2021 and 2022 Kentucky retail electric sales shall be from*
4 *reliable energy purchased or generated by that retail electric supplier; and*
5 *(c) In calendar year 2026 and thereafter, seventy-five percent (75%) of the*
6 *average of 2024 and 2025 Kentucky retail electric sales shall be from*
7 *reliable energy purchased or generated by that retail electric supplier.*

- 8 *(2) No certificate of public convenience and necessity authorizing the construction of*
9 *new or expanded generating capacity shall be granted to a retail electric supplier*
10 *that is not in compliance with subsection (1) of this section, unless the*
11 *authorization is necessary to achieve compliance with subsection (1) of this*
12 *section.*

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

- 15 *(1) Electricity generated using one (1) or more types of reliable energy may be*
16 *utilized to satisfy the reliability requirements of subsection (1) of Section 3 of this*
17 *Act.*

- 18 *(2) If electric generation employs multiple energy sources, only that portion of the*
19 *electricity produced that is attributable to reliable energy may be used to comply*
20 *with the reliability requirements of Section 3 of this Act.*

- 21 *(3) Electricity attributable to reliable energy that is generated or purchased by the*
22 *retail electric supplier from a generating facility that became operational before*
23 *the effective date of this Act may be used to comply with the reliability*
24 *requirement for that supplier.*

25 ➔SECTION 5. A NEW SECTION OF KRS CHAPTER 278 IS CREATED TO
26 READ AS FOLLOWS:

27 *By January 1, 2019, and on January 1 biennially thereafter, each retail electric*

1 supplier shall file an implementation plan with the commission, describing the manner
2 in which that supplier will comply with the reliability requirements of Section 3 of this
3 Act.

4 ➔SECTION 6. A NEW SECTION OF KRS CHAPTER 278 IS CREATED TO
5 READ AS FOLLOWS:

6 (1) Commencing on January 1, 2021, and on January 1 of each year thereafter, each
7 retail electric supplier shall submit to the commission an annual report that
8 provides information relating to the actions taken by the utility during the
9 previous calendar year to comply with the reliability requirements in Section 3 of
10 this Act.

11 (2) The commission shall promulgate administrative regulations pursuant to KRS
12 Chapter 13A regarding the form, submission, and information to be contained in
13 each annual report. At a minimum, the annual report shall include the following:

14 (a) The total number of megawatt-hours sold to retail electric customers in
15 Kentucky;

16 (b) The total number of megawatt-hours of electricity sold to retail customers in
17 Kentucky that qualifies as reliable energy;

18 (c) The percentage of the electric utility's total Kentucky retail sales that the
19 amount set forth under paragraph (b) of this subsection represents; and

20 (d) A summary demonstrating how compliance with Section 3 of this Act has
21 been achieved.

22 (3) (a) Concurrent with the submission of each report under this section, each
23 retail electric supplier shall make a copy of the report available on its Web
24 site.

25 (b) Beginning September 1, 2026, and on September 1 of every fifth year
26 thereafter, the commission shall file with the Legislative Research
27 Commission a report that includes all of the following information:

- 1 1. A summary of data collected under this section;
- 2 2. The status of reliable energy in Kentucky;
- 3 3. For the total reliable energy portfolio, the cost of reliable energy
4 compared to the average cost of electricity in Kentucky;
- 5 4. An evaluation of the change in electricity rates as a result of Sections
6 1 to 6 of this Act; and
- 7 5. A description of the impact that the adoption of the reliability
8 requirements has had on employment in Kentucky.
- 9 The commission shall consult with other appropriate agencies, including
10 the Cabinet for Economic Development, the Finance and Administration
11 Cabinet, and the Labor Cabinet in the development of this information.