

CHAPTER 169**(SB 198)**

AN ACT relating to nuclear energy development.

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

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

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

 - (a) *Serve as the nonregulatory, trusted state government agency on nuclear energy issues and development in the Commonwealth; and***
 - (b) *Support and facilitate the development of the nuclear energy ecosystem across the Commonwealth in a collaborative manner that:***

 - 1. *Enhances the Commonwealth's economy;***
 - 2. *Offers energy production and economic development opportunities that are safe;***
 - 3. *Protects the environment across the Commonwealth;***
 - 4. *Supports community voices, especially in underrepresented or historically impacted areas;***
 - 5. *Increases energy education; and***
 - 6. *Prepares a future workforce.***
- (2) *The Kentucky Nuclear Energy Development Authority shall be governed by an advisory board consisting of the following twenty-two (22) voting members and eight (8) nonvoting members:***

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

 - 1. *The director of the University of Kentucky Center for Applied Energy Research, who shall serve as chair;***
 - 2. *The secretary of the Energy and Environment Cabinet;***
 - 3. *The secretary of the Cabinet for Economic Development;***
 - 4. *The chair of the Public Service Commission;***
 - 5. *The president of the Council on Postsecondary Education;***
 - 6. *The secretary of the Education and Labor Cabinet; and***
 - 7. *The director of the Division of Emergency Management;***
 - (b) *Fifteen (15) at-large members who shall be voting members:***

 - 1. *A representative from each of the four (4) investor-owned electric utilities operating in the Commonwealth, designated by the president of each investor-owned electric utility, unless two (2) or more of the investor-owned electric utilities are operated under common ownership, in which case only one (1) representative shall be designated for the commonly owned utilities;***
 - 2. *Three (3) representatives of electric cooperatives designated by the chief operating officer of the Kentucky Association of Electric Cooperatives, as follows:***

 - a. *One (1) of whom shall represent distribution cooperatives; and***
 - b. *Two (2) of whom shall represent each of the generation and transmission electric cooperatives operating in the Commonwealth, unless they are operated under common ownership, in which case only one (1) representative shall be designated for the commonly owned generation and transmission electric cooperatives;***
 - 3. *A representative of the Tennessee Valley Authority, designated by its chief nuclear officer;***

4. *A representative of municipal utilities, designated by the executive director of the Kentucky League of Cities;*
 5. *A representative of nuclear site remediation services, designated by the director of business services for the Four Rivers Nuclear Partnership or by another organization that provides nuclear site remediation services;*
 6. *A representative for environmental interests, designated by the executive director of the Kentucky Conservation Committee;*
 7. *A representative of manufacturers, designated by the president of the Kentucky Association of Manufacturers;*
 8. *A representative for commercial interests, designated by the president of the Kentucky Chamber of Commerce;*
 9. *A mayor of a city, designated by the executive director of the Kentucky League of Cities, who lives in an "energy community" as that term is used in the Inflation Reduction Act of 2022, Pub. L. No. 117-169, and as it is defined in the latest guidance by the Internal Revenue Service; and*
 10. *A county judge/executive, designated by the executive director of the Kentucky Association of Counties, who lives in an "energy community" as that term is used in the Inflation Reduction Act of 2022, Pub. L. No. 117-169, and as it is defined in the latest guidance by the Internal Revenue Service; and*
- (c) *Eight (8) nonvoting members:*
1. *The president of the Nuclear Energy Institute, or designee;*
 2. *A representative from a national nuclear educational nonprofit organization, designated by the chair and confirmed by a majority of the voting members;*
 3. *A representative from a United States Department of Energy National Laboratory with expertise in nuclear energy policy issues, designated by the chair and confirmed by a majority of the voting members;*
 4. *A representative from a nongovernmental nuclear policy advocacy organization, designated by the chair and confirmed by a majority of the voting members;*
 5. *Two (2) members of the Senate, who shall serve as ex officio members, designated by the President of the Senate; and*
 6. *Two (2) members of the House of Representatives, who shall serve as ex officio members, designated by the Speaker of the House of Representatives.*
- (3) *State government members named in subsection (2)(a) of this section and members of the General Assembly named in subsection (2)(c)5. and 6. of this section shall serve on the advisory board during the terms of their appointed or elected state government positions. After the initial appointments, all other members of the advisory board shall serve terms of four (4) years. Members shall be eligible to succeed themselves and shall serve until their successors are appointed. A vacancy occurring during the term of any member shall be filled in the same manner as the original appointment.*
- (4) *A majority of the voting members of the advisory board shall constitute a quorum for the purposes of conducting business. The advisory board shall meet at least quarterly, or more often at the call of the chair.*
- (5) *Members of the advisory board shall not be paid for their service as board members, and they shall not be reimbursed for any expenses relating to their attendance of board meetings.*
- (6) *The advisory board shall hire a director of the authority who shall possess the skills and experience necessary to lead the authority effectively, promote the safe and responsible development of nuclear energy, and achieve the authority's purposes described in subsection (7) of this section.*
- (7) *The purposes of the authority shall be to:*
- (a) *Assist interested communities in understanding advanced nuclear opportunities, including the importance of secure, firm, cost-competitive power for customers and for economic development*

opportunities, as well as the potential for direct and indirect economic benefits associated with the employment and tax revenue generated from nuclear energy projects;

- (b) Provide information to the public on the history of nuclear energy technologies in the Commonwealth, the status of existing nuclear energy projects within the Commonwealth, and the potential benefits and concerns associated with nuclear energy technologies;*
 - (c) Develop the capacity for nuclear energy economic development in the Commonwealth, which shall include providing information to educational institutions on the types of career opportunities that will be available with the development of nuclear energy, building strong relationships with economic development professionals, promoting existing economic development incentives applicable to nuclear energy development, and seeking out new grants and other financial support for nuclear energy development;*
 - (d) Seek greater clarity and certainty with stakeholders on financial support for early nuclear site permitting, the process for obtaining a nuclear power facility certificate of public convenience and necessity, and the recovery of construction work in progress for nuclear energy projects;*
 - (e) Work with communities that have previously hosted nuclear-related activities and other communities facing a transition away from fossil fuels to empower those communities with the resources and information necessary to engage with regulators, developers, and decisionmakers on new nuclear power facilities, nuclear component manufacturing facilities, and fuel cycle facilities;*
 - (f) Strengthen engagement with the federal Nuclear Regulatory Commission by reviewing current safety and security practices implemented at different types of nuclear energy facilities under their purview, promoting the streamlining of permitting efforts, and supporting the siting of interim and permanent nuclear storage facilities via the continued use of consent-based siting;*
 - (g) Build the organizational capacity to engage and potentially convene a consortium of stakeholders interested in nuclear energy technologies that would consist of utilities, environmental advocates, electric cooperatives, and major industrial companies in order to share best practices, including how to share risk associated with developing and constructing new nuclear power plants within the Commonwealth;*
 - (h) Engage with the United States Department of Energy National Laboratories, academic institutions, and private companies on efforts to develop deployable technologies to reprocess or recycle spent nuclear fuel; and*
 - (i) Maintain awareness of potential events that could initiate or accelerate the development of new nuclear energy technologies within the Commonwealth to allow the public to benefit from these projects.*
- (8) The authority, with the approval of the advisory board, shall:*
- (a) Propose and adopt bylaws for the management and operation of the authority;*
 - (b) Develop and adopt a strategic plan for carrying out the purposes of the authority described in subsection (7) of this section;*
 - (c) Create and update at least once every two (2) years a nuclear energy economic impact analysis for the Commonwealth;*
 - (d) Employ necessary staff to carry out the functions of the authority; and*
 - (e) By December 1, 2025, and each December 1 thereafter, submit a report to the Governor and the Legislative Research Commission for referral to the Interim Joint Committees on Natural Resources and Energy, Appropriations and Revenue, and Economic Development and Workforce Investment providing a summary of the authority's activities and achievements since its last report and offering recommendations for the support and expansion of the nuclear energy ecosystem in the Commonwealth.*

➔SECTION 2. A NEW SECTION OF KRS CHAPTER 164 IS CREATED TO READ AS FOLLOWS:

- (1) The Kentucky Nuclear Energy Development Authority, with the approval of its advisory board, shall develop and adopt criteria for awarding a nuclear-ready community designation to demonstrate a*

community's readiness to welcome nuclear energy-related development. The criteria to attain the designation shall include but not be limited to:

- (a) *The holding of local public educational meetings to educate the community on advanced nuclear energy technologies, the nuclear ecosystem, and the role that nuclear energy-related development could play in the community;*
 - (b) *The availability of sites within the community that have been recognized by the Cabinet for Economic Development as being suitable for nuclear energy-related projects; and*
 - (c) *The adoption of resolutions from the county and all cities in the county or a successful county ballot initiative declaring the community's readiness for nuclear energy-related projects to be developed and sited there.*
- (2) *Communities may voluntarily apply to the Kentucky Nuclear Energy Development Authority for a nuclear-ready community designation in the form and manner as the authority may require, and the authority shall evaluate the application and award the designation based on the criteria established under subsection (1) of this section.*

➔SECTION 3. A NEW SECTION OF SUBCHAPTER 12 OF KRS CHAPTER 154 IS CREATED TO READ AS FOLLOWS:

- (1) *The Cabinet for Economic Development shall create and implement a financial assistance program for the development and location of nuclear energy-related projects to support the entire nuclear energy ecosystem in the Commonwealth, including utility and private sector economic development activities. The nuclear energy ecosystem includes but is not limited to:*
- (a) *The nuclear fuel cycle, which includes fuel conversion, enrichment, and fabrication, as well as potential future spent fuel recycling and reprocessing;*
 - (b) *Reactor design and component manufacturing;*
 - (c) *Component supply chain manufacturing and distribution;*
 - (d) *Facility siting and development;*
 - (e) *Radioisotope production;*
 - (f) *Facility operation and maintenance;*
 - (g) *Decommissioning waste storage, transport, and management; and*
 - (h) *End uses of nuclear energy and co-products.*
- (2) *The cabinet, in consultation with the Kentucky Nuclear Energy Development Authority established in Section 1 of this Act, shall verify and process eligible financial assistance requests for nuclear energy-related projects under the grant program, similar to the application, approval, and oversight process for the economic development fund program outlined in KRS 154.12-100. The authority shall promulgate administrative regulations in accordance with KRS Chapter 13A to effectuate this section.*

➔Section 4. Members named to the advisory board of the Kentucky Nuclear Energy Development Authority in subsection (2)(b) of Section 1 of this Act shall serve initial terms of three years. Members named to the advisory board in subsection (2)(c)1. to 4. of Section 1 of this Act shall serve initial terms of two years.

➔Section 5. The Kentucky Nuclear Energy Development Authority shall conduct a study to identify the workforce and educational needs to develop and support the nuclear ecosystem in the Commonwealth. The Kentucky Nuclear Energy Development Authority shall submit the findings of the study to the Governor and to the Legislative Research Commission on or before December 1, 2024.

➔Section 6. The Kentucky Nuclear Energy Development Authority shall contract for services to produce a site suitability study to identify the best potential locations for nuclear reactors and other facilities related to the nuclear ecosystem in the Commonwealth. The Kentucky Nuclear Energy Development Authority shall submit the findings of the study to the Governor and to the Legislative Research Commission on or before December 1, 2025.

➔Section 7. The Kentucky Nuclear Energy Development Authority shall contract for services to develop and implement an education and marketing plan to educate the public on modern nuclear energy technology and to provide information on the potential benefits of nuclear power generation and other applications of nuclear energy technologies.

Veto Overridden April 12, 2024.