

Co-ops pursue next generation of energy production for Kentucky

Kentucky's—and America's—appetite for reliable, competitively priced, sustainable energy is growing.

Kentucky's Touchstone Energy Cooperatives are laying the foundation for the next generation of electricity-generation facilities, with plans to invest billions in new infrastructure in the Bluegrass State over the coming decade.

“We are pursuing a diversified mix of energy assets to meet growing demand for electricity while improving flexibility to quickly adapt to changing market and regulatory conditions,” said Anthony “Tony” Campbell, CEO of East Kentucky Power Cooperative (EKPC), which provides wholesale power for 16 electric cooperatives that serve 1.1 million Kentucky residents and thousands of businesses in 89 counties.

During periods of high demand for electricity, like January's extreme cold temperatures, EKPC already is seeing demand exceed its plant capacity. Meanwhile, Kentucky is seeing growing interest from companies assessing the potential for major energy-consuming industrial and data center projects. Corporate appetites for low- and no-carbon resources are growing.

“Kentucky has the energy resources and capabilities to be a strong global competitor for industrial and data-intensive projects in the years ahead,” Campbell said. “It is vital to plan for the future to ensure Kentucky has the necessary resources at hand when they are needed.”

To meet growing demand for electricity, EKPC has announced projects:

- A large new generating unit at its power plant in Somerset, effectively tripling the capacity of the plant. The highly efficient unit will provide reliable, cost-effective baseload electricity.
- A new power plant in Liberty in Casey County, providing flexible generating capacity to meet growing demand. The plant will feature innovative technology with multiple units that can rapidly start up, and ramp up and down quickly, providing a highly adaptable resource to meet changing demand, while helping to maintain grid stability.

These projects will help EKPC meet currently forecasted demand. Large loads like major factories or data centers could require even more power plant capacity.

“During each of the past three winters, EKPC has set new record peaks for electricity demand,” said Don Mosier, the cooperative’s COO & Executive Vice President. “Clearly, the time has come to invest in the future. We are taking a thoughtful, strategic approach, developing new resources to meet growing demand while positioning Kentucky to capitalize on its strengths.”

In addition to the Somerset and Liberty projects, EKPC is planning to convert existing generating units to add flexibility to use either coal or natural gas as fuel. This will provide valuable tools for managing costs and emissions in the future.

Another key ingredient is maintaining assets to affordably serve members seeking low- and no-carbon solutions. The cooperative plans new solar facilities in Fayette and Marion counties, incorporating newly available tax credits and incentives to manage costs.

“Deploying low-carbon resources while maintaining competitive rates along with 24/7/365 reliability is a careful balancing act,” Mosier said. “EKPC has vetted every renewable project to ensure we are getting the most out of every dollar.”

Maintaining a competitive edge in energy costs is central to EKPC’s mission. The Bluegrass State has some of the lowest electric rates in the U.S. In fact, Kentucky has the lowest rates east of the Mississippi River. EKPC projects rates through 2040 will track close to the rate of inflation.

“EKPC and our owner-member cooperatives work hard to manage costs and maintain competitive rates,” said Cliff Scott, EKPC’s Chief Financial Officer and Executive Vice President.

In addition, EKPC is investing in transmission infrastructure. That means adding new power lines and transformers to stay ahead of forecasted demand growth, while also updating aging infrastructure.

Altogether, EKPC’s planned projects over the coming decade represent investments of over \$4 billion in Kentucky’s generation and transmission infrastructure. “This is an exciting time for Kentucky,” Campbell said. “Industries are making investment decisions that will impact communities for decades to

come, and our electric cooperatives will play a key role in supporting those operations.”

In the past year, electric cooperatives have seen several large economic development projects. The Shelbyville Battery Manufacturing, a subsidiary of e-Storage, is building a 1 million-square-foot facility to manufacture utility-scale batteries; the \$792 million project will create over 1,500 jobs. Down the road, Germany-based Wieland is expanding its copper-recycling facility, bringing 200 additional jobs.

“Reliable, competitively priced electricity is key to supporting these types of investments in Kentucky’s economy, which brings jobs and investment to the communities we serve,” said Rodney Hitch, Director of Economic Development. “Kentucky’s Touchstone Energy Cooperatives are working closely with federal, state and local leaders to ensure we have the energy capabilities in place when they are needed.”

Kentucky’s Touchstone Energy Cooperatives include 17 not-for-profit, member-owned electric cooperatives that serve more than 1.1 million Kentucky residents across 89 Kentucky counties.

They include:

- Big Sandy RECC, Paintsville, Ky.
- Clark Energy Cooperative, Winchester, Ky.
- Farmers RECC, Glasgow, Ky.
- Grayson RECC, Grayson, Ky.
- Inter-County Energy Cooperative, Danville, Ky.
- Jackson Energy Cooperative, McKee, Ky.
- Licking Valley RECC, West Liberty, Ky.
- Nolin RECC, Elizabethtown, Ky.
- Owen Electric Cooperative, Owenton, Ky.
- Salt River Electric, Bardstown, Ky.
- Shelby Energy Cooperative, Shelbyville, Ky.
- South Kentucky RECC, Somerset Ky.
- Taylor County RECC, Campbellsville, Ky.
- East Kentucky Power Cooperative
- Blue Grass Energy, Nicholasville, Ky.
- Cumberland Valley Electric, Gray, Ky.
- Fleming-Mason Energy, Flemingsburg, Ky.

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