

Protecting, expanding power plants requires access to natural gas

By Anthony “Tony” Campbell

Demand for electricity is growing among Kentucky’s homes, businesses, schools, shops, offices and industries. Over the next 15 years, electricity use by members is projected to grow at more than twice the rate of the past 15 years for EKPC’s 16 owner-member cooperatives. And that growth does not account for the possibility of big new factories, industries or data centers that might want to come to Kentucky.

The same forecast shows if we do not add new power plants, normal day-to-day use of electricity will exceed the amount of power EKPC can generate by 2030. As a result, EKPC is adding new infrastructure now so we can continue providing reliable, cost-competitive electricity far into the future for the 1.1 million Kentucky residents in the 89 counties served by our owner-member electric cooperatives.

Protecting reliable power plants

To maintain our reliability, the first thing EKPC must do is protect our existing power plants. In late 2024, EKPC announced plans to convert coal-fired units in Maysville and Somerset so they can use both coal and natural gas as fuel. If the units are not converted, EKPC must close them by 2032 to comply with the EPA’s Greenhouse Gas Rule, which was finalized in spring 2024 under the Biden administration. Because those plants account for nearly 90 percent of the electricity EKPC generates, closing them is not a viable option. Likewise, it does not make sense to add experimental technology to capture and store carbon dioxide—EPA’s other compliance option—at an astronomical cost of \$10.7 billion.

The current administration is working hard to undo such irrational EPA regulations. But, because the GHG rule was finalized and implemented by the previous administration, reversing it will be difficult and time-consuming and is not guaranteed. Furthermore, future administrations’ EPAs are likely to attack greenhouse gas emissions with renewed vigor. As a result, EKPC is making reasonable investments now to manage emissions and protect our proven, reliable generating capacity for many years to come. Importantly, this plan will maintain EKPC’s ability to use coal in its plants.

Besides protecting existing coal plants, EKPC plans to add new electric generating resources for Kentucky’s future. A new 745-megawatt unit at Cooper Station in Somerset, along with a new 214-megawatt plant in Liberty, Ky., will provide the power EKPC needs to meet projected growth well into the 2030s. The new gas-based units will ensure EKPC has reliable 24/7 capacity for Kentucky.

All of these projects—converting existing coal units and adding the new Cooper unit and Liberty Station—require access to natural gas, which requires pipelines. EKPC has contracted with TC Energy, a leader in energy infrastructure, to plan, build, own and operate two 40-mile extensions to bring natural gas to Spurlock Station in Maysville and Cooper Station in Somerset, as well as a short interconnection (less than one mile) at Liberty Station. Without access to natural gas, all of EKPC's existing coal plants must close by 2032 and EKPC will be unable to add the new unit at Cooper Station and the new plant in Liberty.

Planning for the future

EKPC's plan for meeting the future needs of our members is the result of careful consideration of many factors. Always, the top priorities are cost and reliability. We have given careful thought to trends in government regulations, technologies, markets and economic projections, as well as potential impacts on the communities we serve. These plans will meet the growing power needs of electric cooperative members well into the future.

EKPC, like many utilities across the nation, has gotten inquiries from data center developers studying various locations in the 89 counties served by our owner-member cooperatives. Large new loads like data centers could require additional power plant infrastructure. But until a developer commits to build a facility with defined energy needs in a specific location, it is impractical for EKPC to invest significant resources to meet those needs.

EKPC is taking steps to protect existing cooperative members from bearing the costs of serving data centers. EKPC has filed a request with state utility regulators to create a new rate class for data centers that would establish rates and rules to ensure they pay for any costs they cause and keep those costs from existing members.

Since the inception of electric cooperatives more than 75 years ago, our co-ops have been particularly sensitive to the role electricity plays in improving lives. It powers light, heat, refrigeration and much more. Reliable, competitively priced electricity also drives business competitiveness, creating and sustaining the jobs, investment and tax base necessary to maintain the vitality of Kentucky's communities.

We are proud to do our part for the communities we serve. We see a bright future for Kentucky.

Tony Campbell is president and CEO of East Kentucky Power Cooperative, a not-for-profit, member-owned cooperative providing wholesale electricity to 16 owner-member distribution cooperatives that serve 1.1 million Kentucky residents across 89 counties.