Kentucky General Assembly Lends Support for Nuclear Development with Senate Bill 57

Apr 22, 2026

Categories:

Publications

Authors:

Gregory Dutton
Pierce Tomoki Stevenson

The Kentucky Legislature's push to establish a "nuclear energy ecosystem" in the Commonwealth continues with Senate Bill (SB) 57, signed into law by Governor Andy Beshear on April 8, 2026.

Purpose and Overall Program Structure

The primary purpose of SB 57 is to create and administer the Nuclear Reactor Site Readiness Pilot Program and establish a framework for awarding grants for construction of nuclear facilities in Kentucky. Both the pilot program and grant program will be overseen by the Kentucky Nuclear Energy Development Authority (KNEDA).

SB 57 creates a new section of KRS Chapter 164 directing KNEDA to facilitate the application for and procurement of early site permits, [1] construction permits,[2] or combined operating licenses[3] from the United States Nuclear Regulatory Commission for the siting of new nuclear energy generating facilities in the Commonwealth. SB 57 defines a "nuclear energy generating facility" as a facility containing a nuclear reactor of Generation III Plus,[4] Generation IV, [5] or later design that produces electricity, at least some of which is sold to the public.

KNEDA is responsible for creating grant applications, establishing applicant eligibility and scoring criteria, reviewing partnership agreements between eligible applicants, and making decisions on applications according to the relevant statutory criteria.

With KNEDA's recommendation, the Kentucky Legislature may award eligible applicants up to one-third of actual costs incurred in applying for and procuring an early site permit, construction permit, or combined operating license, not to exceed $25,000,000 per project.

2026 FBT Gibbons LLP. All rights reserved. ADVERTISING MATERIAL.

FBT Gibbons

KNEDA will make determinations on applicant eligibility and evaluate and score each eligible applicant's grant application, in consultation with the Energy and Environment Cabinet's Office of Energy Policy and the Cabinet for Economic Development, according to the following criteria:

- The location, suitability, and previous use of the site for the early site permit, construction permit, or combined operating license is sought;
- The economic condition of the region where the new nuclear energy generating facility would be located;
- The economic impact that the siting of a new nuclear energy generating facility would have in the region;
- Whether, in relation to other pending or past grant applications or award under this section, the proposed site would be located in a geographically diverse region of the Commonwealth;
- The amount of additional investment being made in the proposed project by the eligible applicant or applicants or other sources; and
- Any other criteria KNEDA deems appropriate to evaluate.

All information, data, or records provided as part of an application for grant funding under this program would be confidential and exempt from disclosure under Kentucky's Open Records Act.

SB 57 incorporates regulated utilities into the grant program. The bill modifies the definition of entities eligible for economic development incentives under KRS 154 to include "[d]evelopment of the nuclear energy ecosystem, including but not limited to nuclear energy generating facility siting and development." To further incentivize inclusion of nuclear power in a utility's electrical generation fleet, SB 57 authorizes the Kentucky Public Service Commission to allow utilities to recover costs incurred in applying for and procuring an early site permit, construction permit, or combined operating license for a new nuclear energy generating facility. However, cost recovery is not permitted for any amounts funded through KNEDA's grant program.

2026 FBT Gibbons LLP. All rights reserved. ADVERTISING MATERIAL.

Eligibility Requirements

Certain eligibility criteria apply. An "eligible applicant" is defined as "any utility[6] or any affiliate[7] of a utility and any current or prospective customer of a utility that is acting in partnership or collaboration with the utility or the affiliate."

To be eligible *to apply* for grant funding under this program, an eligible applicant must demonstrate the following:

- The community where the proposed nuclear energy generating facility site will be located has applied for nuclear-ready community designation under KRS 164.2804.
- There would be material benefits, including but not limited to the provision of electric utility service, job creation, and return on investment, to the ratepayers and the impacted community to be served by the proposed nuclear energy generating facility.

To *be awarded* grant funding, eligible applicants must demonstrate that the community where the proposed nuclear energy generating facility site will be located has received a nuclear-ready community designation under KRS 164.2804.

Bonding Requirements and Forfeiture

In exchange for any grant funding from the legislature, the utility or affiliate and any partners must procure a surety bond or similar security acceptable to KNEDA in to cover the grant amount to be awarded. The bond or similar security shall bind the principal(s) and the surety to the Commonwealth to repay all awarded grant funds forfeited, as further described below. The bond will be continuous and remain in effect until the completion of construction. The surety must provide 30 days' written notice to KNEDA prior to any cancellation of the bond or similar security.

Certain conditions will result in forfeiture and repayment of grant funds. A grant funding recipient shall forfeit and repay all grant funding awarded within 60 days if:

2026 FBT Gibbons LLP. All rights reserved. ADVERTISING MATERIAL.

- The recipient fails to apply to the United States Nuclear Regulatory Commission for an early site permit within one year of receiving grant funds;
- The recipient fails to apply to the United States Nuclear Regulatory Commission for a construction permit or combined operating license for a nuclear energy generating facility, or any other necessary license adopted in federal regulations for advanced nuclear generating reactors within five years of obtaining the early site permit (one year extension permitted for good cause);
- The recipient fails to commence construction within 10 years of obtaining all permits or licenses from the United States Nuclear Regulatory Commission. (one year extension permitted for good cause); or
- The utility's or affiliate's interest in the early site permit, the construction permit, or the combined operating license is entirely transferred to an entity other than another utility prior to the commencement of construction, unless the KNEDA finds that the transfer is in the best interest of the Commonwealth.

As Kentucky seeks to broaden its energy horizons, FBT Gibbons remains a committed partner in bringing cutting-edge technologies to the forefront. We pride ourselves on understanding each client's objectives in the face of an evolving legal landscape. For more information about how these statutory changes could impact your business, please contact the authors or any member of FBT Gibbons' Renewables or Utilities teams.

---

[1] SB 57 defines "early site permit" as a permit issued by the United States Nuclear Regulatory Commission pursuant to 10 C.F.R. sec. 52.12 et seq. that enables its holder to secure federal site approval for a nuclear power plan site prior to seeking an operating reactor license from the United States Nuclear Regulatory Commission.

[2] SB 57 defines "construction permit" as a permit issued by the United States Nuclear Regulatory Commission pursuant to 10 C.F.R. pt. 50 that enables its holder to construct a nuclear power plant at a specific site.

2026 FBT Gibbons LLP. All rights reserved. ADVERTISING MATERIAL.

[3] SB 57 defines "combined operating license" as a license issued by the United States Nuclear Regulatory Commission pursuant to 10 C.F.R. sec. 52.71 et seq. or other licensing frameworks as may be adopted in federal regulations by the United States Nuclear Regulatory Commission for advanced nuclear generating reactors, that enables its holder to construct and operate a nuclear power plant at a specific site.

[4] "Generation III Plus" means the generation of nuclear reactor design following Generation III that incorporates passive and other safety measures and design improvements notice included in previous nuclear reactor designs.

[5] "Generation IV" means the nuclear reactor designs identified and selected by the Generation IV International Forum as follows: 1. Sodium-cooled fast reactors; 2. Gas-cooled fast reactors; 3. Lead-cooled fast reactors; 4. Molten salt reactors; 5. Supercritical water-cooled reactors; and 6. Very high temperature reactors.

[6] "Utility" is defined in SB 57 as a person, firm, corporation, association, cooperative corporation, federally owned electric utility corporation, or municipal corporation who owns, controls, operates, or manages any facility used or to be used for or in connection with the generation, production, transmission, or distribution of electricity to or for the public for compensation.

[7] "Affiliate" is defined in SB 57 as any person, partnership, or corporation that control, is controlled by, or is under common control with, a utility.

© 2026 FBT Gibbons LLP. May be considered attorney advertising in some jurisdictions.

2026 FBT Gibbons LLP. All rights reserved. ADVERTISING MATERIAL.

FBT Gibbons