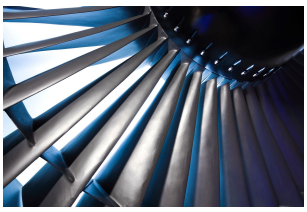

Kentucky Overhauls Public Service Commission and Siting Board, Expanding Utilities Oversight

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Senate Bill (SB) 8 expands the Kentucky Public Service Commission (PSC) from three to five members, expands the Kentucky State Board on Electric Generation and Transmission Siting ("Siting Board") from seven to nine members, and establishes minimum qualifications for PSC commissioners. This action followed an unsuccessful attempt to expand the PSC during the 2025 legislative session, and several provisions of SB 8 mirror those included in last year's proposal. SB 8 became law on April 14, 2026, without the governor's signature. Because the bill contains an emergency provision, it is effective as of April 14, 2026.

The PSC is the administrative body charged with regulating all jurisdictional utilities in Kentucky, including electricity, gas, water, sewer, and telephone utilities. The Siting Board is the administrative body that regulates merchant electric generators in Kentucky.

PSC Expansion, Composition, and Term

SB 8's primary impact is the expansion of the PSC from three to five members, as set forth in Section 1 of the bill. All appointments and reappointments will continue to be made by the Kentucky governor and subject to Senate confirmation. Whereas previously no composition requirements applied, SB 8 imposes the following composition requirements:

- Two commissioners shall be licensed attorneys who have actively practiced law in the Commonwealth for at least seven years; and
- Three shall have education or training and five years of actual experience in one or more of the following fields: economics; engineering; accounting; finance; utility regulation, operation, or management; pipeline or utility infrastructure safety; business management; or environmental management.

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The PSC chair must assign three commissioners to hear and decide a matter, with no more than two commissioners being from the same political party. However, the chair also retains discretion to assign all five commissioners to decide a matter before the PSC.

SB 8 would also impose term limits on PSC commissioners. Current law provides a four-year term and does not include term limits. SB 8 would limit commissioners to three total terms of four years each, thus setting a maximum of 12 years of service with the PSC. These terms or partial terms served by current commissioners will not be counted toward the term limit.

Another notable change is the process to select the PSC's chairperson. Under current law, the governor is authorized to appoint one commissioner to act as the chairperson of the PSC. Under SB 8, the commissioners will select a chair from among them, who will serve a four-year term until his or her term expires without reappointment, whichever comes first. The chair may serve multiple terms subject to the term limits discussed above.

Expansion of the Siting Board

SB 8's expansion of the PSC will also result in expansion of the Kentucky Siting Board from seven to nine members. Under SB 8, the composition of the Siting Board will be as follows:

- The five members of the PSC;
- The secretary of the Energy and Environment Cabinet or the secretary's designee;
- The secretary of the Cabinet for Economic Development or the secretary's designee; and
- Two ad hoc appointees from the locality where the generation facility will be located:
    - The chair of the local planning and zoning commission, if the locality has established local zoning; or, if no local zoning is established, then the chief executive officer of the city or county where the facility is located (i.e., the mayor or county judge executive); and
    - One resident of the county appointed by the governor.

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