



State Legislature Sparks Nuclear Energy Development in Kentucky with SB 198

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Authors:

[Gregory Dutton](#)

[Pierce Tomoki](#)

[Stevenson](#)

The Kentucky Legislature recently passed Senate Bill (SB) 198, overriding Governor Andy Beshear's veto and creating the Kentucky Nuclear Energy Development Authority (KNEDA). KNEDA's mission is to advocate for and promote the development of nuclear energy resources in Kentucky, which does not currently have an operating nuclear reactor. [\[1\]](#)

Composition and Term

KNEDA will be governed by a 30-member advisory board consisting of 22 voting members and eight non-voting members. It will be attached to the University of Kentucky's Center for Applied Energy Research for administrative purposes, and the center's director will serve as the chair of the advisory board. The advisory board's composition is depicted in Table 1 below. Initial appointments will last for either two or three years. After initial appointments, members of the advisory board shall serve four-year terms, except for state government members and members of the Kentucky General Assembly, who will serve during the terms of their appointed or elected state government positions.

KNEDA's Purposes

KNEDA fills a mixed role, acting as a reporting agency, informational resource, and policy advocate for nuclear development in Kentucky. However, its mission is to create a framework to promote and develop nuclear energy resources in the state. Notably, SB 198, §1(7) directs KNEDA to do the following:

- Develop the capacity for nuclear energy in Kentucky and promote economic incentives for nuclear energy development;

- Seek greater clarity on financial support for site permitting, and the process of obtaining a nuclear power facility certificate of public convenience and necessity;
- Work with communities that have previously hosted nuclear-related activities and other communities facing a transition away from fossil fuels;
- Strengthen engagement with the federal Nuclear Regulatory Commission by reviewing current practices, promote streamlined permitting efforts, and support the siting of interim and permanent nuclear storage facilities;
- Build the organizational capacity to engage and potentially convene a consortium of stakeholders to share best practices regarding how to share risk associated with developing and constructing new nuclear power plants in Kentucky; and
- Engage with the U.S. Department of Energy's National Laboratories, academic institutions, and private companies to develop deployable technologies to reprocess or recycle spent nuclear fuels.

KNEDA shall, among other things, develop and adopt a strategic plan for carrying out its purposes and create and update a nuclear energy economic impact analysis for Kentucky every two years. KNEDA must also conduct a study to identify the workforce and educational needs to develop the "nuclear ecosystem" in Kentucky, with study findings due to the governor and Legislative Research Commission by December 1, 2024, with updates due annually.

"Nuclear-Ready" Community Designation

In order to prepare Kentucky for the potential development of nuclear energy generation, KNEDA is charged with identifying localities favorable for nuclear development. With the approval of its advisory board, KNEDA shall develop and adopt criteria for awarding a nuclear-ready community designation to demonstrate a community's readiness to welcome nuclear energy-related development.

Financial Assistance for Development of Kentucky’s Nuclear Energy Ecosystem

SB 198 establishes a financial assistance program for locating and developing nuclear energy-related projects in Kentucky, including utility and private-sector development activities within the so-called “nuclear energy ecosystem.” Under SB 198, the Cabinet for Economic Development must create and implement a financial assistance program for locating and developing nuclear energy-related projects. Additionally, in consultation with KNEDA, the cabinet must verify and process eligible financial assistance requests for nuclear energy-related projects under the grant program for the economic development fund program outlined in KRS 154.12-100. KNEDA is charged with promulgating administrative regulations to implement the specific provisions of this financial assistance program.

Conclusion

The passage of SB 198 signals the legislature’s desire for Kentucky to enter into the nuclear energy market and its intent to include nuclear among the state’s energy mix. SB 198 was passed without an emergency clause, meaning that it will take effect 90 days after adjournment of the 2024 legislative session, around mid-July.

For more information on how SB 198 may affect your business or the broader implications of this bill for Kentucky’s energy sector, contact the authors of this article or any attorney with Frost Brown Todd’s [Energy Industry Team](#).

[1] Kentucky Conservation Committee, Nuclear Energy Overview: <https://kyconservation.org/nuclear-energy>.

TABLE 1: Board Composition

Member Bloc	Individuals	Designated By
7 State Government Members or their Designees (Voting)	Director of University of Kentucky’s Center for Applied Energy Research	N/A

Secretary of
the Energy
and N/A
Environment
Cabinet

Secretary of
the Cabinet
for N/A
Economic
Development

Chair of the
Public N/A
Service
Commission

President of
the Council
on N/A
Postsecondary
Education

Secretary of
the
Education N/A
and Labor
Cabinet

Director of
the Division
of N/A
Emergency
Management

15 At-Large Members (Voting)	Four Representatives, one from each of the Investor-Owned Utilities (IOU) operating in Kentucky*	President of each IOU
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Representative
representing
electric
distribution
cooperatives

CEO of the Kentucky Association
of Electric Cooperatives

Two
representatives

representing

each of the

generation

and

transmission

CEO of the Kentucky Association
of Electric Cooperatives

electric

cooperatives

operating in

Kentucky*

Representative

of the

Tennessee

Valley

Authority

(TVA)

TVA Chief Nuclear Officer

Representative

of Municipal

Utilities

Executive Director of the
Kentucky League of Cities

Representative

of Nuclear

Site

Remediation

Services

Director of Business Services for
the Four Rivers Nuclear

Partnership or similar organization

Representative

for

Environmental

Interests

Executive Director of the
Kentucky Conservation
Committee

Representative

of

Manufacturers

President of the Kentucky
Association of Manufacturers

Representative
for President of the Kentucky
Commercial Chamber of Commerce
Interests
Mayor of a
City who
lives in an
"Energy
Community" Executive Director of the
as used in Kentucky League of Cities
the Inflation
Reduction
Act
A County
Judge/Executive
who lives in
an "Energy
Community" Executive Director of the
as used in Kentucky Association of Counties
the Inflation
Reduction
Act

	President of the Nuclear Energy Institute	N/A
	Representative from a national nuclear educational nonprofit organization	KNEDA Chair**
8 Nonvoting Members	Representative from a U.S. Dept. of Energy National Laboratory	KNEDA Chair**
	Representative from a Nongovernmental Nuclear Policy Advocacy Organization	KNEDA Chair**
	2 Members of the Kentucky Senate	President of the Kentucky Senate
	2 Members of the Kentucky House of Representatives	Speaker of the Kentucky House

*Unless the entities are operated under common ownership, in which case only one representative will be designated.

**Subject to confirmation by majority vote of KNEDA voting members.

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