



Kentucky Sustainable
Energy Alliance



This bill is projected to create 28,000 net new jobs for Kentuckians over the next decade.

Average electric bills in Kentucky will be 8-10% lower under this policy than under a business-as-usual scenario at the end of ten years.

Clean energy is one of the fastest-growing job markets in the U.S.

A majority of states already have similar policies to promote renewables and efficiency.

This bill does not require state tax dollars.

Summary of proposed Renewable and Efficiency Standard for Kentucky

An Act Related to Economic Development

A bill to create jobs, save money, and curb pollution

This proposal opens the door for Kentuckians to benefit from jobs and investments in some of the fastest growing sectors of the U.S. economy. It directs regulated utilities in Kentucky to gradually increase renewable energy production and expand their energy-saving programs over the next decade. This is modeled after similar policies, called Renewable and Efficiency Portfolio Standards, already working in 29 states to drive investment and new jobs while keeping energy bills affordable.

Expands renewable energy generation to 12.5% by 2026

Under this proposal, investor-owned utilities and regulated rural electric cooperatives will generate 12.5% from renewable sources by 2026, up from about 3% today. Qualifying energy sources include solar, wind, low-impact biomass, hydro-power, landfill gas, anaerobic digestion, some types of co-generation, and geothermal.

Shrinks overall electricity demand by 10.25% by 2026

Regulated utilities will expand the energy-saving programs they offer to all classes of customers in order to reduce overall electricity demand by 10.25% by 2026. A portion of these energy savings will be achieved through programs serving households with income below 200% of the federal poverty line.

Encourages in-state investment, creating jobs for Kentuckians

This bill establishes a standard contract, also called a feed-in tariff, for utilities to purchase in-state distributed renewable energy at rates set by the Public Service Commission. This will encourage private investment in Kentucky's renewable energy sector, while also helping utilities meet their targets for renewable energy generation.

Offers flexibility, oversight, and accountability

The bill directs utilities to submit plans to the PSC and demonstrate progress towards interim and final targets. It gives them flexibility to design efficiency programs that meet the unique needs of their customer base. Utilities can determine the best ways to purchase or generate renewable energy that ensure affordable, reliable power. They can opt to meet some of the renewable energy goal with additional energy efficiency. Affected utilities must demonstrate compliance before building new generation capacity. The bill directs the PSC to report regularly on the impact of this policy on employment, energy savings, and electricity rates in Kentucky.