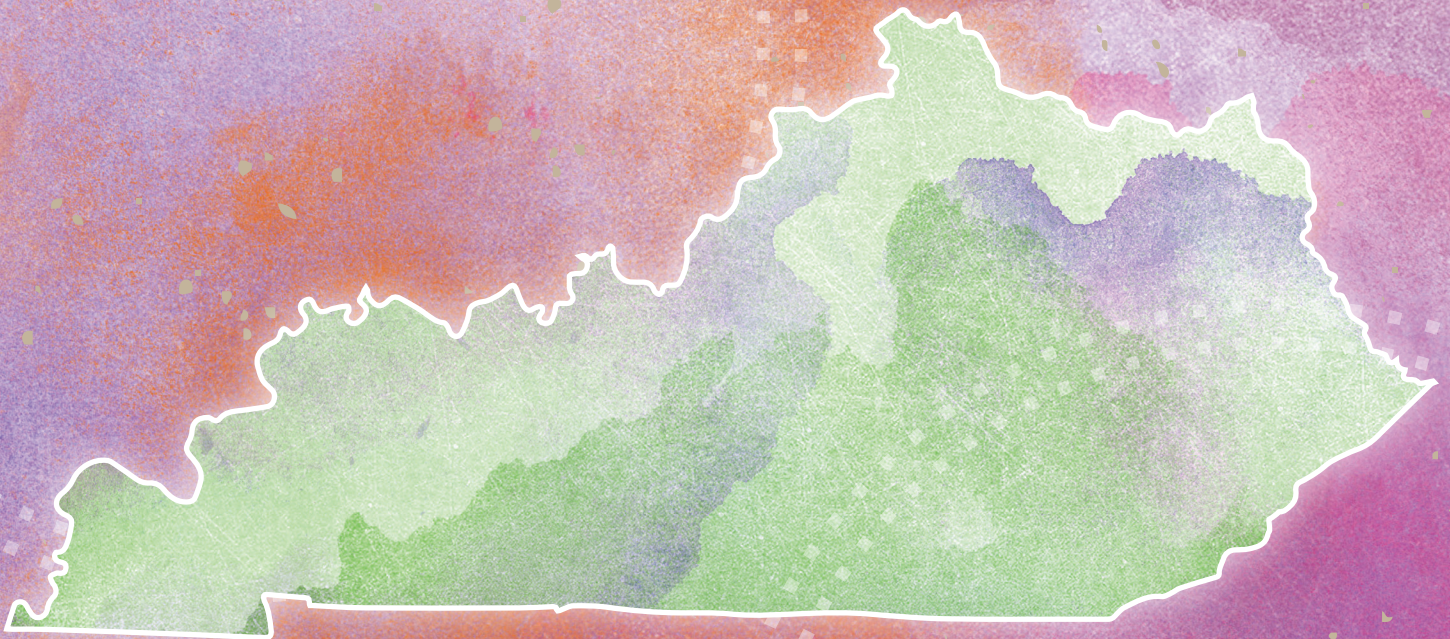


# EMPOWER KENTUCKY

## DRAFT FRAMEWORK



Everyone deserves a seat at the table and  
a voice in shaping Kentucky's energy future.

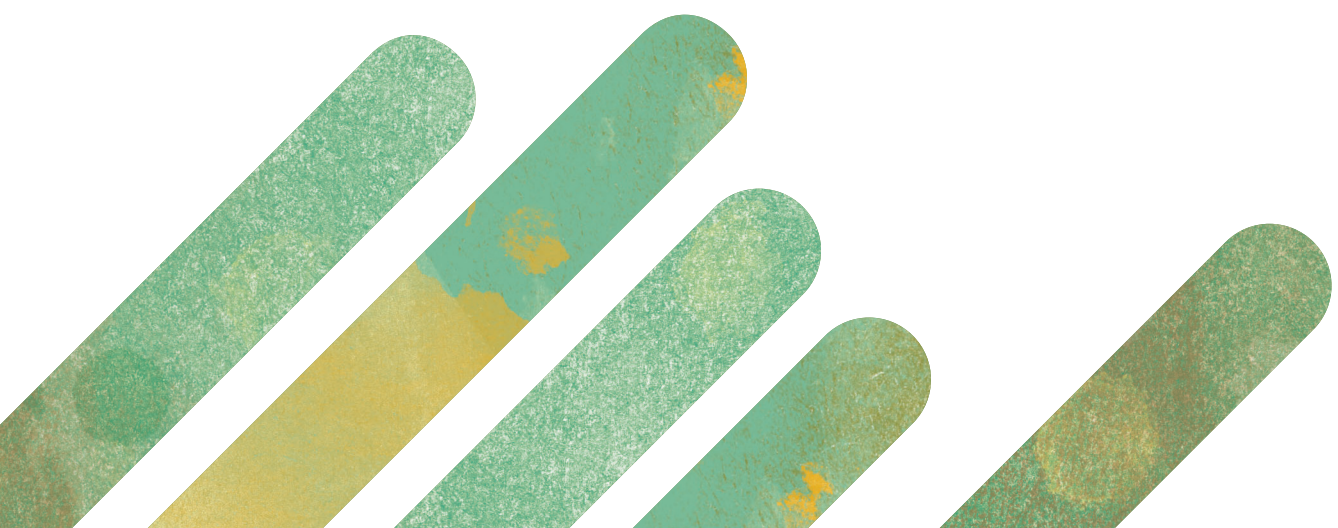
Prepared by: KENTUCKIANS FOR THE COMMONWEALTH

# PRINCIPLES

We seek to build a new clean energy system that....

- IS FAIR AND EQUITABLE
- INVESTS IN A JUST TRANSITION FOR AFFECTED WORKERS AND COMMUNITIES
- CREATES GOOD QUALITY JOBS AND OPPORTUNITIES
- SIGNIFICANTLY REDUCES RISKS AND HARM TO OUR HEALTH, ENVIRONMENT, & CLIMATE
- PRIORITIZES IN LOW-RISK, NO-REGRETS ENERGY SOLUTIONS
- ENCOURAGES SELF-RELIANCE, LOCAL OWNERSHIP, AND COMMUNITY-BASED SOLUTIONS
- EMPOWERS AND ASSISTS ALL KENTUCKIANS TO SAVE ENERGY AND BENEFIT FROM RENEWABLE ENERGY
- SUPPORTS HEALTHY AND SUSTAINABLE COMMUNITIES, NOW AND FOR FUTURE GENERATIONS
- REFLECTS SOUND SCIENCE, A VISION FOR A JUST SOCIETY, AND AN INCLUSIVE, DEMOCRATIC PROCESS

# EMPOWER KENTUCKY





# WE ARE KENTUCKIANS



**We are determined to build a bright energy future  
one that works for all of us.**

Today our commonwealth has the opportunity to build a new, clean energy economy in ways that create jobs, advance equity, and support a just transition while protecting our health and climate. All Kentuckians deserve a seat at the table and a voice in shaping those decisions. Together we can ensure that our next energy system reflects the values and serves the interests of all Kentuckians, not just a powerful few.

## NARRATIVE



Right now Kentuckians have the opportunity to shape a just transition to a clean energy economy – one that is good for all of us. Our energy system stands on the edge of major change. We face a complex set of opportunities, risks, and choices.

The Empower Kentucky project is KFTC’s effort to ensure that all Kentuckians have a voice and a seat at the table as decisions are made about our energy future.

The Clean Power Plan is a new federal rule that requires all states to reduce carbon pollution from their power sector by 2030. The rule is complicated, yet flexible. And it gives Kentucky the opportunity, and significant new resources if we choose, to decide for ourselves the best path to a clean energy economy over the next 15 years.

The rule is temporarily on hold until legal challenges are resolved.

But ultimately, Kentuckians will have a choice: We can come up with a homegrown plan to invest in clean energy, create jobs and reduce harmful pollution - or we can continue to do nothing.

Kentucky’s political leaders continue lean hard in the do nothing direction. They are not providing the leadership we need for Kentuckians to benefit from and lead in the rapidly growing clean energy economy. So it’s up to all of us to step forward.

That’s why the Empower Kentucky Project invited Kentuckians from Paducah to Pikeville to share their vision and ideas for a bright energy future, one that is good for all of us.

More than 1,000 Kentuckians responded, including 750 who attended community conversations we held in Bowling Green, Hindman, Covington, Lexington, Louisville and Paducah. Hundreds more provided input through interviews, house-meetings, listening sessions and an online survey. All of that input has informed this draft framework for a people’s energy plan.

We are pleased to share the best ideas we’ve gathered and researched for generating good new jobs, addressing economic and racial inequality, and supporting a just transition while also protecting our health and climate.

**We welcome feedback on this draft as together we create  
a plan and build a movement to Empower Kentucky.**

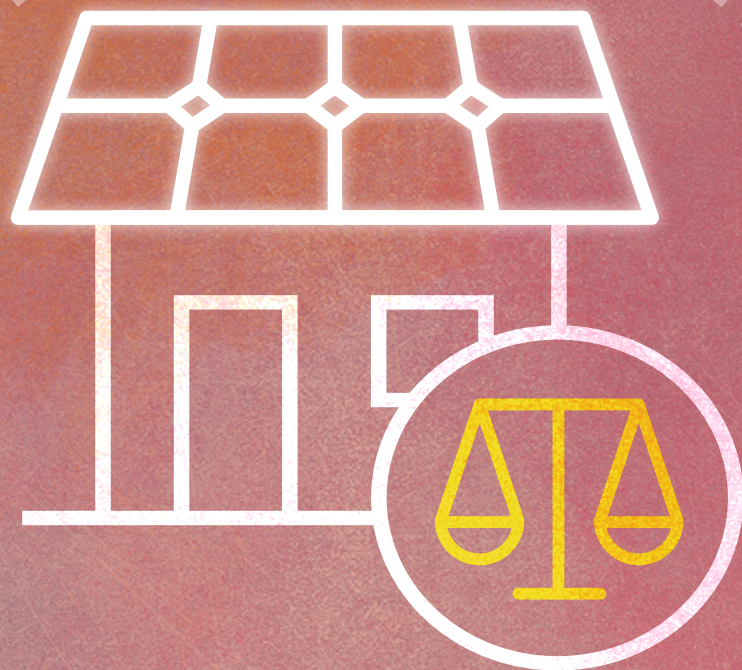


# 1. ACCELERATE ENERGY EFFICIENCY & RENEWABLE ENERGY ACROSS OUR ECONOMY

## A. Set high standards

A. 1) Set a high standard for energy efficiency (2.5% savings by 2030) and renewable energy (25% generation by 2030) for utilities in Kentucky.

A. 2) State government should lead the way by adopting a statewide Green Power Purchasing Commitment and a goal for retrofitting existing state properties, including schools.



## B. Support energy transformation in residential, public, and commercial/industrial sectors

### RESIDENTIAL

B. 1) Achieve at least 14% of energy savings from programs serving low-income households.

B. 2) Provide comprehensive and flexible state incentives, grants, and financing options to ensure access to the benefits of energy efficiency and renewable energy for all Kentuckians.

B. 3) Provide preferential treatment to net-metered systems located in low-income communities.

B. 4) Make full use of federal incentives for energy efficiency and solar projects that benefit low-income communities and households, including the Clean Energy Incentive Program.

B. 5) Provide rebates to low-income households to help offset rising energy costs over time.

B. 6) Strengthen enforcement of Kentucky's building codes across all communities.

### PUBLIC SECTOR (SCHOOLS, COLLEGES, HOSPITALS, STATE & LOCAL GOVERNMENT BUILDINGS, NONPROFITS, CHURCHES)

B. 1) Issue a \$50-100 million bond to provide low-interest capital for energy efficiency and renewable energy projects on public infrastructure in Kentucky over the next 10 years.

B. 2) Require all new public school buildings in KY to be net-zero, meaning highly energy efficient buildings that generate as much on-site renewable energy as the electricity they use in a year.

B. 3) Provide state grants to help local communities to develop, implement, and track community-wide goals and plans for conserving energy and expanding renewable generation through 2030.

B. 4) Create a state grant pool to incentivize local governments, schools and nonprofits to install renewable energy systems.

B. 5) Raise size limits of net-metered systems and allow power-purchase agreements for renewable energy on public sector buildings.

### COMMERCIAL AND INDUSTRIAL SECTOR

B. 1) Provide state grants to businesses to accelerate installation of combined heat and power systems, and set fair interconnection standards to streamline the process.

B. 2) Offer expanded tax incentives for commercial and industrial customers that make energy efficiency upgrades and install eligible renewable energy systems.

B. 3) Raise the limit on the size of net-metered systems and allow power purchase agreements for distributed renewable energy.

B. 4) Continue state grant programs that encourage on-farm energy efficiency and renewable energy.

B. 5) Close the loophole that allows industrial customers to opt out of energy efficiency programs.

B. 6) Provide rebates to offset some of the impact of rising energy costs for Kentucky's most trade-exposed and energy intensive industries.





## 2. SUPPORT LOCAL, COMMUNITY- BASED SOLUTIONS

### C. Expand local, community-based renewable energy to every community

#### D. Strengthen energy transformation within Rural Electric Cooperatives

C. 1) Require at least 1% of Kentucky's renewable energy goal to be met through distributed renewable energy. (This means distributed solar would grow from 19 MW in 2016 to at least 610 MW by 2030.)

D. 1) Forgive federal debt owed by Kentucky's Rural Electric Co-ops for every new dollar they invest in approved energy efficiency programs, up to \$500 million by 2030.

C. 2) Remove the many barriers to distributed renewable energy in KY by allowing third party ownership; allowing customers to assign renewable energy credits from one meter to others; raising the limit on the size of net-metered systems; removing the cumulative limit on the total amount of net-metered systems that may be installed; and exempting on-site renewable energy systems from property tax assessments.

D. 2) Incentivize rural cooperatives (and other utilities) that offer inclusive on-bill financing for residential energy efficiency and renewable energy.

C. 3) Get started by removing these barriers to renewable energy on public and community buildings (schools, local governments, churches, nonprofits, universities, hospitals).

C. 4) Write new rules to encourage the growth of independently community-owned solar farms, in addition to utility-owned community solar developments.

C. 5) Provide state incentives to community solar farms that reserve at least 20% of panels for low-income customers at significantly reduced cost.



With Empower Kentucky we are seizing the opportunity to build strong, vibrant communities for our children. Kentuckians all across the state are ready to dig in and work together to build a healthier future, but we need leaders who are willing to fight for a healthier Kentucky, too.



**DANA BEASLEY BROWN,**  
**WARREN COUNTY**



# 3. PRIORITIZE HEALTH & EQUITY

## E. Prioritize low-risk, no regrets solutions

### F. Prioritize communities most affected by pollution, poverty, and job losses due to energy transition

E. 1) Adopt strong state goals and a policy framework for steadily and significantly reducing the risk and harm inflicted by our energy system on human health and our global climate.

E. 2) Instruct Kentucky's Public Service Commission to minimize risks to ratepayers, not just present day costs, when making decisions about proposals to generate, purchase, store, or save energy.

E. 3) Instruct the KY Public Service Commission to account for social and environmental costs and benefits of energy proposals, including the costs (or avoided costs) of carbon dioxide and other pollution.

E. 4) Direct utilities to maximize cost-effective energy efficiency measures before making investments in new generation.

E. 5) Do not allow the burning of wood, other forms of biomass, or waste incineration to count as low-carbon or carbon neutral sources as part of Kentucky's plan to comply with the Clean Power Plan.

F. 1) Meaningfully engage affected individuals, workers, communities and advocates in shaping strategies to prioritize jobs, equity, health, and a just transition as part of our clean energy transition.

F. 2) Establish several statewide commissions with strong community representation, including an Environmental Justice Commission and Just Transition Commission to design and monitor strategies.

F. 3) Develop flexible, meaningful state definitions for a) environmental justice communities; b) energy transition affected communities and workers; and c) low-income communities and households.

F. 4) Give priority and direct equitable investments to projects benefiting low-income, environmental justice, and transition-affected communities across all state energy programs and incentives.

F. 5) Require utilities to get at least 14% of energy savings from programs serving low-income customers



All Kentuckians are going to be healthier because of the Clean Power Plan. Air pollution causes asthma and chronic lung disease so lowering emissions will allow us to live longer, healthier lives. Improvements will be most noticeable in communities that have shouldered the burden of producing energy, such as Harlan County where 19% of adults suffer with asthma. It's only fair that we all get a chance to breathe clean air.



BEVERLY MAY,  
FLOYD COUNTY





# 4. SUPPORT A JUST TRANSITION

## G. Generate good jobs and opportunities, and support a just transition

- G. 1) Create a Just Transition Fund to provide flexible, comprehensive support for workers affected by job losses due to energy transition, including health and pension benefits, job training and education, early retirement, support during job training and job search, and more.
- G. 2) Provide sustained, coordinated state and federal investment in community economic development and job creation in energy transition affected communities.
- G. 3) Provide sustained state and federal assistance to local governments and school systems most affected by energy transition.
- G. 4) Set job standards (wages, benefits and local hiring requirements) for renewable energy and energy efficiency projects receiving state grants and incentives.
- G. 5) Encourage local governments to establish job standards for bids on energy efficiency or renewable energy projects or use “best value contracting” to reward contractors offering good quality jobs and access to disadvantaged workers.
- G. 6) Encourage utilities, unions, workforce development agencies, community colleges, and community organizations to collaborate on high quality pre-apprenticeship programs that provide training, skills certification, on-the-job training, and a pathway to careers in the clean energy sector.

“ While we may celebrate our legacy, we need to keep our vision firmly on the future as we create the Empower Kentucky Plan. New jobs, new affordable power, and a legacy we can be proud to hand to our children. Just what we need! ”

**STEVE WILKINS,  
MADISON COUNTY**



# 5. FULLY AND FAIRLY INVEST IN OUR ENERGY TRANSITION

## H. Invest / Divest

The energy transformation we seek will ramp up energy savings and bring the benefits of renewable energy to every household, business and community in Kentucky. It will create good new jobs and a stronger, more just, and more sustainable economy. And it will transform our energy system in ways that make sure no one is left behind or left out of the new energy economy. This just transition to a clean energy economy is possible with the right mix of policy choices and equitable public investments. It can be funded when:

- H. 1) Eliminate tax breaks for fossil fuels;
- H. 2) Ensure that the price of our energy better reflects the true costs to society - including the cost of pollution to our health and climate
- H. 3) Put a value on any pollution credits (rather than giving them away for free) and using revenue to benefit Kentucky's ratepayers and reinvest in our energy transition.
- H. 4) Increase direct federal investment in Kentucky's clean energy transition and just transition;
- H. 5) Issue public bonds to provide low-interest capital for energy transition;
- H. 6) Leverage private investment through targeted use of public funds, including grants, low-interest loans, and incentives;
- H. 7) Expand access to inclusive financing and low-interest, "patient" capital that allows all people and businesses to make investments in clean energy that pay for themselves over time;
- H. 8) Attract private investment by providing high quality education and training, supporting world class research and development, eliminating policy barriers, and creating a business and political climate that supports a growing clean energy sector.

“ As a young person trying to make a living here in eastern Kentucky, I understand the importance of making every penny count. The Clean Power Plan can be an opportunity for working people to keep more of our hard earned money in our pockets through the energy savings programs for low-income communities the Plan calls for. ”

TOM SEXTON,  
LETCHER COUNTY





# 6. MEET OUR RESPONSIBILITIES

## I. Meet or exceed the Clean Power Plan requirements

- I. 1) Commit to develop a homegrown State Implementation Plan that meets or exceeds the federal rule, and roll back a state law which greatly limits our options and choices.
- I. 2) Develop our state plan with meaningful public input and a thoughtful environmental justice analysis.
- I. 3) Include emissions from new natural gas plants under the state's total mass-based cap for CO2 emissions.
- I. 4) Do not allow biomass or waste incineration to count as carbon neutral or low-carbon energy.
- I. 5) Adopt many or all of the policies described in this plan to ramp up energy efficiency and renewable energy across all sectors of our economy.
- I. 6) Participate in the Clean Energy Incentive Program and seize opportunities to maximize the benefits of that program for low-income Kentuckians and communities.
- I. 7) Design a mass-based program that allocates emissions allowances to support these energy transition policies, including the reinvestment of all revenue in Kentucky's energy transformation, a just transition for workers and communities, and rebates and investments to offset impacts on low-income Kentuckians and trade-exposed, energy-intensive industries.

“

Here in Kentucky, we're proud of stepping up to the challenge of meeting our nation's energy needs in the past. With Empower Kentucky, we're accepting the challenge and seizing the opportunity to do it again through renewable energy and energy savings – ways that are good for all people

”

**CARL SHOUPÉ,**  
**HARLAN COUNTY**



# 7. ENGAGE EVERYONE TO TRANSFORM OUR ECONOMY, DEMOCRACY AND ESSENTIAL SYSTEMS

## J. Engage, educate and involve everyone

When we asked Kentuckians “What will it take?” to transition to a clean energy economy in Kentucky, the number one response was: education. As we listened more deeply, it became clear that single word contains multiple important meanings for Kentuckians, including:

- J. 1) Our K-12 schools and public colleges and universities should provide all students with a full and accurate understanding of energy and climate issues, and prepare them to embrace and lead our transition to clean energy.
- J. 2) Our schools should encourage students to be actively involved in problem solving and contributing to important public conversations about energy and climate issues.
- J. 3) Our community and technical colleges and universities should prepare Kentuckians to work, research, analyze, and lead in all facets of the new clean energy economy.
- J. 4) Our utilities, local governments, schools, and civic organizations should provide high-quality information to all Kentuckians about ways to save energy and generate renewable energy.
- J. 5) Our public officials and agencies should have a full and accurate understanding of climate and energy issues and give fair consideration to new evidence and diverse viewpoints.

## K. Build New Power: new energy power, economic power, and political power

The need to generate political will and create political change in Kentucky came through loud and clear in all conversations about what it will take to make progress towards a just transition to a clean energy economy. Among the ideas we heard were the following:

- K. 1) Re-write the rules to encourage, rather than block, locally owned, community-based renewable energy projects in Kentucky.
- K. 2) Support and invest in the arts, especially work and performances that provoke and engage diverse groups of Kentuckians to consider energy and climate issues.
- K. 3) Create and support spaces for diverse groups of people to talk about our values, experience and concerns; build a shared vision; identify solutions and necessary actions; and have a meaningful voice in decisions affecting our lives.
- K. 4) Build and support new and existing cooperatives (worker owned as well as consumer owned) to provide affordable energy efficiency and renewable energy services and build local wealth.
- K. 5) Build organizations and strengthen and grow alliances among all Kentuckians who have a stake in a just transition for a clean energy future.
- K. 6) Create a new public conversation about what’s possible in Kentucky, and what’s needed, for all of us to benefit from a new, clean energy economy.
- K. 7) Engage and organize Kentuckians to demand meaningful, positive actions on energy, climate, and just transition from elected leaders and candidates - and to run for office themselves.

## L. Transform housing, food, transportation, waste and other essential systems

Building just and sustainable communities means rethinking how we grow our food, protect and manage our forests, nurture healthy soils, protect our water, ensure affordable and safe housing, develop our communities, reduce and manage our waste, transport our people and products, structure our economy, and nurture our relationships to one another. A lot of that important work is beyond the scope of this Empower Kentucky Plan, but it’s obviously closely interconnected.

Throughout our process of listening to Kentuckians about their vision and ideas for our energy future, we also heard many comments and recommendations about broader systems changes that are needed, including:

- L. 1) Improve soil health, avoid forest loss, and protect watersheds and wetlands.
- L. 2) Transform agriculture in ways that are more sustainable, less energy and chemical intensive, healthier, and more just for people who produce, process and eat food.
- L. 3) Invest in energy efficient, affordable, and non-discriminatory housing so all people have a safe and secure housing.
- L. 4) Develop meaningful community solutions to prevent gentrification of communities and make all communities healthier, more livable, and more sustainable.
- L. 5) Invest in effective and efficient public transportation systems in rural and urban communities, and develop good systems and infrastructure to support walking and biking.
- L. 6) Adopt state, local, and institutional policies to reduce food waste and encourage re-distribution and composting.



# **WHAT DO YOU THINK?**

## **THIS PROPOSAL IS STILL A WORK IN PROGRESS.**

### **YOUR VOICE IS NEEDED.**

Please use a separate Talk Back Form provided at the Empower Kentucky Summit to let us know your feedback and ideas.  
Or you can communicate with us directly.

#### **Here are some things we'd like to hear from you:**

- What are some of the best ideas you've seen or heard for shaping a just transition to a clean energy economy in Kentucky – and beyond?
- What's motivating you to be active in this work? (What feels hopeful, promising, or urgent to you right now?)
- What would you add or change about this draft plan? How can we make it better? (Please explain.)
- What role(s) are you playing now, or would you like to play, to make good things happen on energy, climate, equity and just transition issues in Kentucky?

After the Summit, KFTC members will review all of the input we've gathered. By early 2017 we will release a final draft of Empower Kentucky Plan and share it widely, including with everyone who has taken part in this project, elected officials, state agencies, the EPA, utilities, and other key stakeholders.

We hope this process and plan provides a strong foundation for powerful and effective collaborations and organizing campaigns. We are excited to keep working with you to make good things happen at the local, state and national levels.

**Together we can build a just clean energy economy.**  
**Let's Empower Kentucky.**

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Kentuckians For The Commonwealth  
Empower Kentucky Project  
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