

KYMEA POWER POST

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The Next Ten Starts Now

BY: MICHELLE HIXON

A season of growth, new capability and changing demand is shaping KYMEA's future.

Organizations occasionally reach a point when several important developments begin moving forward at once. KYMEA has reached such a moment.

Construction at Energy Center I continues to advance toward operational readiness. New employees are joining the Agency as KYMEA prepares to operate its first generating facility. Kentucky's growing data center conversation is raising important questions about electric demand, infrastructure, and economic development. In addition, KYMEA staff are taking lessons learned here in Kentucky to the national public power stage.

Individually, each development represents progress in a different area. Together, they provide a glimpse of what KYMEA's next ten years may require: more infrastructure,

deeper expertise, thoughtful planning, and an organization prepared to respond to a rapidly changing electric industry.

This issue of the Power Post focuses on that work. Rather than looking back at the Agency's formation, this issue focuses on what is taking shape in the following areas:

- Energy Center I
- KYMEA's growing team
- Shared experience on the public power stage

The tenth-anniversary year remains an important backdrop, but the story is changing. The first decade showed what municipal communities could build together. The work underway today will help determine how KYMEA performs as the energy landscape transitions into a very different environment.

Ten years defined where KYMEA came from. What we are building today will help define where we go next.

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CEO Perspective: Growth is Coming. Are We Ready for It?

BY: DOUG BURESH, KYMEA CEO & PRESIDENT



Greetings,

For most of KYMEA's first decade, our challenge was securing a reliable and affordable power supply for our member communities. Today, a different challenge is beginning to emerge across Kentucky and throughout the electric utility industry: unprecedented load growth.

The electric industry is entering a period unlike anything many of us have experienced in our careers. New manufacturing facilities, industrial expansions, electrification initiatives, and large energy-intensive developments are creating demand forecasts that would have been difficult to imagine just a few years ago.

Some forecasts suggest that electric demand growth over the next decade could exceed anything seen since the rapid expansion of the post-war economy. For communities with available land, strong transportation access, and reliable utility infrastructure, this growth presents tremendous opportunity. New investment can create jobs, increase tax revenues, strengthen local economies, and support community development for decades to come.

For public power utilities, however, growth creates both opportunity and responsibility.

The question is not whether growth is desirable. The question is whether the necessary infrastructure, generation resources, transmission capability, and financial safeguards are in place to support that growth responsibly.

THE OPPORTUNITY

Economic development and electric load growth are closely connected. When a major employer evaluates a potential location, one of the first questions asked is whether reliable electric service can be provided when needed and at a competitive cost. In many cases, electric infrastructure becomes a deciding factor.

Public power utilities have long been partners in economic development because local decisions can often be made more quickly, more collaboratively, and with greater flexibility than in larger utility structures. For KYMEA members, growth presents an opportunity to attract new business investments while creating additional revenues that help strengthen utility systems and support local communities. However, not all growth is created equal.

Some loads develop gradually and can be accommodated through normal planning processes. Others can appear

suddenly and require infrastructure investments measured in tens or hundreds of millions of dollars. That distinction matters.

WHY LARGE LOADS ARE DIFFERENT

Traditionally, utility growth occurred incrementally. A new subdivision, a retail development, or a manufacturing expansion might increase load by a few megawatts over several years. Today's large-load opportunities can be dramatically different. A single project may require more electricity than an entire municipal utility currently serves. When that happens, utilities must evaluate far more than the customer's projected demand.

Questions include:

- Can sufficient generation be secured?
- Is transmission capacity available?
- Will natural gas infrastructure need to be expanded?
- What reliability standards must be maintained?
- How quickly must infrastructure be built?
- What happens if the project never materializes?
- Who bears the financial risk?

Those questions must be answered before commitments are made. The objective is not to prevent growth. The objective is to ensure growth creates benefits rather than unintended financial burdens.

OUR FIRST COMMITMENT: PROTECT EXISTING MEMBERS AND THEIR CUSTOMERS

As KYMEA evaluates future growth opportunities, one principle will remain non-negotiable: existing customers must be protected.

Residential customers, small businesses, schools, hospitals, and existing industrial customers should not be asked to subsidize speculative development. Growth should pay for growth.

RELIABILITY STILL COMES FIRST

No matter how attractive a growth opportunity may be, reliability remains the foundation of the public power mission. Economic development cannot come at the expense of

Important Dates

October

22nd Combined AR & Board Mtg

November

18th Combined AR & Board Mtg

December

15th Budget Committee Mtg

16th BROCC Committee Mtg

16th Combined AR & Board Mtg



dependable service to our member communities. As a result, every prospective growth opportunity must be evaluated through the lens of system reliability:

- Can the power be generated?
- Can it be delivered?
- Can fuel be obtained when needed?
- Can the system continue operating effectively during extreme weather or market disruptions?

These questions are increasingly important as electric infrastructure across the nation faces growing demands. Reliable service requires more than energy. It requires generation, transmission, fuel supply, operations, maintenance, and planning working together as an integrated system.

WHY ENERGY CENTER I MATTERS

One reason KYMEA began developing Energy Center I was the recognition that dispatchable generation would remain essential to reliability and resource adequacy. Energy Center I was not built in response to today's large-load discussions.

However, the project demonstrates the type of long-term planning necessary to prepare for future uncertainty. Reliable electric systems cannot be built overnight. Major generation projects require years of evaluation, permitting, financing, engineering, and construction before producing a single megawatt. The decisions being made today help determine what opportunities will be available tomorrow.

As Kentucky's growth story continues to evolve, having access to reliable, dispatchable generation will become increasingly valuable.

That means new large-load customers must support the costs created by their service requirements. In practical terms, that may include commitments related to:

- Infrastructure investments
- Transmission upgrades
- Generation requirements
- Long-term service agreements
- Demand guarantees
- Cost recovery mechanisms

These protections are designed to ensure that if a project moves forward, the benefits are shared broadly while the risks are allocated appropriately.

The goal is simple: existing customers should benefit from growth, not finance it.

FIVE QUESTIONS WE ARE MONITORING

1. How Fast Is Demand Growing?
 - Forecasts continue changing rapidly as new projects are announced across the region.
2. Where Will New Generation Come From?
 - Resources must be available before load arrives.
3. Can Transmission Keep Up?
 - Power must be delivered where and when it is needed.
4. Is Fuel Infrastructure Ready?
 - Natural gas availability and transportation capability remain critical considerations.
5. How Do We Protect Existing Customers?
 - Every opportunity must be evaluated through the lens of affordability, reliability, and risk allocation.

GROWTH REQUIRES DISCIPLINE

Excitement about economic development is understandable. Communities should actively pursue opportunities that create jobs, investment, and long-term prosperity. However, successful utilities approach growth with discipline, not enthusiasm alone. Every major opportunity must be evaluated carefully. Every assumption must be tested. Every risk must be understood. Most importantly, every decision must support the long-term interests of the communities we serve.

LOOKING AHEAD

The conversation about growth is only beginning. Over the coming years, Kentucky's public power communities will likely face opportunities that previous generations could scarcely imagine. Some of those opportunities will move quickly. Others may never materialize.

KYMEA's responsibility is to be prepared for both outcomes. We will continue evaluating generation needs, monitoring transmission developments, assessing fuel infrastructure, supporting economic development, and most importantly, protecting the interests of the customers and communities we serve. Growth is coming. The real question is not whether growth will arrive. The real question is whether we will be prepared to capture its benefits while managing its risks.

At KYMEA, that preparation is already underway.

5 Things We're Monitoring

1

Large-load growth

How quickly prospective demand is changing forecasts.

2

Generation

The resources needed to serve new demand reliably.

3

Transmission

Can power reach growth when and where it occurs?

4

Natural Gas

Infrastructure and transportation capacity for dispatchable generation.

5

Customer Protection

Cost allocation, commitments, and safeguards for existing ratepayers.



Energy Center I: Inside the Build

BY: MICHELLE HIXON

From Project to Plant

Energy Center I is shifting from large-scale construction to integrated plant systems and operational readiness. Crews are now focused on connecting and testing systems, fine tuning equipment, and preparing for future operations.

At the end of August, the project was approximately 67% complete, remained on schedule, and continued to maintain a strong safety record with no recordable incidents. KYMEA leadership completed interviews for the new staff positions that will be hired in September.



67%

Complete



On Track

Schedule



0

Recordable Incidents



127

Peak Workforce



Engine Hall

With all four Wärtsilä engines in place, the focus inside the engine hall has shifted to connecting the systems that allow those engines to operate as a complete generating facility.

Crews continued building out equipment platforms and grating while installing handrails and access structures around the engines. Additional work continued to install the extensive network of piping, ductwork, electrical conduit, and cable trays that connect the major plant equipment. Engine exhaust ductwork and SCR systems progressed across all four units, along with supporting steel, insulation and cladding.



Mechanical Systems

Much of the current work involves the systems surrounding the engines rather than the engines themselves. The site has seen significant completion of starting air, instrument air, service water, lube oil, gas piping, vent piping, compressor drains, and other engine-support systems. Exhaust and SCR ductwork continued to be fitted, welded, insulated and clad, while additional supports and structural components were installed throughout the engine hall.

Outside the building, work continued on the radiator systems and associated infrastructure. Together, these systems will provide the cooling, air, fuel, and exhaust functions necessary for the four generating units to operate as an integrated plant.



Electrical Systems

The plant's Power Distribution Center (PDC) was delivered and set in place during August, and crews began preparations for the first major wire pulls. Cable tray and conduit installation continued throughout the engine hall and administration building, while work progressed on lighting, transformer connections, electrical equipment, and the electrical room buildout.



One of August's most significant accomplishments occurred beyond the walls of the plant.

The natural gas main extension advanced through major welding, trenching, and installation activities. Final connections, pressure testing, hydrotesting, backfilling, and right-of-way restoration were also completed.

Within the gas yards, crews installed and connected key equipment including the odorant skid, filter separator, ultrasonic meter skid, condensate tank, and control skid.

The completion of the gas main extension marks an important infrastructure milestone because it establishes the fuel-supply connection required to support Energy Center I's four natural-gas-fired generating units.



Gas Pipeline Construction



Switchyard & Interconnection

As work throughout the plant advances, the electrical interconnection remains one of the most important pieces of the overall schedule.

The substation and the ability to export power remain on the project's critical path. Current scheduling anticipates the substation being ready for backfeed in March 2027, followed by substantial completion and handover of Energy Center I in June 2027.

That makes the work happening beyond the engine hall just as important as what is happening inside it. Generating electricity is only one part of bringing Energy Center I online—the plant must also safely and reliably connect that generation to the broader electric system.

The Next Phase

Over the coming weeks, crews will continue the administration building interior fit-out, advance engine mechanical and electrical work, complete additional gas-yard activities, and move deeper into electrical installation. Each completed pipe, cable, control connection, and finished room moves Energy Center I another step from project to plant—and KYMEA another step closer to operating its first Agency-owned generating facility.

KYMEA Perspectives on the Public Power Stage

BY: MICHELLE HIXON

Sharing experience, building connections, and helping shape the future of public power

As KYMEA has grown over the past decade, so has the opportunity for our team to share experiences, exchange ideas, and contribute to the broader public power conversation. This year, two members of the KYMEA team joined industry colleagues on the national public power stage to share lessons in financial communication and organizational resilience.

Heather Overby and Michelle Hixon recently presented their experiences and lessons learned at the American Public Power Association's (APPA) Business and Finance Conference. Topics included financial resilience and risk management, as well as how to communicate complex financial information. The two sessions reflected the values that guide KYMEA every day: practical solutions, collaboration, and a commitment to strong municipal communities.

Making Financial Statements Meaningful for Non-Financial Audiences

Heather Overby, CFO, KYMEA

Chris Lindner, Managing Partner, Forvis Mazars



Connected financial statements to stronger governance and better-informed decisions.



Emphasized a simple framework: What changed? Why? Why does it matter? What decision follows?



Shared practical ways to make capital planning, rate considerations, and financial reporting clearer for non-financial leaders.

Heather and Chris focused on translating key financial information into plain language. The presentation explored practical ways to help organizational leaders outside of finance better understand where their utility stands and what it means for the future.

Beyond the Insurance Policy: Financial Resilience for Public Power

Michelle Hixon, Director, Administrative Services & Communications, KYMEA

Scott McNea, Public Power & Water Utilities Team Lead, Alliant Insurance Services



Used Energy Center I as a case study in public power risk management.



Highlighted early broker engagement, contract-and-coverage alignment, and risk transfer at key handoffs.



Reinforced that resilience is not eliminating every risk—it is understanding risk, making deliberate choices, and being prepared to respond.

As infrastructure investment and electrification accelerate, public power utilities are facing a more challenging insurance market. Rising costs, limited coverage options, and increased industry complexity are creating new risks that can impact financial stability and long-term planning.

Michelle and Scott shared strategies for building a resilient organization that navigates challenges, improves risk communications with underwriters, addresses coverage gaps, and effectively uses risk-transfer approaches.





ENERGY CENTER I UPDATE

JULY SITE UPDATE

Mechanical, Electrical and Gas Infrastructure Progress

July brought significant progress across both the Energy Center I plant site and the natural gas pipeline and yard. Workforce levels continued to increase, with more than 100 workers regularly on site as crews advanced engine hall mechanical systems, electrical infrastructure, administration building interiors, GSU transformer assembly, and natural gas facilities.

Inside the engine hall, crews made substantial progress on cooling water, starting air and lube oil piping, radiator connections, engine exhaust and SCR systems, equipment platforms, cable tray, conduit, lighting, and electrical rough-in. Platform installation between Engines 1 and 2 was well underway by month end, and installation of the plant's starting air compressors began.

The administration building continued its transition from exterior enclosure to interior buildout, with roofing reaching substantial completion, exterior panels advancing, insulation completed, and electrical and painting work moving forward.



AUGUST SITE UPDATE

Systems Take Shape as Energy Center I Moves Toward Mechanical Completion

August was a high-production month at Energy Center I as work continued to transition from major equipment installation to the mechanical, electrical and support systems needed to bring the plant together. More than 100 workers were regularly active on site, with daily manpower reaching 127 as crews advanced work throughout the engine hall, administration building, gas infrastructure, and electrical systems.

The Power Distribution Center was delivered and set, with preparations beginning for major wire pulls, while administration building drywall, mechanical rough-in, and interior finishes continued to advance.

A major milestone was also reached on the natural gas infrastructure. The gas main extension advanced through final connection, testing, backfill, and right-of-way restoration, while equipment installation and connections progressed within the plant's gas yards.





Kentucky Municipal Energy Agency
1700 Eastpoint Parkway, Suite. 220
Louisville, KY 40223

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contact@kymea.org