

Andy Beshear
Governor

John Lyons
Secretary
Energy and Environment Cabinet

Angie Hatton
Chair



Commonwealth of Kentucky
Public Service Commission
211 Sower Blvd.
Frankfort, Kentucky 40601-8294
Telephone: (502) 564-3940
psc.ky.gov

Mary Pat Regan
Commissioner

Andrew W. Wood
Commissioner

Barry L. Mayfield
Commissioner

June 12, 2026

Staff Opinion 2026-005

Sent electronically to Olivia.Watkins@nexteraenergy.com

Sandcut Energy Storage
700 Universe Blvd.
Juno Beach, FL 33408

Attn: Anthony Pedroni or Bradford Pete-Hill

Dear Mr. Pedroni:

Commission Staff acknowledges receipt on June 10, 2026, of your filing in which you request an opinion on behalf of your staff requested an opinion on behalf of Sandcut Energy Storage (Sandcut) a wholly owned, indirect subsidiary of NextEra Energy Resources, LLC (NextEra) regarding a relevant electric retail regulatory authority verification (RERRA) for Midcontinent Independent System Operator, Inc. (MISO). Attached to the letter was the following document, a RERRA Verification Form (Verification Request Form). The Letter along with the attachment are attached to this Staff Opinion.

The information provided in your request discussed a United States Department of Energy, Office of Environmental Management's Request for Offer related to energy infrastructure in Western Kentucky. The letter provided outlines the proposed project need as well as the basis for that need.

The signed Verification Request Form represents Commission Staff's interpretation of the verification and information as applied to the facts, as presented. The verification form does not constitute an opinion specifically addressing any statute within KRS 278. The opinion is advisory in nature and not binding on the Commission should the issues herein be formally presented for Commission resolution. Questions concerning this opinion should be directed to Moriah Tussey, Asst. General Counsel, at Moriah.tussey@ky.gov.

Sincerely,

A handwritten signature in blue ink that reads "Linda C. Bridwell". The signature is written in a cursive style with a large initial "L" and a stylized "C".

Linda Bridwell, PE
Executive Director

**Sandcut Energy Storage
700 Universe Blvd.
Juno Beach, FL 33408**

RECEIVED

JUN 10 2026

**PUBLIC SERVICE
COMMISSION**

May 18, 2026

Linda C. Bridwell, P.E.
Executive Director
Kentucky Public Service Commission
211 Sower Boulevard
Frankfort, KY 40602-0615

ERAS RERRA Verification Request

Dear Ms. Bridwell:

Pursuant to the Midcontinent Independent System Operator, Inc.'s ("MISO") Open Access Transmission, Energy and Operating Reserve Markets Tariff ("Tariff"), Attachment X, Generator Interconnection Procedures ("GIP"), Section 3.9.1(1), Sandcut Energy Storage ("Project"), is being developed by a wholly owned, indirect subsidiary of NextEra Energy Resources, LLC ("NextEra Energy Resources"), hereby requests a Relevant Electric Retail Regulatory Authority ("RERRA") verification for the Project to enter the Expedited Resource Addition Study ("ERAS") process to meet the additional load demand from data centers forecasted come online for the MISO 2028/2029 Planning Year.

On October 31, 2025, the United States Department of Energy, Office of Environmental Management issued a Request for Offer No. DE-FOA-0000000 (RFO).¹ The RFO scope includes energy generation infrastructure that would be located at the former Paducah Gaseous Diffusion Plant cleanup site (PGDP) in Western Kentucky. Further, the RFO underscores the Federal Government's desire to attract large-load AI and data center investment to Kentucky on an accelerated timeframe.

The Project is one resource within a broader portfolio that NextEra Energy Resource's subsidiaries are pursuing to serve data center load.² The backbone of that portfolio is expected to include natural gas resources reaching commercial operation in the early 2030s; however, data center load is expected to begin ramping as early as 2028. No other existing or currently planned storage resources can meet the needs of the data center load the DOE has

¹ See <https://sam.gov/workspace/contract/opp/877516da82f6428bb6bc559837aaeb45/view>; see also <https://www.energy.gov/em/articles/us-energy-department-seeks-proposals-ai-data-centers-energy-projects-paducah-site>

² On May 12, 2026, the Kentucky Public Service Commission issued a Staff Opinion that provided a RERRA Verification for another project in the NextEra Energy Resources' portfolio to meet, in part, the energy and capacity demand at this location.

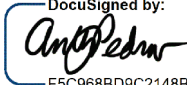
projected to be sited at the former PGDP location. Moreover, the MISO Planning Reserve Auction (PRA) results for the 2026-27 Planning Year show a 1.5 GW excess to the Summer Local Clearing Requirement for MISO's Zone 6.³ The anticipated load growth at this site is approximately 1.8 GW, so without the addition of new resources, Zone 6 would be short. Moreover, MISO has projected an approximate 2% peak demand growth rate (~4% from 2027-2030) without the inclusion of this anticipated load,⁴ so the anticipated load addition would make the zone shortage even worse if no additional generation were added.

The Project would benefit from the ERAS process and is just the type of project the ERAS process was designed to study and move to an executed Generator Interconnection Agreement within 90 days of the study. Moreover, the Project meets the immediate need for capacity to serve the datacenter load, while providing the data center with a diverse resource to satisfy the Ratepayer Protection Pledge to ensure data centers do not increase household electricity bills. Importantly, the Project allows the data center to meet its capacity obligations while avoiding costly capacity purchases in the MISO markets, which would otherwise be reflected in rates.

Accordingly, I hereby affirm that, to the best of my knowledge, information available, and belief, the statements set forth herein and any supporting documentation provided as part of this verification request are true, accurate, and complete.

Please contact Bradford Pete-Hill at Bradford.Pete-hill@nexteraenergy.com or by phone at 713-806-2104 if you have any questions regarding this matter.

Sincerely,

DocuSigned by:

F5C968BD9C2148B...
Anthony Pedroni
Vice President

³ See <https://cdn.misoenergy.org/2026%20PRA%20Results%20Posting%2020260428754715.pdf>.

⁴ See https://cdn.misoenergy.org/20260212%20LTLF%20Workshop%20Presentation_UPDATED740888.pdf, slide 6.

RERRA Verification Form for New Load Additions

1. I, Linda C. Bridwell, P.E., am the Executive Director of the Kentucky Public Service Commission.
2. I am completing this informational form on behalf of the Kentucky Public Service Commission and I am confirming that the generation facility identified in the attached Interconnection Request application should be considered for the ERAS process in order to meet a resource adequacy and/or reliability need that the Load Serving Entity or Interconnection Customer has claimed. I am verifying to MISO that the new, incremental load addition addressed by the Interconnection Customer is valid and not otherwise included in a resource plan or other process under the Kentucky Public Service Commission's purview.
3. At this time, the Kentucky Public Service Commission has not completed its formal regulatory reviews of Sandcut Energy Storage.

☐ Not Applicable in Kentucky.

4. I understand that the generation facility must meet certain requirements specified in MISO's Tariff to qualify for the ERAS process.
5. Nothing within this informational form constitutes a finding that the resource has been formally approved under any of the Kentucky Public Service Commission's required procedures. Nothing herein constitutes an indication, approval, or certification by the Kentucky Public Service Commission that the Sandcut Energy Storage is prudent, or that construction or purchase of that generation is or should be authorized at the retail level. That determination is reserved by the RERRA, and any retail RERRA process required under retail law and regulations is not waived. This form shall not be used as evidence by any party to support or justify a request for siting, a Certificate of Public Need or Necessity, cost recovery or any other required RERRA retail jurisdictional determination.

I may be contacted for further information at the following address:

Ms. Linda C. Bridwell, P.E.
Kentucky Public Service Commission
Executive Director
211 Sower Blvd, Frankfort, KY 40601
502-782-2560
Linda.Dridwell@ky.gov

Date: 06/12/2026

Signature: 