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June 22, 2005

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Commonwealth of Kentucky  
Public Service Commission

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PUBLIC SERVICE  
COMMISSION

Case #2005 – 00090  
An Assessment of Kentucky’s Electric Generation, Transmission, and Distribution Needs

Dear Sirs:

Thank you for the opportunity to address this most important matter and the question of mandated use of renewable energy systems within the scope of public policy currently under review. The Commonwealth of Kentucky is in a unique position to incorporate the use of renewable resources in the cogeneration of electric power. The benefits of incorporating the use of rapid growth woody perennials into current energy systems by retrofit of existing power plants with appropriate technology and also requiring design integration in future development planning are multifaceted and quantifiable. The economic development implications for agriculture alone are enough to warrant detailed evaluation. A dedication to cogeneration of electric power with rapid growth woody perennials represents a step toward a mature confirmation of contemporary world values and a confirmation of what we truly know about sustainable solutions for future generations: that while trees are a truly renewable resource, fossil fuels and nuclear energy are not. Continued mining will only deteriorate further the abundant gift of our lands while undermining our integrity as a culture. Better that the change come through positive long term well executed conversion where industry does not lose and no sector of the economy is left behind. The alternative represents crisis management of the worst kind and an enormous miscalculation in leadership.

The mandatory introduction of rapid growth woody perennials into power generation in Kentucky would qualify state, university and private agencies to participate in partnership with multiple federal funding agencies to increase research and development opportunities. The Environmental Protection Agency, Department of Agriculture, Homeland Security, and other agencies have directed funding toward the use of renewable resources in order to stimulate their use and facilitate continued economic growth while decreasing environmental destruction. Without a mandate from appropriate regulatory agencies, appropriate technology development will lack priority in the hands of private industry.

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Each new power plant built or projected to fill increasing demand represents an opportunity to implement the use of cogeneration technology. Incorporated investment in cogeneration technology now represents a decrease in sunk costs in the future. It represents a bold step into a foreseeable future, a time when fossil fuel supplies dwindle, the hazards of atomic energy are no longer acceptable and energy demand increases concurrent with population growth. Nothing short of vision driven investment is needed to secure our place as citizens in the global economy and project our commonwealth into the leadership role as innovators, producers and conservators. If the vision required is simply the courage to apply a single word to the formative language within the structure of Kentucky energy policy, then muster the courage to use that word in conjunction with the words renewable resources, and allow new economies to emerge, sustainable growth to take root and security for generations of our families to be viewed through the clarity of a lens unfettered by sulfur dioxides, carbon particulates, and mercury. Mandate.

Mandate now. Mandate now the use of appropriate technology. Mandate now the particular use of rapid growth woody perennials for cogeneration of electricity in power plant development. Mandate now the designated use of cogeneration for industry and assure them each and every one that their needs for power will be met and exceeded at a lower than expected cost. Mandate now the cooperative partnership agreement with Wyoming to trade wood fired power for wind and solar generated power, net for net, while retaining the equity of our deeply embedded riches. Mandate an environmental accounting statement for the Commonwealth of Kentucky, the common wealth of your citizens. Mandate now the emergence of a direct market in which Kentucky farmers may participate with long term growth and security, a conversion possibility perfectly suited for this climate and the millions of acres of under productive Kentucky farmlands. Mandate now the production of renewable resources for participation in an emergent carbon trading market, an opportunity for futures trading, a lead role in the production of oxygen in an emerging Oxygen Economy.

Several steps in development are required in order to generate a sustainable vision for Kentucky's energy future. An environmental accounting statement should be made in order to establish a baseline for decision making. A joint leadership task force should convene to explore feasibility, engineer strategies for implementation and guide appropriate policy decisions. The leadership council should include the Kentucky departments of Energy, Agriculture, Commerce, Economic Development, Ag Policy, Finance, Environmental Protection, and Natural Resources. Kentucky's universities, power companies, coal producers, agriculturalists and engineers should be invited to participate. A conference should be established to invite progressive participation by industry leaders, environmentalists, and international leaders in sustainable development in an effort to broaden the scope of energy policy decisions and achieve the strongest possible vision, a vision driven by social investment values as well as sound economic judgment, for the future our great state.

Hesitation to mandate carries with it high opportunity cost. Hesitation to mandate the integration of biomass into the production of energy within the state will translate directly into lost

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opportunity for Kentucky farmers and will far exceed the benefit of interim investment strategy. The mandate should focus on the vision and the vision should be committed to a reduction in the use of fossil fuels and an increase in the production and use of dedicated biomass crops to a level greater than 20% in less than a ten year period. The investment engines are aligned and the feasibility is evident. The courage to implement the language, the spark needed to ignite clean energy production, is passed to you in this document, a mandate passed to you by we the people generated by the aggregate needs of your constituency. The question of mandatory implementation is not then what is at stake, it is rather a question of courage, the courage to strike the match, acknowledge, implement the moral mandate passed to you our public service commission, the regulatory body charged with protecting the common interest and common wealth of our great state.

Sincerely,

Andrew B. Moore IV  
CEO, Moore Environmental