

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

APPLICATION OF KENTUCKY UTILITIES)	
COMPANY FOR APPROVAL OF SPECIAL)	CASE NO.
CONTRACT BETWEEN KENTUCKY UTILITIES)	2023-00123
COMPANY AND BLUEOVAL SK, LLC)	

DIRECT TESTIMONY OF
JOHN BEVINGTON
DIRECTOR, BUSINESS AND ECONOMIC DEVELOPMENT
KENTUCKY UTILITIES COMPANY

Filed: April 14, 2023

1 **INTRODUCTION**

2 **Q. Please state your name, position, and business address.**

3 A. My name is John Bevington. I am Director of Business and Economic Development
4 for Kentucky Utilities Company (“KU”) and Louisville Gas and Electric Company
5 (“LG&E”), and an employee of LG&E and KU Services Company, which provides
6 services to KU. My business address is 220 West Main Street, Louisville, Kentucky
7 40202.

8 **Q. Please describe your educational and professional background.**

9 A. I graduated from Western Kentucky University in 2000 with Bachelor of Science
10 degrees in Marketing and Finance. I have more than thirteen years of experience in the
11 economic development field. Prior to joining LG&E and KU in 2018, I worked at the
12 Kentucky Cabinet for Economic Development for over nine years, including holding
13 the position of Commissioner of Business Development. A complete statement of my
14 work experience and education is contained in Appendix A.

15 **Q. What are your primary job responsibilities for LG&E and KU?**

16 A. I am responsible for directing all aspects of LG&E and KU’s business and economic
17 development strategies and implementation in Kentucky. I also serve this function for
18 KU d/b/a Old Dominion Power Company in Virginia. My job responsibilities include
19 oversight of LG&E and KU’s economic development functions, including site
20 evaluations and due diligence, new site and infrastructure development, incentive and
21 cost evaluations, and coordination of state and local government resources to assist
22 businesses seeking to locate or expand in Kentucky. I also oversee LG&E and KU’s
23 emerging business initiatives, including demand-side management (DSM) and energy

1 efficiency programs, and emerging business programming, which includes the Solar
2 Share Program and deployment of electric vehicle charging stations.

3 **Q. What is the purpose of your direct testimony?**

4 A. The purpose of my testimony is to provide background and context for the BlueOval
5 SK, LLC (“BlueOval SK”) Battery Park project in Hardin County, Kentucky. I will
6 summarize Ford Motor Company’s longstanding history in Kentucky and the
7 circumstances surrounding BlueOval SK’s decision to locate its electric vehicle battery
8 production facility here. I will also summarize the positive impact that this project has
9 and will have on the Commonwealth of Kentucky and the economic opportunities it
10 creates for Kentuckians.

11 **Q. What is the BlueOval SK Battery Park project?**

12 A. As the Governor’s office reported last year, the BlueOval SK Battery Park in Glendale
13 is the single largest economic development project announcement in the history of
14 Kentucky. It is expected to bring \$5.8 billion of new investment, create 5,000 jobs,
15 and help establish Kentucky as a leader in electric vehicle (“EV”) battery production
16 in the United States and maintain Kentucky’s importance to the automotive industry
17 long into the future.¹

18 BlueOval SK is a joint venture between Ford Motor Company and SK
19 Innovation, a highly diverse South Korean company engaged in alternative energy
20 technology development and other energy related activities. The Battery Park project
21 includes construction of two electric vehicle battery plants on a 1,500-acre
22 manufacturing campus in Glendale, Hardin County, Kentucky. The batteries

¹ <https://www.kentucky.gov/Pages/Activity-stream.aspx?n=GovernorBeshear&prId=981> (last visited Apr. 12, 2023).

1 manufactured at the site will supply Ford’s North American assembly plants with the
2 critical component of electric vehicle technology. The combined plants are being
3 designed to produce 86 gigawatt hours of electric battery power annually.²

4 **Q. Describe Ford’s history in Kentucky.**

5 A. Ford has had a significant manufacturing presence in Kentucky for more than 100
6 years, dating back to assembly of the Model T in Louisville starting in early 20th
7 century. Today Ford employs about 13,000 people combined in its Louisville
8 Assembly and Kentucky Truck Plants in Louisville. Ford assembles a variety of
9 important vehicles at these two plants including the Ford Escape, Ford Super Duty
10 Trucks, and the Ford Expedition, along with the Lincoln Navigator and Lincoln
11 Corsair. Ford estimates that its existing Louisville plants help create jobs for nearly
12 120,000 people in Kentucky, including suppliers and dealers.³ A recent economic
13 impact study concluded that Ford’s current operations, not including the proposed
14 BlueOval SK facilities, contribute approximately \$11.7 billion to Kentucky’s Gross
15 Domestic Product.

16 Last fall Ford announced yet another major investment in its operations in
17 Kentucky, as it plans to spend an additional \$700 million at the Kentucky Truck Plant
18 in Louisville to produce the next generation Ford F-Series Super Duty truck. This new
19 investment is expected to create 500 additional jobs.⁴

² [Ford to Lead America’s Shift to Electric Vehicles with New Mega Campus in Tennessee and Twin Battery Plants in Kentucky; \\$11.4B Investment to Create 11,000 Jobs and Power New Lineup of Advanced EVs | Ford Media Center. https://media.ford.com/content/fordmedia/fna/us/en/news/2021/09/27/ford-to-lead-americas-shift-to-electric-vehicles.html](https://media.ford.com/content/fordmedia/fna/us/en/news/2021/09/27/ford-to-lead-americas-shift-to-electric-vehicles.html) (last visited Apr. 12, 2023).

³ <https://www.courier-journal.com/story/news/2020/12/03/study-ford-motor-co-contributes-11-8-billion-kentucky-gdp/3783092001/> (last visited Feb. 24, 2023); <https://corporate.ford.com/microsites/built-for-america/map.html#KY> (last visited Apr. 12, 2023).

⁴ <https://media.ford.com/content/fordmedia/fna/us/en/news/2022/09/27/ford-new-manufacturing-investment-jobs-commitment-kentucky.html> (last visited Apr. 12, 2023).

1 **Q. Do LG&E and KU currently provide service to Ford in Kentucky?**

2 A. Yes, LG&E has provided electric and gas service to Ford’s automotive assembly plants
3 in Louisville for decades. During that time, LG&E and KU has established itself as a
4 trusted utility partner of Ford – one that could be counted upon to deliver reliable, cost-
5 effective, and efficient utility service to support two of Ford’s largest manufacturing
6 operations in the United States. Ford’s decades of experience operating in Kentucky
7 and history of receiving reliable and affordable energy to support its operations here
8 was a factor in BlueOval SK’s decision to locate the Battery Park project in Kentucky.

9 **Q. How did LG&E and KU support efforts to locate the BlueOval SK Battery Park**
10 **in Hardin County, Kentucky?**

11 A. LG&E’s longtime service to Ford in Kentucky gave BlueOval SK the trust and
12 confidence to know that LG&E and KU would follow through on its commitments to
13 provide reliable service to a project of this magnitude. To get to this point, LG&E and
14 KU have worked diligently to ensure that BlueOval SK’s energy needs for the project
15 could be met. LG&E and KU met with Ford and the Kentucky Cabinet for Economic
16 Development, along with other stakeholders, to provide site information and planning
17 support throughout the selection process. Through a settlement approved by the
18 Commission, KU obtained the exclusive rights to provide electric service to the entire
19 Glendale Megasite.⁵ Once the new territorial boundary was established, LG&E and
20 KU immediately began planning for significant infrastructure investments to ensure
21 that electric and gas service would be supplied to the Glendale Megasite in accordance

⁵ *In re: Joint Electronic Application of Kentucky Utilities Company, Nolin Rural Electric Cooperative Corporation, and East Kentucky Power Cooperative, Inc. for Approval of an Agreement Modifying Existing Territorial Boundary Quadrant Maps and Establishing the Retail Electric Supplier for Glendale Megasite in Hardin County, Kentucky*, Case No. 2021-00462, Application (Ky. PSC Dec. 17, 2021).

1 with BlueOval SK’s needs. KU quickly began engineering processes and procurement
2 of long lead time items needed to meet BlueOval SK’s timeframes while also protecting
3 all other customers against financial risk by securing reimbursement commitments
4 from Ford should the site requirements change.⁶

5 **Q. Is the BlueOval SK Battery Park expected to attract additional investment from**
6 **EV battery component suppliers?**

7 A. Yes, we’ve already seen positive ripple effects from the BlueOval SK Battery Park
8 project. Since this project was announced last fall, several major component suppliers
9 and other companies in the electric vehicle industry have announced significant
10 projects and investment in Kentucky. Governor Beshear announced at the beginning
11 of August 2022 a major investment by Ascend Elements Inc., a producer of advanced,
12 sustainable battery materials, in a new production facility in Hopkinsville, Kentucky.⁷
13 The new project, which has expanded in scope since it was announced, is now expected
14 to bring nearly \$1 billion in investment and 400 full-time jobs to Christian County.⁸
15 The overall economic impact of this investment alone in Kentucky is estimated to
16 exceed \$4.4 billion throughout construction and the first 10 years of operation.

17 On August 4, 2022, the Governor’s Office announced a planned aluminum foil
18 manufacturing operation for LOTTE Aluminum Materials USA LLC in Hardin
19 County, with an estimated \$238.7 million in investment and creation of 122 full-time

⁶ *In the Matter of: Application of Kentucky Utilities Company for a Certificate of Public Convenience and Necessity for the Construction of Transmission Facilities in Hardin County, Kentucky*, Case No. 2022-00066, Mar. 30, 2022 BlueOvalSK Battery Park/Glendale Megasite – Agreement Regarding Long Lead Time Procurement by LG&E and KU, Attachment 1 to Response to PSC-1 Question No. 2 (Ky. PSC Apr. 8, 2022). Those risk protections will expire once BlueOval SK begins to take electric service under the special contract.

⁷ https://ced.ky.gov/Newsroom/NewsPage/20220801_Ascend (last visited Apr. 12, 2023).

⁸ [Gov. Beshear. Ascend Elements Break Ground on Hopkinsville Facility Creating up to 400 Full-Time Jobs. Nearly \\$1 Billion Investment | Kentucky Cabinet for Economic Development.](https://ced.ky.gov/Newsroom/NewsPage/20221020_AscendGB) https://ced.ky.gov/Newsroom/NewsPage/20221020_AscendGB (last visited Apr. 12, 2023).

1 jobs paying a target average hourly wage of \$23.35 including benefits.⁹ The cathode
2 aluminum foil that will be manufactured at the facility is used in electric vehicle battery
3 production.

4 And just a few weeks later, on August 25, 2022, the Governor announced a
5 planned \$50 million investment by Advanced Nano Products (ANP), a manufacturer
6 of carbon battery nanomaterials used in electric vehicle battery production, for a new
7 manufacturing facility in Elizabethtown in Hardin County.¹⁰ This facility is expected
8 to create 93 high wage jobs and will supply materials to BlueOval SK Battery Park.

9 **Q. How is the BlueOval SK Battery Park helping Kentucky become a national leader**
10 **in the EV industry?**

11 A. Not only has the BlueOval SK project attracted new investment from EV component
12 suppliers that may serve its operations, it also has helped to establish Kentucky as a
13 desirable business destination that can attract new investment from others in the EV
14 sector. The new project by Envision AESC for a planned \$2 billion EV battery
15 gigafactory in Bowling Green, Kentucky, is a perfect example. The production facility
16 planned by Envision AESC and first announced in April 2022 is expected to create
17 2,000 full-time jobs and, much like the BlueOval SK project, serve as a catalyst for
18 additional investment and job growth in the region.¹¹ The Kentucky Cabinet for
19 Economic Development has recognized that projects like BlueOval SK and Envision
20 AESC “solidify Kentucky as the EV battery production capital of the United States.”¹²

⁹ [LOTTE Group to Locate \\$238.7 Million Facility in Elizabethtown, Create 122 Jobs to Serve EV Sector | Kentucky Cabinet for Economic Development, https://ced.ky.gov/Newsroom/NewsPage/20220804_LOTTE](https://ced.ky.gov/Newsroom/NewsPage/20220804_LOTTE) (last visited Apr. 12, 2023).

¹⁰ https://ced.ky.gov/Newsroom/NewsPage/20220825_ANP (last visited Apr. 12, 2023).

¹¹ https://ced.ky.gov/Newsroom/NewsPage/20220830_EnvisionAESC Groundbreaking (last visited Apr. 12, 2023).

¹² https://ced.ky.gov/Newsroom/NewsPage/20220804_LOTTE (last visited Apr. 12, 2023).

1 Just a few weeks ago the Governor’s Office announced yet another major EV
2 investment in Kentucky with the planned location of new facility by Microvast
3 Advanced Membrane, Inc. in Hopkinsville.¹³ Microvast manufactures cutting-edge
4 polyamarid separator technology incorporated into EV batteries to improve device
5 safety. Microvast’s investment is expected to exceed \$500 million and create 562 full-
6 time, high wage jobs in the area.

7 **Q. Do you expect more projects to be announced?**

8 A. Yes, we do. Kentucky is in the midst of real and sustainable economic growth in the
9 EV sector. The Cabinet for Economic Development estimates that over \$10.5 billion
10 in EV-related investments have been made in Kentucky since June 2020, with over
11 9,700 full-time jobs announced.¹⁴ The BlueOval SK Battery Park project is obviously
12 a major part of that growth and will continue to attract the kind of economic investment
13 – technology-driven, forward-looking, and high-wage creating - that any state would
14 covet.

15 **CONCLUSION**

16 **Q. Does this conclude your testimony?**

17 A. Yes.

¹³ https://ced.ky.gov/Newsroom/NewsPage/20230330_Microvast (last visited Apr. 12, 2023).

¹⁴ *Id.*

APPENDIX A

John Bevington

Director, Business and Economic Development
LG&E and KU Services Company
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Previous Positions

LG&E and KU Services Company Director, Business & Economic Development	Oct 2018 - Present
Kentucky Cabinet for Economic Development Commissioner, Dept. for Business Development	Oct 2017 – Oct 2018
Deputy Commissioner, Dept. for Business Development	Jul 2014 – Oct 2017
Director of Business and Community Relations	Feb 2014 – Jul 2014
Senior Project Manager	Aug 2009 – Feb 2014
Select Auto Sales and Leasing Inc. General Manager	Apr 2001 – Aug 2009
The Bankers' Bank of Kentucky Frankfort, KY Marketing Representative	Jun 2000 – Apr 2001

Education/Training

Bachelor of Science in Marketing and Finance, Western Kentucky University (“WKU”), May 2000

Civic Activities

Board Member, Kentucky Association for Economic Development, September 2017-Present
Board Chair 2021
Board Member, Frankfort YMCA, 2015-Present
Board Member, YMCA of Central Kentucky 2017-Present
Volunteer coach for youth sports
WKU student mentoring program