

Louisville Gas and Electric Company and Kentucky Utilities Company
Mill Creek Unit 6 – 60-Day Project Update #2
Case No. 2025-00313
May 29, 2026

Executive Summary:

In accordance with the Kentucky Public Service Commission’s (“PSC”) order on December 4, 2025, in Case No. 2025-00313, Louisville Gas and Electric Company and Kentucky Utilities Company (“Companies”) submits the first 60-day project update report for the Mill Creek Unit 6 (“MC6”) Natural Gas Combined Cycle (“NGCC”) project. This report provides an update on the project expenditures, engineering, and planning associated with the MC6 project, as well as an update on economic load growth in the Companies service territory. This report covers the period from March 1, 2026, to April 30, 2026, except where otherwise noted.

The global NGCC market continues to experience elevated volatility amid unprecedented demand for electricity, driven largely by rapid growth in data centers and other high-load industrial users. The volatility in the NGCC market is reflected in the approximate 50% increase in cost between Case Nos. 2022-00402 and 2025-00045, for nearly identical NGCC units. New advance class NGCC development projects, that have not executed gas turbine reservation agreements or initiated OEM/EPC contracting efforts, are seeing overnight project costs exceeding \$2,800/kW. This demand growth reinforces the strategic importance of NGCC assets as reliable, dispatchable generation capable of supporting round-the-clock baseload requirements that intermittent generation sources alone cannot meet. While competition from renewables and storage continues to influence market dynamics, rising load growth from economic development and large load projects including data centers is tightening capacity margins in key regions and supporting the long-term relevance of NGCC generation despite near-term pricing pressure.

Activities to date have focused on procurement of long lead equipment, bidding and negotiations for the power island agreement, bidding the Engineering, Procurement, and Construction (“EPC”) agreement, and supporting the Large Generator Interconnection (“Interconnection”). Because the demand for power equipment has extended the lead times on critical equipment, such as transformers, in order to maintain project schedules, such equipment has been ordered.

Current Activities:

The Companies are actively negotiating the Power Island Agreement for MC6, in conjunction with E.W. Brown Unit 12 (“BR12”), with GE Vernova (“GEV”) and now anticipate executing the Agreement in the 3Q 2026, due to protracted negotiations with GEV.

The Companies issued the EPC Request for Proposal (“RFP”) on January 20, 2026, with responses due by May 29, 2026, after a 30-day response extension request was granted. The MC6 EPC RFP is being performed in conjunction with the BR12 EPC RFP to capture economies of scale, while ensuring the units are as similar as possible.

The Companies submitted an Interconnection request to the Independent Transmission Organization (“ITO”) on November 21, 2025. The Interconnection request was accepted by the ITO and assigned queue number LGE-CS2025-002.

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The Companies have signed a contract with Siemens for the unit auxiliary and reserve auxiliary transformers. Siemens will provide, test, deliver, and dress the transformers in time to support project construction schedules.

The Companies have signed a contract with HICO America (“HICO”) for the Generation Step Up transformers (“GSU”). HICO will provide, test, deliver, and dress the GSU transformers. Based on unprecedented demand, the transformers also have extended lead times, however executing contracts at this point in the project ensures delivery that will support the project deadlines.

Project Execution Timeline:

The work is on schedule to achieve the milestones shown in **Attachment 1**

Financial:

Spend during the reporting period was \$5.0 million, bringing the total project spend to date to \$36.3 million. See **Attachment 2** for additional information.

As previously indicated, the current NGCC market remains highly volatile due to unprecedented demand for new natural gas generation from three global providers of advance class gas turbines as well as experienced EPC contractors. As a result of this volatility, the market is currently experiencing significant upward price pressures. Recent overnight indicative pricing reflects single-unit NGCC projects at \$2800/kW, with the marking seeing examples in excess of \$3000/kW. The Companies are continuously monitoring the market to stay ahead of any step changes in the market.

Project Design Basis:

MC6 NGCC will consist of one natural gas-fired gas combustion turbine, a steam turbine, and one heat recovery steam generator with natural gas-fired duct burners arranged in a one-on-one single shaft configuration. Ancillary support equipment will also be installed to support the NGCC operations, including one natural gas-fired boiler (Auxiliary Boiler) rated at 95.52 million British thermal units per hour (“MMBtu/hr”) or less, one pipeline fuel gas (dewpoint) heater rated at 15.66 MMBtu/hr or less, one 2.18 MW emergency generator with diesel-fired engine, one 422 horsepower emergency diesel driven fire pump, one 10-cell mechanical draft cooling tower, lube oil system demister vents, raw and demineralized water storage tanks, aqueous ammonia storage and handling equipment, and other miscellaneous infrastructure. See **Attachment 3** for the current Mill Creek 5 (“MC5”) & Preliminary MC6 Site Arrangement.

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Upcoming Activities:

The Companies will execute the Power Island Agreement with GEV and continue to work with GEV to attain information to support the ongoing EPC RFP. Prior to execution of the EPC Agreement, the Companies will review preliminary submittals to maintain the project timeline.

The Companies will continue to review and respond to questions and clarifications as they are received from the ongoing EPC RFP. Upon receipt of the EPC proposal(s), the Companies, with the assistance of our Owners Engineer (“OE”) HDR, will initiate the bid review process. The current plan is to execute the MC6 EPC Agreement in 3Q 2026, in conjunction with the BR12 EPC Agreement.

The Companies will continue to support the ITO in their review and analysis of our Interconnection request.

Economic Development:

The Economic Development pipeline is a dynamic repository of projects managed by the Economic Development, Key Accounts, and National Accounts teams. These projects include companies seeking to establish new operations in Kentucky, as well as existing companies within the LG&E and KU service territories that are considering expansions.

As part of the 2026 reporting process, it is important to note that at the beginning of each calendar year, projects are removed from the pipeline if they were marked as announced and placed into service during the prior year. A record of all announced projects is maintained through the end of each calendar year, at which point year end results are reviewed. At the start of the subsequent year, announced projects that have executed a contract for service are handled as follows:

- Projects that have been placed into service are cleared from the pipeline.
- Projects that have not yet been placed into service remain active announced projects and continue to be tracked in the pipeline.

As stated in the previous KPSC Economic Development Bimonthly Report, as of March 2, there were 30 projects marked as *announced*, representing approximately 155 MW of peak demand for new and expanding operations. In the subsequent table titled “2026 Year to Date Stats,” 41 projects are marked as Announced, representing a combined 158 MW of peak demand—an increase of 11 projects and approximately 3 MW from the last report.

Importantly, over the period spanning much of Case No. 2025-00045 through May 4, 2026, a total of 124 projects have been marked as *announced*, representing approximately 250 MW of peak demand.

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2026 Year-to-Date Stats: (as of 5/4/2026)

<u>Stats (as of 5/4/2026)</u>	Probability					Total
	Inquiry 10%	Suspect 20-30%	Prospect 50-65%	Imminent 80%	Announced 95-100%	
# of Existing Customer Expansion projects	17	4	9	13	22	65
Load (kW)	74,867	3,803	24,145	24,429	129,933	257,177
# of New Customer or National Account projects	3	4	16	10	15	48
Load (kW)	2,250	525	9,320	18,763	7,020	37,878
# of New non-Data Center Economic Development projects	65	4	6	2	4	81
Load (kW)	232,300	575,000	376,100	10,570	21,500	1,215,470
# of Data Center Projects	11	9	6	4	0	30
Data center load (kW)	5,640,000	2,195,000	2,930,000	662,000	0	11,427,000
# of Total Opportunities (Opps)	96	21	37	29	41	224
Total load (kW) - All Opps	5,949,417	2,774,328	3,339,565	715,762	158,453	12,937,525

Current pipeline statistics and highlights:

- The 2026 pipeline includes 224 total projects, of which 65 are in the Prospect or Imminent stage and carry a probability of greater than 50%. In total, those represent a total peak demand of over 4GW. When added to current announced projects in the pipeline, the total grows to approximately 4.2GW.
- Data centers continue to dominate the pipeline, accounting for approximately 11.4 GW of the 12.9 GW in total identified potential demand.
- The Camp Ground Road project (525 MW, Imminent stage) continues to advance toward execution of a tenant agreement, which would enable progression to a contract for electric service. Specifically:
 - LG&E is engaged in detailed discussions with the potential end user.
 - Substation construction has commenced at the project site.
- On March 23rd, Toyota Motor Manufacturing, Kentucky (TMMK) announced an \$800 million investment to prepare for production of its second electric vehicle. Toyota will also donate a combined \$4.4 million to Fayette and Scott County Schools and Eastern Kentucky University to support workforce development and the future of U.S. manufacturing.
- On March 26th, Governor Andy Beshear highlighted the largest capital investment in Western Kentucky history, as Global Laser Enrichment (GLE) announced plans to develop the Paducah Laser Enrichment Facility (PLEF). The \$1.76 billion project is expected to create 240 new high wage jobs in McCracken County. GLE’s 665-acre Paducah site is strategically located adjacent to the U.S. Department of Energy’s former Paducah Gaseous Diffusion Plant. The facility is projected to begin service in 2029, with full operations reaching 300 MW by 2031. The project (Prospect stage) continues to make solid progress, with biweekly roundtable meetings initiated in mid-January, formal Transmission Service Request (TSR) studies submitted, and contract reviews currently underway.
- On April 2nd, Governor Beshear announced continued momentum in Kentucky’s speed to market and site development efforts, approving \$12.4 million in funding for 16 projects across 18 counties to enhance site readiness and competitiveness. One quarter of the funded projects are located within the LG&E and KU service territory,

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enabling communities to leverage nearly \$3.4 million to improve the marketability of industrial sites and support future job growth and private investment.

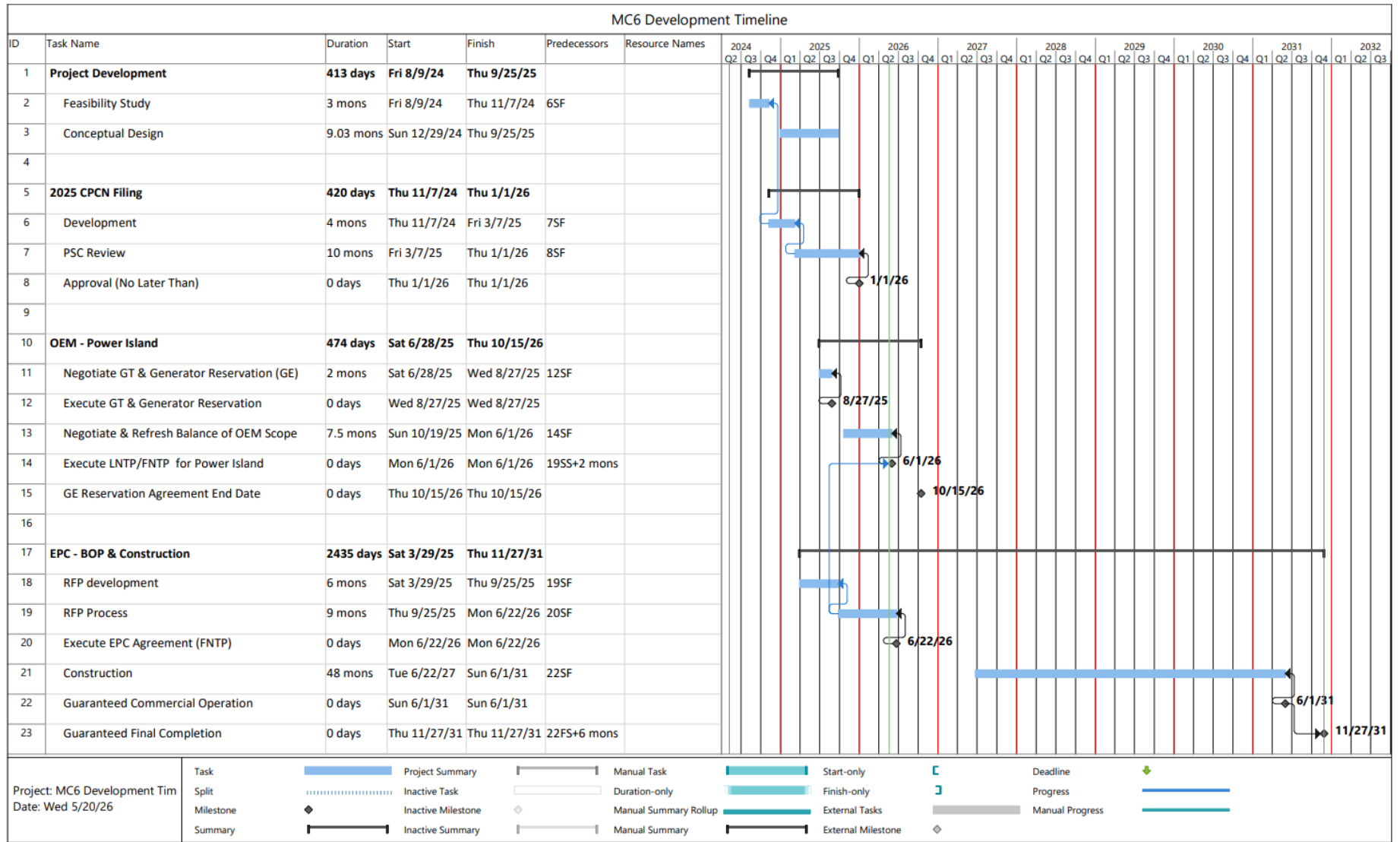
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Mill Creek Unit 6 – 60-Day Project Update #1

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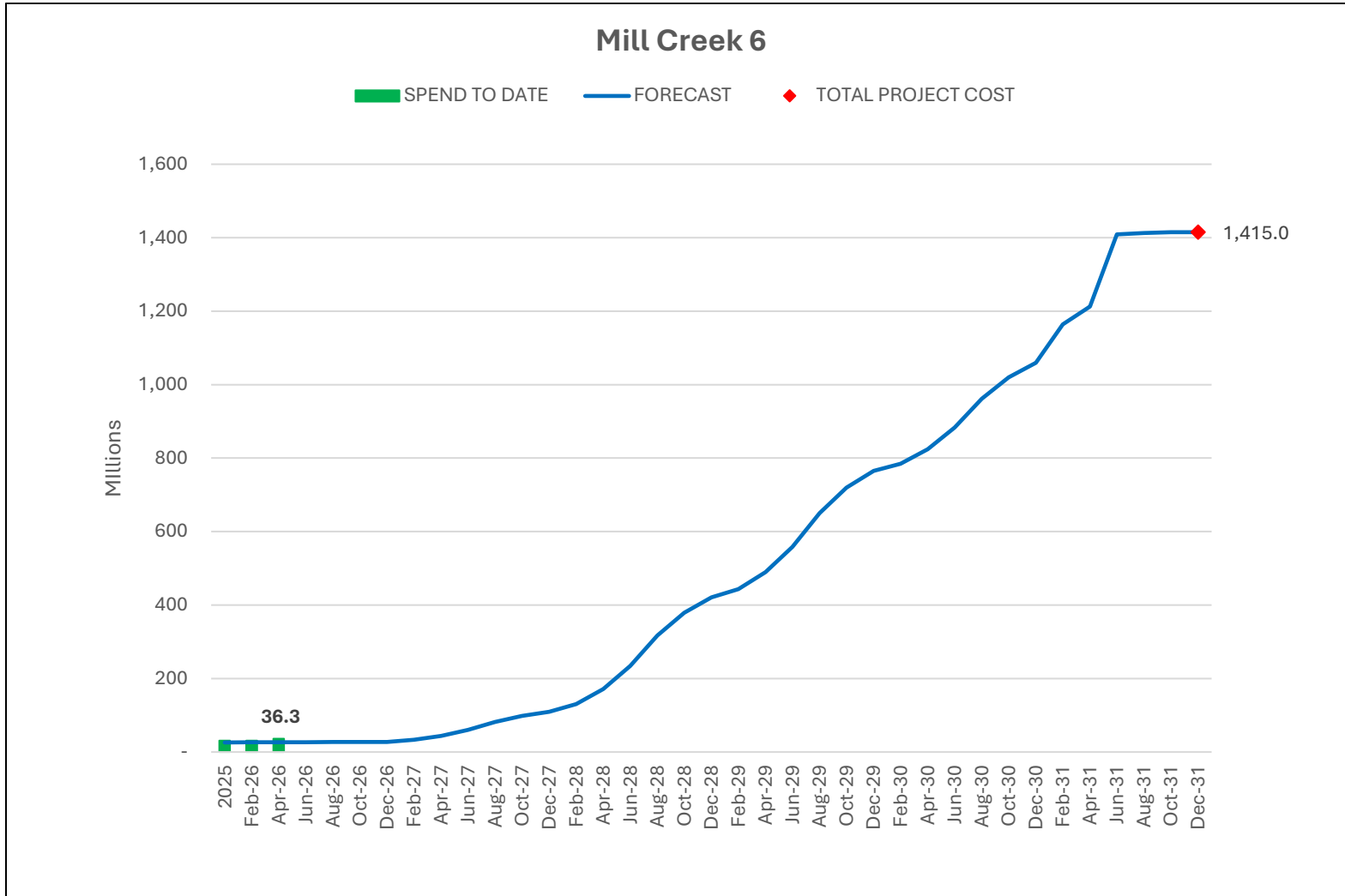
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Attachment 1 – Project Execution Timeline



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Attachment 2 – Project Financials



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Attachment 3 – MC5 & Preliminary MC6 Site Arrangement

