



**Paul E. Patton**  
Governor

**Kentucky State Board on Electric  
Generation and Transmission Siting**  
211 Sower Boulevard  
P.O. Box 615  
Frankfort, KY 40602  
(502) 564-3940

Chmn. Martin J. Huelsmann, *ex officio*  
Chairman, Kentucky Public Service  
Commission

Gary W. Gillis, *ex officio*  
Kentucky Public Service Commission

Robert E. Spurlin, *ex officio*  
Kentucky Public Service Commission

Henry C. List, *ex officio*  
Secretary, Kentucky Natural Resources  
and Environmental Protection Cabinet

Marvin E. Strong, Jr., *ex officio*  
Secretary, Kentucky Economic  
Development Cabinet

## **SITING BOARD GRANTS CONDITIONAL APPROVAL FOR KENTUCKY PIONEER POWER PROJECT IN CLARK COUNTY**

*Local planning and zoning approval required prior to construction*

**FOR IMMEDIATE RELEASE**  
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**FOR MORE INFORMATION:**  
**Andrew Melnykovich**  
**502-564-3940 x 208**  
**502-330-5981 (cell)**

FRANKFORT - Kentucky Pioneer Energy LLC must obtain approval from local officials before beginning construction of its proposed electric power generating facility near Trapp, the Kentucky State Board on Electric Generation and Transmission said today.

"In order to demonstrate compliance with the commitments and representations it has made to this Board, Kentucky Pioneer must certify to the Board, in writing, proof that the Winchester-Clark County Planning Commission has approved the facility and that local authorities have found the facility to be in compliance with all planning and zoning regulations, prior to the construction of the facility," the Siting Board says in its order. "Unless such written certification is received, the authority granted by this order is void."

Compliance with local planning and zoning regulations has been the principal issue in the Siting Board's consideration of Kentucky Pioneer's application, which was filed on December 19, 2002. The proposed 540-megawatt plant would be on a site leased from the East Kentucky Power Cooperative (EKPC). It would sell electricity wholesale to EKPC and be fueled by synthetic gas produced on-site from a mixture of coal and refuse-derived fuel, created by processing municipal solid waste.

On April 16, 2003, the Siting Board denied Kentucky Pioneer a construction certificate, ruling that the company had not met the standard – set by state law – that applicants demonstrate compliance with local planning and zoning regulations. Kentucky Pioneer was given six months to demonstrate compliance.

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Kentucky Pioneer petitioned for, and was granted, a rehearing for the purpose of presenting evidence of compliance. The hearing was held August 22, 2003. At that hearing, Kentucky Pioneer stated that it would submit itself to the entire local planning and zoning process in Clark County.

“We accept these representations, reconsider Kentucky Pioneer’s application and...conditionally grant a certificate to construct,” the Siting Board says in its order.

The order was approved by a 6-1 vote. Voting in favor were Chairman Martin Huelsmann and *ex officio* members Gary Gillis, Robert Spurlin, all members of the Kentucky Public Service Commission; *ex officio* members Hank List, secretary of the Kentucky Cabinet for Natural Resources and Environmental Protection and J.R. Wilhite, commissioner of the Kentucky Department of Community Development; and local member James Kirby, chairman of the Winchester-Clark County Planning Commission.

Dissenting was local member John Maruskin, who said Kentucky Pioneer had failed to meet the conditions the Siting Board set out in its April 16 order. The Siting Board should have stuck with that decision, he said.

In addition to requiring full compliance with local planning and zoning, the Siting Board imposed other conditions on Kentucky Pioneer. These include mitigation of visual, noise and traffic impacts. Kentucky Pioneer earlier had agreed to those conditions.

The Siting Board also required Kentucky Pioneer to submit regular reports on the progress of the project.

The Siting Board was created by a law enacted by the 2002 Kentucky General Assembly in response to concerns about a large number of proposals to build merchant power plants- also known as independent power producers, or IPPs – in Kentucky. In 2001, Gov. Paul Patton placed a moratorium on new IPP construction until the General Assembly had a chance to address the issue of local impacts and the impacts on the electric transmission grid.

The Kentucky Pioneer Energy order and other documents in the case are available on the Siting Board Web site:

[http://psc.ky.gov/agencies/psc/siting\\_board/merchant.htm](http://psc.ky.gov/agencies/psc/siting_board/merchant.htm)

The case number for Pioneer Energy is 2002-00312.

