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EPIC Approves Plan to Balance Kentucky's Electricity Growth, Affordability and Reliability

New framework will assess potential demand surge from data centers and industry while ensuring state builds the right amount of capacity to keep power affordable.

LEXINGTON, Ky. (Jan. 21, 2026) – The Kentucky Energy Planning and Inventory Commission (EPIC) today approved a comprehensive plan to help Kentucky navigate a potential surge in electricity demand. The goal is to avoid both supply shortfalls and costly overbuilding that could drive up rates for existing customers.

The challenge is complex: Data centers, advanced manufacturing and other energy intensive industries represent significant potential demand growth. A single large data center can consume enough power to serve 300,000 homes. But uncertainty about which projects will materialize creates a planning dilemma – build too little capacity and Kentucky can't serve new economic development; build too much and existing customers pay for underutilized infrastructure.

"Kentucky needs accurate demand forecasting to make smart infrastructure decisions," said Eric King, EPIC's executive director. "The potential for load growth is substantial – we're talking about facilities that can use as much power as the city of Lexington. But we must distinguish between what's possible and what's probable. Understanding which demand scenarios are realistic lets utilities and policymakers make sound investment and policy decisions. If we are able to strike this balance, we keep power reliable enough to support economic development without saddling families and existing businesses with the cost of infrastructure we don't need."

The framework organizes EPIC's work around three interconnected questions:

What will Kentucky's actual electricity demand look like?

The plan will develop realistic demand projections across multiple timeframes, distinguishing between committed projects and speculative growth, and coordinating with utilities and the Kentucky Cabinet for Economic Development.

Does Kentucky need new generation capacity, and if so, what kind?

The assessment will examine whether existing coal generation and natural gas plants under construction can meet projected demand and whether Kentucky's coal supply chain and natural gas infrastructure can reliably fuel the generation fleet.

Can Kentucky's transmission infrastructure handle growth?

The project will identify transmission constraints that could prevent the addition of new industrial facilities and assess whether infrastructure development timelines align with demand growth.

“Reliable and affordable power is foundational to Kentucky’s economic competitiveness,” said Ashli Watts, EPIC board chair and president and CEO of the Kentucky Chamber of Commerce. “This kind of disciplined, forward-looking approach is exactly why EPIC was created. By preparing for increased demand while avoiding unnecessary overbuilding that can drive up costs, this framework helps ensure we can support future growth responsibly, protect ratepayers, and strengthen Kentucky’s long-term economic outlook.”

The initiative addresses a critical timing challenge: data centers can be operational in 18 to 24 months, while new power plants require 5 to 7 years. This mismatch means Kentucky must forecast demand years in advance, but conservatively enough to avoid locking customers into paying for excess capacity.

EPIC will establish three working committees bringing together utilities, energy producers, pipeline operators and other stakeholders to model different demand scenarios and their implications for generation adequacy, fuel supply and infrastructure needs.

“This plan establishes how EPIC will examine Kentucky’s entire electricity system to identify where we have adequate capacity, where constraints exist and what investments make sense to serve growth without overbuilding,” King said. “That’s the independent assessment the General Assembly created EPIC to provide.”

“The EPIC workplan establishes the commission’s essential priorities for the coming year,” said Rodney Andrews, Ph.D., director of the Center of Applied Energy Research at the University of Kentucky. “These analytical models will enhance our understanding of Kentucky’s energy capacity and enable us to proactively address the Commonwealth’s growing energy needs.”

In addition to its core planning work, EPIC will provide analysis on topical issues such as large-load data center development to assist state policymakers and stakeholders in their planning efforts, consistent with the commission’s statutory authority to assess energy adequacy and inform policy decisions.

The strategic plan represents EPIC’s first comprehensive workplan since the General Assembly created the commission in 2024. EPIC will use this framework to prepare its annual report to the legislature in 2026.

About EPIC
The Kentucky Energy Planning and Inventory Commission (EPIC) was created by the General Assembly in 2024 to assess whether Kentucky has an adequate electricity supply and to review power plant retirement decisions. EPIC is administratively attached to the University of Kentucky but is otherwise independent from the university and the executive branch. The commission provides independent analysis to inform state policy while working alongside utilities and the Public Service Commission.

About the University of Kentucky
As the state’s flagship, land-grant institution, the University of Kentucky exists to advance the

Commonwealth. We do that by preparing the next generation of leaders — placing students at the heart of everything we do — and transforming the lives of Kentuckians through education, research and creative work, service and health care. We pride ourselves on being a catalyst for breakthroughs and a force for healing, a place where ingenuity unfolds. It's all made possible by our people — visionaries, disruptors and pioneers — who make up 200 academic programs, a $476.5 million research and development enterprise and a world-class medical center, all on one campus.

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