



COMMONWEALTH OF KENTUCKY
OFFICE OF THE GOVERNOR

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March 20, 2009

David L. Armstrong
Chairman
Kentucky Public Service Commission
P.O. Box 615
211 Sower Boulevard
Frankfort, KY 40602-0615

Dear Chairman Armstrong:

RE: State Energy Program Funding

I am attaching the relevant section of the recently passed American Recovery and Reinvestment Act of 2009 (H.R. 1)(ARRA), which contains a requirement that Governors make certain assurances regarding energy efficiency programs as a condition of the State receiving our share of \$3.1 billion from the Federal State Energy Program (SEP).

Within the limits of my authority as Governor, and fully recognizing that you have been appointed to an independent regulatory agency, I request that you consider appropriate steps consistent with Kentucky law, the attached statute and relevant PURPA requirements, to implement appropriate incentives for energy efficiency programs. I have asked Secretary Leonard Peters, Energy and Environment Cabinet, to work with you and answer any questions you might have. Such coordination can benefit the public.

Sincerely,

A handwritten signature in black ink, appearing to read "Steve Beshear".

Steven L. Beshear

cc: Leonard K. Peters,
Secretary, Energy and Environment Cabinet



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March 20, 2009

The Honorable Steven Chu
Secretary
U.S. Department of Energy
1000 Independence Avenue, S.W.
Washington, D.C. 20585

Re: State Energy Program Assurances

Dear Secretary Chu:

As a condition of receiving Kentucky's share of the \$3.1 billion funding for the State Energy Program (SEP) under the American Recovery and Reinvestment Act of 2009(H.R. 1)(ARRA), I am providing the following assurances.

I have written to the Kentucky Public Service Commission and requested that they consider actions to promote energy efficiency, consistent with the Federal statutory language contained in H.R. 1 and their obligations to maintain fair, just and reasonable rates.

I have received assurance from the Secretary of the Kentucky Public Protection Cabinet, which is authorized to adopt building codes for the Commonwealth, that it will initiate actions to improve building energy codes consistent with Kentucky law, Kentucky Constitutional requirements and the statutory language contained in ARRA.

Kentucky will, to the extent practicable, prioritize its energy investments to take advantage of existing programs and to expand programs. As is set forth in our recently released *Intelligent Energy Choices for Kentucky's Future*, Kentucky is committed to a balanced energy policy and a robust improvement in energy efficiency and renewable energy.

Honorable Steven Chu
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I want to assure you that, within the limits of my authority as Governor, I will provide the leadership that moves Kentucky forward in these critical areas. We look forward to immediate distribution of the Federal SEP funds to permit Kentucky to make progress in energy efficiency and renewable energy.

Sincerely,

A handwritten signature in black ink, appearing to read "Steve Beshear", with a long horizontal flourish extending to the right.

Steven L. Beshear

cc: Gil Sperling
Director, Office of Weatherization and Intergovernmental Programs
U.S. Department of Energy