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KENTUCKY

# 2024 Kentucky Electricity Rate Analysis

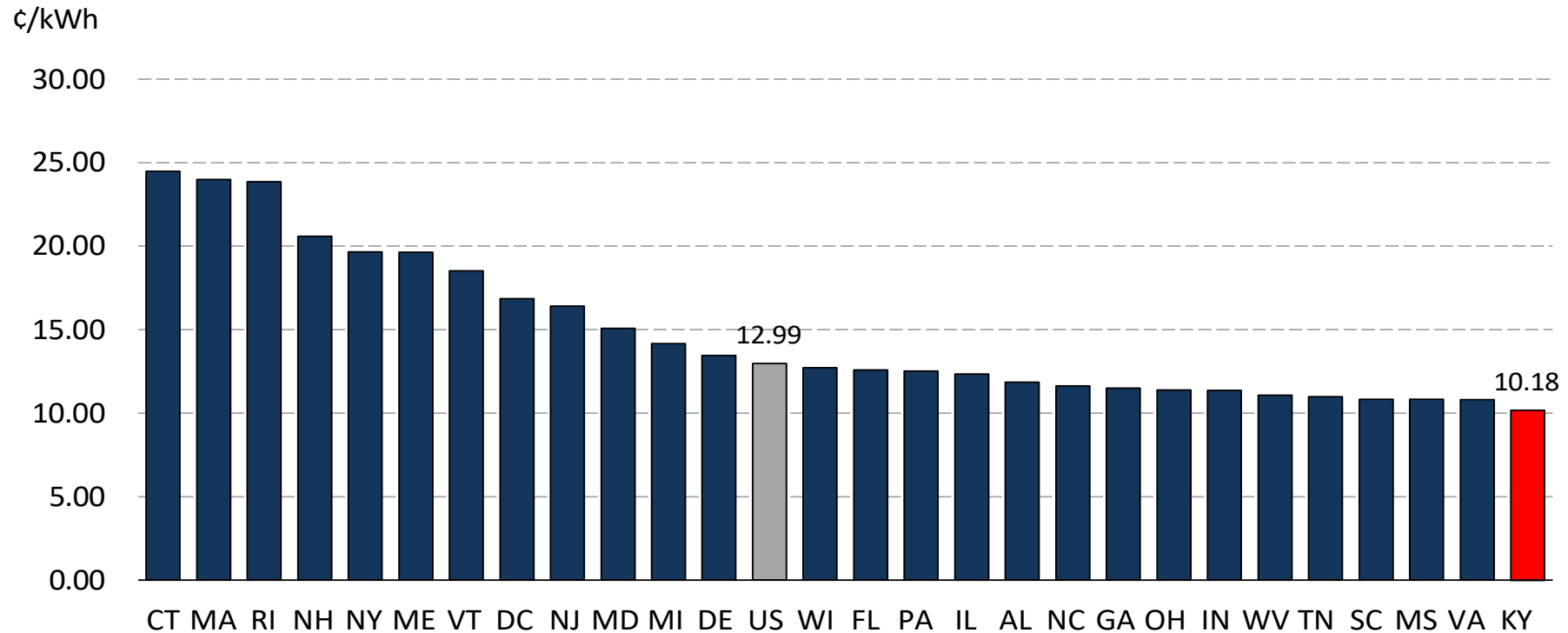
Maintaining Kentucky's Low Electricity Prices

*July 2025*

# Kentucky Has The Lowest Retail Electricity Rates of Any State East of the Mississippi River

- **Average retail power rate is 10.18 cents per kilowatt-hour, 22% below the National average**
  - Retail rates in the high-cost states of New York and New England are double Kentucky

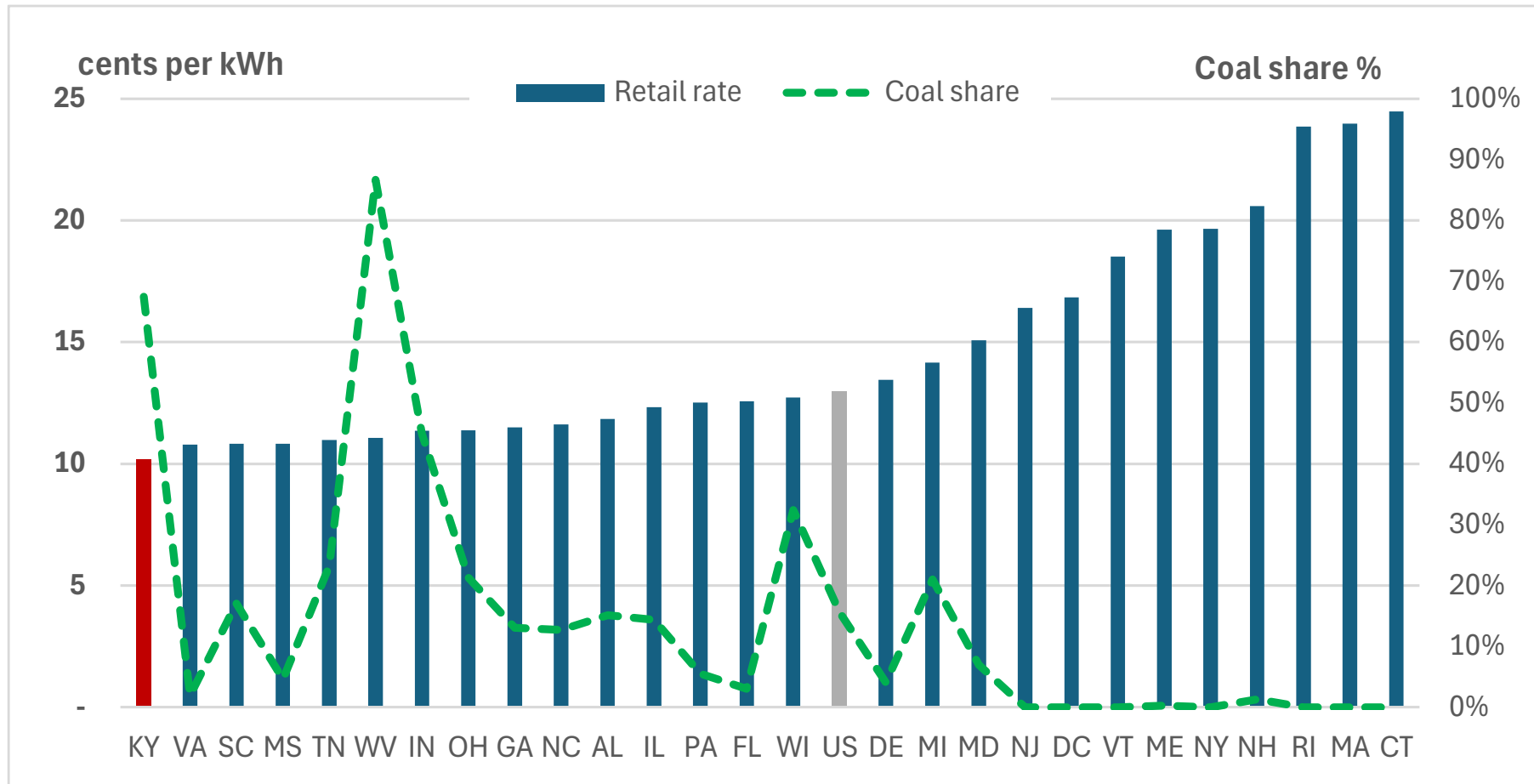
EXHIBIT 2 - 2024 AVERAGE ELECTRICITY RETAIL RATES FOR STATES EAST OF THE MISSISSIPPI



Source: Energy Information Administration

## High Share of Coal Power Generation Helps Keep Kentucky's Electricity Rates Low

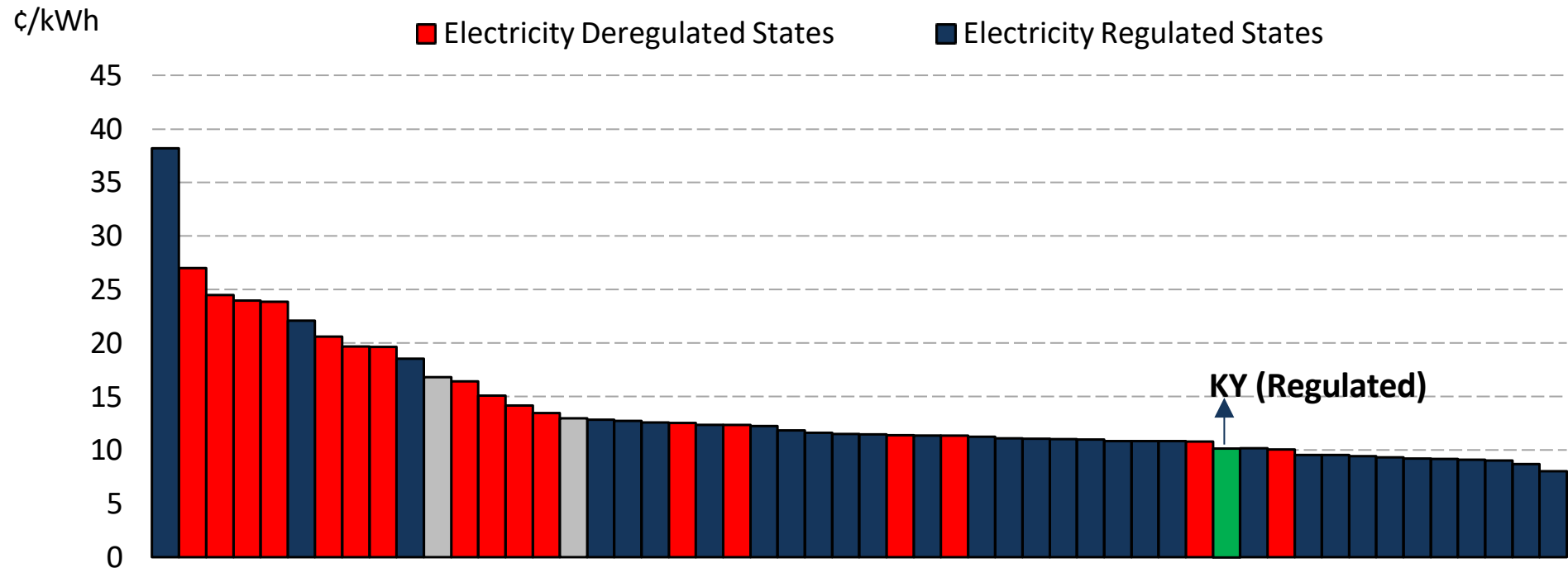
- **Over 60% of Kentucky in-state generation in 2024 is from coal, second only to West Virginia**
  - All 9 of the highest-cost states have no coal power generation remaining



## Regulated Utility Generation Helps Keep Kentucky's Electricity Rates Low

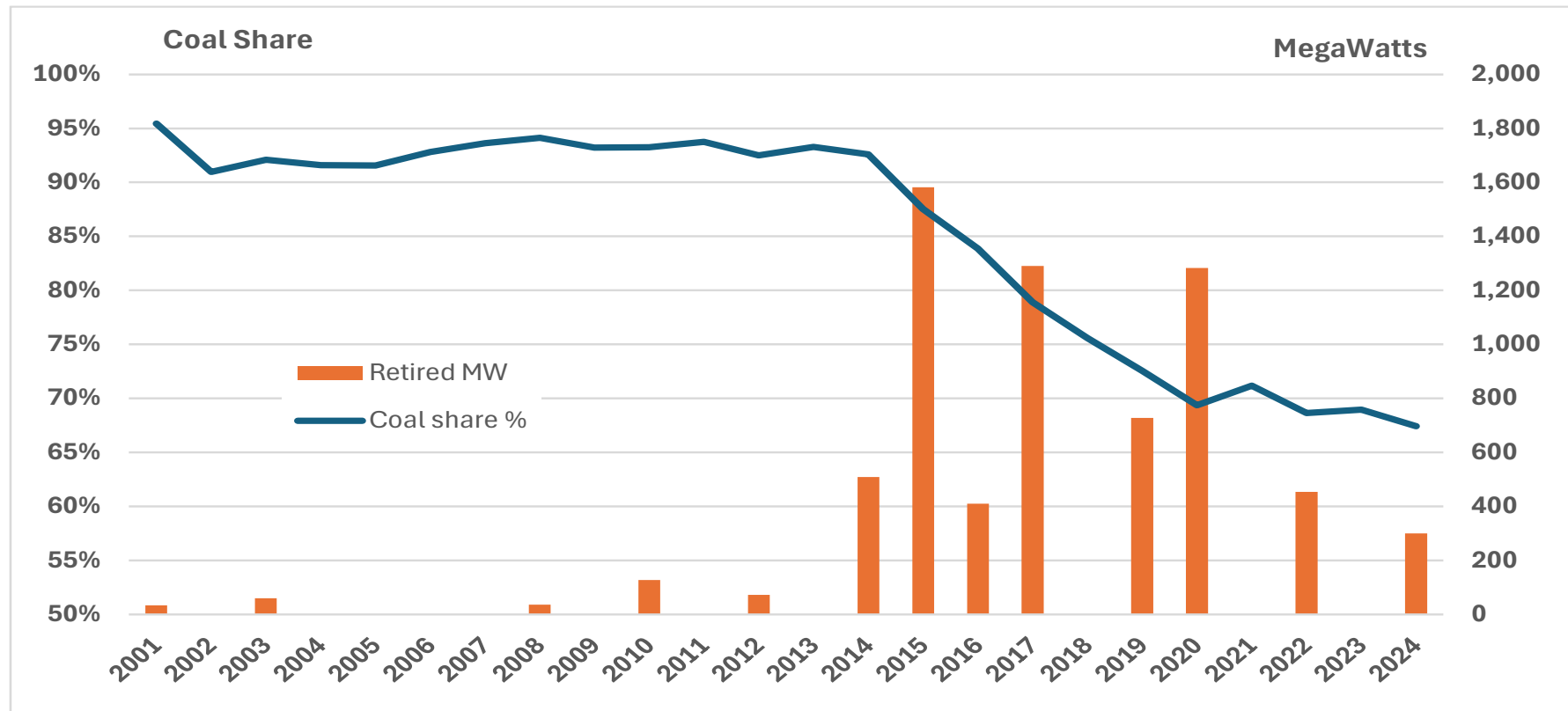
- **Almost all the lowest-cost states never deregulated wholesale power generation**
  - Vertically-integrated electric utilities charge ratepayers the cost of generation, not the market price
  - Regulated generation helps shield Kentucky ratepayers from rising market prices for capacity

**EXHIBIT 8 - 2024 RETAIL PRICES OF ELECTRICITY REGULATED AND DE-REGULATED STATES**



## Kentucky's Share of Power Generation from Coal has Been Declining

- **Coal plant retirements driven by EPA regulations have cut coal's share of generation**
  - Coal generation was over 90% of Kentucky power through 2014
  - New EPA regulations (MATS, ELG, CCR) caused premature coal plant retirements, with more possible



## Kentucky's Retail Rate Advantage has Been Declining with the Decline of Coal Generation

- **Compared to the National average, Kentucky's retail power rates have risen from 60% to 80%**
  - However, Kentucky's retail rate advantage can improve if it maintains its existing coal fleet while capacity market prices rise for deregulated states

