KENTUCKY ENERGY WATCH

A weekly update of energy issues & prices

Media Excerpts: A snapshot of state and national energy issues

Coal market trends of 2010 — Global demand for coal drove prices up in 2010, and this trend should continue in coming years, due in part to growing energy needs of the world's two largest consumers of coal: India and China. China, the world's fastest growing major economy, has massive coal reserves, but the country's energy consumption is growing so rapidly that last year China began importing more coal than it exports. China imported nearly 50 million tons of coal in the first half of 2010, up almost 130 percent from a year ago. China has taken over the U.S. as the world's heaviest consumer of coal, and this, combined with an increased global demand has triggered a change in the world market for energy. In spite of both China's import and domestic coal production, the country still experienced shortages in 2010. Thermal coal stockpiles at major power plants in Hubei have fallen as low as 2 million metric tons, below the required 3 million tons, according to New York City- based Commodore Research. Inventories at coal-fired generators in Henan Province also dropped as low as 2.5 million from a minimum required 3.5 million. (Resource Investing News, Jan. 5, 2011)

HVAC permits, inspections to be required — New regulations in Kentucky that take effect Saturday will require contractors to apply for permits and have inspections conducted for new heating or air conditioning systems. The Kentucky Public Protection Cabinet says the regulations also apply to homeowners installing a system in a new home or an initial system in an existing home. Inspections aren't required for replacements, but the cabinet says they're available upon request from the Kentucky Department of Housing, Buildings and Construction. Tim House of the agency's Division of Heating, Ventilation and Air Conditioning advises in selecting a contractor, ask for references and get multiple prices. After getting the cost estimates, compare to see if they are within a reasonable range. House says what appears to be a good deal won't be good if the work isn't satisfactory. He also advises checking to see if the contractor is licensed at: http://dhbc.ky.gov/hvac/ And he says avoid paying before the work is completed. (WLEX18, Dec. 30, 2010)

Students give CAER energy audit, recommendations — The University of Kentucky Center for Applied Energy Research (CAER) recently had an energy audit performed on its building and was given many recommendations on ways to be more efficient. The auditors? Six students from Scott County Middle School's energy club. This was the students' first energy audit outside of their school building. Working in groups of two students per floor (each accompanied by two CAER staff members), they evaluated each lab, closet, bathroom, hallway, and office in the three floor, 30,000 square-foot building. The young energy auditors assessed the lighting by counting the number, type and luminosity of lights, in addition to appliances, computers, monitors, and printers. While still on site, Doug Keaton, a social studies teacher and manager of the energy-audit program for Project NEED (National Energy Education Development Project), loaded the data into a spreadsheet, which showed how energy in-efficient the 1970's era building is. Keaton and Chad Wallace, an energy club representative at the students' school, pulled all the numbers together. The easiest (and cheapest) fixes are the obvious ones. Turn out the lights when not in the offices or labs; close lab hoods when not using them; turn off monitors at night; and change some of the light fixtures for newer, more efficient ones. The energy audit student project came about as a result from when CAER staff members had worked with Keaton on an energy efficiency materials engineering project two summers ago when teaching at the Russell Area Technology Center. (UKNOW, Dec. 2, 2010)

GE 'smart' appliances part of Martha's Vineyard project to cut energy usage — Energy-efficient appliances and technology developed by Louisville-based GE Appliances & Lighting will help dozens of consumers on Martha's Vineyard in Massachusetts manage their energy use and costs. The Vineyard Energy Project, a nonprofit organization that promotes the use of clean and sustainable energy, has chosen GE Profile appliances enabled with Brillion technology and GE's Nucleus energy manager to help consumers on the island, according to a news release. As part of a two-year pilot project, about 120 GE Profile appliances will be placed in 35 households, which also will receive the Nucleus technology. Another 15 homes will receive the Nucleus technology only and potentially a control switch on a suitable appliance, such as a hot water heater. (Business First, Jan. 6, 2011)

Energy innovation on Gov. Beshear's top ten accomplishments of 2010 — Thousands of new jobs, thousands of children getting needed health care, international sporting events, and progress on critical infrastructure needs are a few of the achievements Governor Steve Beshear highlighted in his "Top Ten Accomplishments of 2010" released today. "2010 has been difficult for many Kentucky families, but we have worked aggressively to help our citizens survive this worldwide recession while also making progress on problems that held Kentucky back," said Gov. Beshear. "Even in the middle of our generation's worst economy, we have attracted jobs, protected education, and helped families get the services they need, all without raising any broad-based taxes on Kentucky families and businesses." Kentucky's reputation as a national leader in energy innovation and efficiency grew as the state moved ahead on several initiatives stemming from Gov. Beshear's 2008 comprehensive energy strategy. Key among these was the start of construction of a national battery research laboratory that will develop and deploy a domestic supply of advanced battery technologies for use in cars. (Gov. Beshear's Communication Office, Dec. 29, 2010)

These are media summaries. Please consult sources directly to ensure accuracy of information presented. Underlined titles are links to online articles in their entirety.

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ASK ABOUT ENERGY STAR

Kentucky Retail Fuel Prices (Dollars per gallon)

Product	1/07/10	12/29/10	12/17/10	12/09/10	Year Ago
Gasoline (State avg.)	3.062	3.059	2.933	2.903	2.668
Ashland	3.200	3.206	2.960	2.984	2.640
Covington	3.089	3.101	2.981	2.985	2.730
Lexington	3.058	3.096	2.956	2.947	2.653
Louisville	3.044	3.098	2.962	2.838	2.716
Owensboro	3.032	2.972	2.882	2.899	2.629
Diesel (State avg.)	3.247	3.231	3.171	3.141	2.785
Ashland	3.303	3.275	3.196	3.170	2.816
Covington	3.274	3.242	3.184	3.144	2.782
Lexington	3.240	3.232	3.182	3.144	2.794
Louisville	3.202	3.193	3.147	3.125	2.772
Owensboro	3.244	3.200	3.117	3.119	2.777

Note: The record high average price for gasoline in Kentucky is $4.089, reported on July 10, 2008.
Source: Gasoline (unleaded regular) & Diesel: National AAA,

Product	1/03/09	12/20/09	12/13/09	12/06/09	Year Ago
Heating Oil (dollars per gallon)	2.953	2.892	2.849	2.817	2.488
Propane (dollars per gallon)	2.487	2.464	2.245	2.401	2.269

Source: Propane and Heating Oil: http://tonto.eia.doe.gov/dnav/pet/pet_pri_wfr_dcus_nus_w.htm

Wholesale Fuel Prices

Spot Prices	1/06/10	12/28/10	12/16/10	12/08/10	Year Ago
Crude Oil (Dollars per barrel) *West Texas Intermediate, fob*	88.38	91.49	87.70	88.28	82.66
Natural Gas (Dollars per MMBtu) *Henry-Hub*	4.490	4.114	4.105	4.455	7.375

Source: Wall Street Journal

Futures		February-11	March-11	April-11
Crude Oil (Dollars per barrel) *Light Sweet Crude Oil*	01/06/10	88.38	89.75	90.90
	12/28/10	91.49	92.23	92.83
	12/17/10	88.40	89.18	*
Natural Gas (Dollars per MMBtu) *Henry-Hub*	01/06/10	4.434	4.404	4.375
	12/28/10	4.216	4.288	4.287
	12/17/10	4.084	4.077	*
Propane (Dollars per gallon) *Mt Belvieu (OPIS)*	01/06/10	1.302	1.247	1.202
	12/28/10	1.322	1.264	1.211
	12/09/10	1.287	1.230	*
Coal (Dollars per ton) *Central Appalachian*	01/06/10	78.32	78.32	78.40
	12/28/10	76.12	75.87	76.48
	12/17/10	72.82	73.07	*

Source: CME Group

*Information not available at time of publication

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