

# Kentucky Energy Watch

Department for Energy Development and Independence

*A snapshot of state and national energy issues*



## ***Carbon storage bill advances***

Kentucky, a state that plugs into coal-generated electricity, would dabble with carbon dioxide storage under a bill sent to the Kentucky Senate on Wednesday that calls for underground test projects. The legislation calls for the state Energy and Environment Cabinet to seek one to five demonstration projects to store carbon emissions from power plants. The goal is to reduce the emissions widely blamed for contributing to global warming. Rep. Brent Yonts, who represents a coal region of western Kentucky, said the test projects would put Kentucky at the “cutting edge” of carbon-storage technology that could preserve coal as a long-term energy source. The Senate Natural Resources and Energy Committee approved Yonts’ bill without making any changes. The House-passed measure now heads to the Senate, and if it passes intact there, it would go to Gov. Steve Beshear. (Courier-Journal, Feb. 23, 2011)

## ***EKU receives six figure rebate for energy efforts***

Eastern Kentucky University has received more than \$303,000 in energy efficiency rebates from Kentucky Utilities Company’s Commercial Rebate Program. The program is designed to offer qualified commercial customers of KU and Louisville Gas and Electric Company cash incentives to replace aging, less efficient equipment and lighting. The university made energy efficient improvements in 75 campus buildings, including Keen Johnson Building, Crabbe Library, Alumni Coliseum and Perkins Building. While lighting retrofits generated more than \$164,000 of the rebate, the remaining rebate balance came from the university switching to more efficient motors, motor controls and pumps in campus buildings. (The Richmond Register, Feb. 22, 2011)

## ***Electric vehicles coming to Louisville***

The Nissan Leaf is due to arrive in Louisville showrooms by early fall, but buyers may have a difficult time keeping the all-electric vehicle charged up once they leave their garages. Unlike hybrids that use a gasoline engine as backup or recharge while on the go, the Leaf and all-electric vehicles planned by Ford and other automakers rely on plugging in once the batteries are drained. But Louisville has fallen behind nearby cities in establishing public charging stations where drivers can plug in while at work or away from home — the city was near the bottom of a recently released 50-city study measuring readiness for electric vehicle commuting. As Texas, Michigan, California, Tennessee and Indiana implement initiatives to install public charging stations — and President Barack Obama sets a goal of 1 million advanced technology vehicles on American roads by 2015, local efforts remain in the planning stages. (The Courier-Journal, Feb. 21, 2011)

## ***Proposal to elect utility regulators clears Kentucky Senate***

Bombarded with complaints from hundreds of Eastern Kentucky residents about soaring electric bills, state Sen. Ray Jones, D Pikeville, persuaded the Senate on Friday to approve a proposal that would let voters elect state utility regulators. Senate Bill 151 would expand membership of the Public Service Commission from three to seven and require their election by the people for staggered four-year terms, beginning in 2012. There would be one commissioner from each of the state’s six congressional districts and one at-large member from the state. Currently, the governor appoints the three-member commission and they are confirmed by the Senate. The Senate approved Jones’ bill on a 29-5 vote and sent it to the House. Jones said thousands of American Electric Power customers are upset that the PSC approved a 17 percent rate increase for the company’s Kentucky Power division last summer. (The Herald-Leader, Feb. 19, 2011)

## ***University of Louisville event to focus on renewable energy advancements***

The University of Louisville’s Conn Center for Renewable Energy Research will sponsor a March workshop that will focus on discoveries to advance the science of renewable energy and energy efficiency and look at ways to make those energy technologies work in Kentucky. The 2011 Kentucky Statewide Workshop in Renewable Energy and Energy Efficiency will take place March 13 to 15 at the Kentucky International Convention Center. It is expected to attract industry representatives, scientists, policy-makers and professionals from energy-related fields and organizations, according to a news release. (Business First, Feb. 22, 2011)

## ***Why the disruption of Libyan oil has led to a price spike***

Crude oil prices reached \$100 a barrel in the United States on Wednesday, the highest price in more than two years, as Middle East oil flows were interrupted this week for the first time since the region’s turmoil began. Multinational oil companies have curtailed production in Libya as protesters engage in violent confrontation with the government of Col. Muammar el-Qaddafi. Analysts estimate that as many as a million barrels of Libyan oil a day have been removed from world markets in recent days, and investors fear that more oil production could be disrupted if the unrest spreads to other crucial producing nations, like Algeria. (New York Times, Feb. 23, 2011)

**Kentucky Retail Fuel Prices (Dollars per gallon)**

Product	2/25/2011	2/18/2011	2/10/2011	2/3/2011	Year Ago
Gasoline (State avg.)	3.254	3.127	3.086	3.051	2.650
Ashland	3.350	3.167	3.211	3.140	2.658
Covington	3.298	3.133	3.113	3.110	2.674
Lexington	3.285	3.165	3.097	3.046	2.650
Louisville	3.272	3.165	3.065	3.057	2.659
Owensboro	3.184	3.063	2.995	2.950	2.577
Diesel (State avg.)	3.537	3.455	3.435	3.375	2.794
Ashland	3.519	3.459	3.467	3.379	2.823
Covington	3.528	3.392	3.392	3.343	2.797
Lexington	3.541	3.464	3.434	3.374	2.800
Louisville	3.491	3.429	3.415	3.352	2.775
Owensboro	3.571	3.479	3.411	3.312	2.788

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	2/21/2011	2/14/2011	2/7/2011	1/31/2011	Year Ago
Heating Oil (dollars per gallon)	3.144	3.132	3.092	3.040	2.468
Propane (dollars per gallon)	2.570	2.574	2.574	2.564	2.458

Source: Propane and Heating Oil: [http://tonto.eia.doe.gov/dnav/pet/pet\\_pri\\_wfr\\_dcus\\_nus\\_w.htm](http://tonto.eia.doe.gov/dnav/pet/pet_pri_wfr_dcus_nus_w.htm)

**Wholesale Fuel Prices**

Spot Prices	2/25/2011	2/17/2011	2/9/2011	2/3/2011	Year Ago
Crude Oil (Dollars per barrel) <i>West Texas Intermediate, job</i>	95.980	86.360	86.710	90.860	77.600
Natural Gas (Dollars per MMBtu) <i>Henry-Hub</i>	3.830	3.878	4.130	4.555	4.815

Source: Wall Street Journal

Futures		11-Mar	11-Apr	11-May
Crude Oil (Dollars per barrel) <i>Light Sweet Crude Oil</i>	2/24/2011	93.570	97.280	98.740
	2/17/2011	86.360	88.840	91.180
	2/9/2011	86.710	90.100	93.190
Natural Gas (Dollars per MMBtu) <i>Henry-Hub</i>	2/24/2011	3.793	3.872	3.940
	2/17/2011	3.868	3.901	3.968
	2/9/2011	4.044	4.083	4.149
Propane (Dollars per gallon) <i>Mt Belvieu (OPIS)</i>	2/24/2011	1.403	1.362	1.357
	2/17/2011	1.300	1.270	1.266
	2/9/2011	1.288	1.251	1.247
Coal (Dollars per ton) <i>Central Appalachian</i>	2/24/2011	68.120	66.470	66.520
	2/16/2011	67.800	68.000	68.730
	2/9/2011	71.850	72.080	72.080

Source: CME Group

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