

# Kentucky Energy Watch

Department for Energy Development and Independence

A snapshot of state and national energy issues



## ***EPA proposes mercury, toxic air, limits on coal plants; rate increases likely***

The U.S. Environmental Protection Agency on Wednesday proposed the first national rules for curbing mercury and other toxic emissions from coal-fired power plants, predicting they would save tens of thousands of lives but likely drive up utility rates. If enacted as planned later this year, the rules would over the next three or four years reduce mercury emissions from power plants by as much as 91 percent, while costing the nation's utilities about \$11 billion annually, EPA officials said. "But the benefits are 10 times as much," said EPA Administrator Lisa Jackson in a Washington, D.C., press conference. She said utility bills could increase "about \$3 or \$4 a month" for typical American households. (The Courier Journal, March 16, 2011)

## ***Holliday hopeful special session will fix "edujobs" issue, avoid more K-12 funding cuts***

Education Commissioner Terry Holliday is approaching the special legislative session that opens today with two priorities: meeting a requirement that threatens \$135 million in federal "edujobs" funds for schools and opposing the Senate's approach to fix a large hole in the state's Medicaid checkbook through an across-the-board spending cut that includes millions taken from K-12 schools. Speaking Friday with the KSBA Board of Directors in Frankfort, Holliday said he was "extremely surprised" by the Senate proposal to cut education funding to address the Medicaid shortfall. "I asked the Senate president and the House speaker for more money for Senate Bill 1 and SEEK, so the (SEEK) shortfall wouldn't hurt districts this year, so I've been very clear that we do not support the Senate version," Holliday said. (KSBA e-News, March 14, 2011)

## ***Mining Company Expanding into Greenup County***

Gov. Steve Beshear announced Monday that J.H. Fletcher & Co. is locating a new manufacturing facility in Wurtland, Ky. The \$3.37 million project will create 20 new jobs. The new operation will manufacture underground drilling, roof support and other equipment used in the mining industry. "Expanding into the Wurtland facility will allow us to increase our production ability by 20 percent initially with the potential of nearly 50 percent over time," said Greg Hinshaw, president and COO of J.H. Fletcher & Co. "Kentucky is pleased to welcome J.H. Fletcher & Co. as its newest corporate citizen," said Gov. Beshear. "Manufacturing jobs are the backbone of our economy," said Robert W. Carpenter, Greenup County Judge Executive. "These jobs have good benefits and wages and J.H. Fletcher has a long history and excellent reputation. We are extremely pleased that they are locating to our Riverport facility in Wurtland." (WSAZ News, March 14, 2011)

## ***Rising fuel prices hitting school districts hard***

Drivers may be struggling to shell out more money for gas each week, but local school districts are shoveling out thousands more a month for diesel fuel for school buses. "If prices continue to rise, Boyle County and all other school districts are going to have to do some soul searching to figure out ways to make ends meet," said Mike Pittman, Boyle County school system's director of operations. However, operations directors agree that changing bus routes and travel plans this late in the school year is not an ideal solution. So administrators will likely wait until the fall to decide on the best method of grappling with fuel prices. "Are we thinking about things? Sure," Pittman said. "But, have we decided, 'all right we're going to cut bus routes'? No." Ronnie Deatherage, Lincoln County's director of operations, said his district also will try to refrain from making major changes this spring, even though Lincoln buses travel significantly more than those in surrounding districts. (The Advocate Messenger Online, March 16, 2011)

## ***The Situation in Japan (Updated 03/16/11)***

As of March 16, 2011: Secretary Chu provided an update on the U.S. Department of Energy's role in the process during a Congressional hearing: "Officials from the Department of Energy, the Nuclear Regulatory Commission, and other agencies have maintained close contact with Japanese officials and have provided the Japanese government with expertise in a variety of areas. As part of that effort, the Department of Energy has sent two experts to Japan to provide advice and technical assistance. We are positioning Consequence Management Response Teams at U.S. Consulates and military installations in Japan. These teams have the skills, expertise and equipment to help assess, survey, monitor and sample areas. They include smaller groups that could be sent out to gather technical information in the area. We have sent our Aerial Measuring System capability, including detectors and analytical equipment used to provide assessments of contamination on the ground. In total, the DOE team includes 39 people with more than 17,000 pounds of equipment. The Department is also monitoring activities through the DOE Nuclear Incident Team and is employing assets at its National Laboratories to provide ongoing predictive atmospheric modeling capabilities based on a variety of scenarios. (Energy.gov, March 16, 2011)

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

Product	3/17/2011	3/10/2011	3/3/2011	2/25/2011	Year Ago
Gasoline (State avg.)	3.49	3.445	3.4	3.254	2.727
Ashland	3.535	3.401	3.462	3.35	2.744
Covington	3.542	3.478	3.446	3.298	2.753
Lexington	3.511	3.431	3.407	3.285	2.698
Louisville	3.51	3.407	3.403	3.272	2.718
Owensboro	3.419	3.432	3.347	3.184	2.697
Diesel (State avg.)	3.862	3.849	3.692	3.537	2.848
Ashland	3.844	3.852	3.673	3.519	2.871
Covington	3.898	3.885	3.705	3.528	2.822
Lexington	3.872	3.862	3.694	3.541	2.842
Louisville	3.857	3.849	3.671	3.491	2.807
Owensboro	3.848	3.823	3.716	3.571	2.833

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	3/14/2011	3/7/2011	2/28/2011	2/21/2011	Year Ago
Heating Oil (dollars per gallon)	3.521	3.494	3.755	3.144	2.559
Propane (dollars per gallon)	2.574	2.598	2.857	2.57	2.395

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	3/16/2011	3/10/2011	3/2/2011	2/25/2011	Year Ago
Crude Oil (Dollars per barrel) <i>West Texas Intermediate, job</i>	97.98	104.38	102.23	95.98	82.93
Natural Gas (Dollars per MMBtu) <i>Henry-Hub</i>	3.843	3.815	3.795	3.83	4.235

Source: Wall Street Journal

Futures		11-Apr	11-May	11-Jun
Crude Oil (Dollars per barrel) <i>Light Sweet Crude Oil</i>	3/16/2011	97.98	98.95	99.58
	3/9/2011	104.38	105.61	106.3
	3/2/2011	102.23	103.48	104.03
Natural Gas (Dollars per MMBtu) <i>Henry-Hub</i>	3/16/2011	3.983	4.01	4.079
	3/9/2011	3.93	3.986	4.046
	3/2/2011	3.818	3.894	3.961
Propane (Dollars per gallon) <i>Mt Behvieu (OPIS)</i>	3/16/2011	1.354	1.353	1.356
	3/9/2011	1.439	1.363	1.337
	3/2/2011	1.441	1.383	1.377
Coal (Dollars per ton) <i>Central Appalachian</i>	3/16/2011	75.33	75.5	75.75
	3/9/2011	71.75	72.11	72.21
	3/2/2011	69.07	69.19	69.34

Source: CME Group

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