

Kentucky Energy Watch

Department for Energy Development and Independence

A snapshot of state and national energy issues



Big Rivers chief testifies EPA rules would raise rates

The president of the Big Rivers Electric Corp. told a congressional panel that regulations adopted recently by the U.S. Environmental Protection Agency could force the co-op to dramatically raise rates to the extent that some companies that rely on cheap power may be forced out of business. Mark Bailey, of Henderson, Ky., appeared before the House Subcommittee on Energy and Power, testifying that a flood of new EPA initiatives fail to provide power companies like Big Rivers with the information needed to determine the most cost-effective means of meeting the agency's requirements. (Evansville Courier Press, April 7, 2011)

US Program Seeks To Increase Use Of E-85 Fuel

The federal government wants to increase production and use of a higher blend of ethanol fuel by giving financial help to gas stations that install more pumps for the fuel, U.S. Agriculture Secretary Tom Vilsack said. Vilsack planned to announce the program at a plant in Greensboro, N.C., that makes pumps for the fuel, known as E-85, which is a blend of 85 percent ethanol and 15 percent gasoline. Current ethanol blends contain 10 percent ethanol. (The Associated Press, April 8, 2011)

Beshear keeps pledge to coal activists, tours Harlan, Floyd

Gov. Steve Beshear visited residents of Harlan and Floyd counties, making good on a February promise to coal-mining protesters who staged a sit-in at his office. Members of Kentuckians for the Commonwealth showed him streams and homes damaged by surface mining and asked him to take a stand against mine permits proposed for areas of Black Mountain around Lynch. The Energy and Environment Cabinet has declared frivolous a petition to declare the area "lands unsuitable for mining." That decision is being appealed. (The Herald-Leader, April 8, 2011)

Three more reasons for clean energy

We've heard again and again that concerns about the environment, public health and national security are reasons to develop policies that encourage clean energy investment - and we've also heard vigorous debate on these issues. But recent data show that three of the biggest - and the most unifying - factors Congress and the Obama administration should consider are right in their sights: jobs, export opportunities and the United States' descent to third place in a race that's critical to our future. (The Herald-Leader, April 8, 2011)

Hybrid buses to save on fuel costs

When Johnny Watkins started Warren County Public Schools' newest bus, it barely made a sound. When he took his foot off the gas pedal, the bus automatically braked, charging its hybrid battery. "It's actually charging the battery when I do that," said Watkins, assistant transportation director for the district. "It's kind of like the Energizer bunny." Watkins was driving one of the district's four hybrid buses, which the district recently purchased with the help of a statewide grant. Warren County schools, along with 29 other Kentucky school districts, is among the first in the nation to use the cutting-edge vehicles. (Bowling Green Daily News, April 11, 2011)

Studies cast harsh light on natural gas

Natural gas, with its reputation as a crucial linchpin in the effort to wean the nation off of dirtier fossil fuels and reduce global warming, might not be as clean overall as its proponents say. Even as natural gas production in the United States increases and Washington gives it a warm embrace as a crucial component of America's energy future, two coming studies try to poke holes in the clean-and-green reputation of natural gas. (The Herald-Leader, April 12, 2011)

\$4 gas is coming to your state

Gas prices have been spiking for weeks and \$4 gas is quickly becoming a reality across the nation. Illinois became the latest state to succumb, with motorist group AAA reporting Tuesday that the average price for a gallon of gas in the state had hit \$4.03 a gallon. On Wednesday, the average price in Illinois nudged up to \$4.04 a gallon. (CNN Money, April 13, 2011)

Kentucky plants part of TVA clean-air settlement

The Tennessee Valley Authority will reduce air pollution from its two coal-fired power plants in Kentucky under an agreement with the U.S. Environmental Protection Agency that moves the federally owned utility toward cleaner-burning fuels. The settlement requires TVA to invest between \$3 billion and \$5 billion on upgraded pollution controls that will prevent approximately 1,200 to 3,000 premature deaths, 2,000 heart attacks and 21,000 asthma attacks each year, across its multi-state service region, including Kentucky, the U.S. Environmental Protection Agency announced Thursday. (The Courier Journal, April 14, 2011)

Kentucky Retail Fuel Prices (Dollars per gallon)

Product	4/15/2011	4/7/2011	4/1/2011	3/24/2011	Year Ago
Gasoline (State avg.)	3.801	3.695	3.6	3.489	2.818
Ashland	3.912	3.854	3.648	3.537	2.857
Covington	3.855	3.771	3.627	3.551	2.915
Lexington	3.851	3.745	3.615	3.506	2.787
Louisville	3.759	3.604	3.637	3.519	2.855
Owensboro	3.762	3.64	3.484	3.419	2.748
Diesel (State avg.)	4.056	3.923	3.893	3.861	2.988
Ashland	4.084	3.956	3.912	3.85	3.038
Covington	4.067	3.948	3.93	3.891	3.015
Lexington	4.07	3.927	3.9	3.86	2.99
Louisville	4.063	3.905	3.881	3.848	2.98
Owensboro	4.037	3.911	3.853	3.828	2.92

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,

Wholesale Fuel Prices

Spot Prices	4/14/2011	4/6/2011	3/31/2011	3/23/2011	Year Ago
Crude Oil (Dollars per barrel) <i>West Texas Intermediate, job</i>	108.11	108.83	106.72	105.25	85.51
Natural Gas (Dollars per MMBtu) <i>Henry-Hub</i>	4.135	4.19	4.295	4.205	4.125

Source: Wall Street Journal

Futures		11-May	11-Jun	11-Jul
Crude Oil (Dollars per barrel) <i>Light Sweet Crude Oil</i>	4/14/2011	108.11	108.7	109.19
	4/6/2011	108.83	109.48	110.05
	3/31/2011	106.72	107.24	107.71
Natural Gas (Dollars per MMBtu) <i>Henry-Hub</i>	4/14/2011	4.212	4.269	4.342
	4/6/2011	4.146	4.22	4.302
	3/31/2011	4.389	4.458	4.533
Propane (Dollars per gallon) <i>Mt Behieu (OPIS)</i>	4/14/2011	1.427	1.432	1.437
	4/6/2011	1.4	1.394	1.396
	3/31/2011	1.372	1.376	1.383
Coal (Dollars per ton) <i>Central Appalachian</i>	4/14/2011	74.73	74.9	74.8
	4/6/2011	75.3	75.32	75.95
	3/31/2011	77.75	77.75	77.88

Source: CME Group



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