

Kentucky Energy Watch

Department for Energy Development and Independence

A snapshot of state and national energy issues



Energy advocate on duty

A geologist has been hired to serve as a new Henderson-based advocate for energy development in western Kentucky. Sarah Mardon has joined the University of Kentucky Center for Applied Energy Research (CAER) as its regional energy coordinator. She succeeds energy activist John Dunaway, who served in the position for two years before retiring last summer. Mardon will be working with businesses, local governments, and educational entities providing energy-related technical assistance and outreach. CAER likens her role to that of an energy “extension” agent, similar to county agriculture Extension agents. Among her responsibilities will be helping energy companies and others secure technical assistance from UK and CAER. (The Gleaner, May 18, 2011)

Eyes shift to Obama for next steps on gas prices, production

As lawmakers weigh a range of options following the defeat in the Senate this week of highly partisan energy bills, many are looking to President Obama to help loosen political gridlock over energy policy or use his executive powers to spur new production. Votes this week on a measure from Sen. Robert Menendez (D-N.J.) to slash oil industry tax breaks and a proposal by Minority Leader Mitch McConnell (R-Ky.) to ramp up drilling and leasing failed to garner bipartisan support. (The New York Times, May 19, 2011)

Hearing on price gouging claim against Marathon Oil delayed

A hearing on a motion filed by Kentucky’s Attorney General, accusing a big oil company of price gouging, has been delayed. The hearing was supposed to be held Monday morning, but it has now been moved to Thursday. A scheduling issue with the judge caused the delay. Today, Kentucky Attorney General Jack Conway went to court to try and force prices back down. He says Marathon Oil Corporation, which supplies gas to most stations in our area, broke the law when it hiked prices. Conway filed a motion last Friday, saying Marathon Oil violated the price-gouging law Governor Steve Beshear enacted in April in the wake of flooding. The law permits suppliers to increase prices only if there has been an increase in costs to the supplier. “They are charging prices base not on their costs, but on speculation. And under our law, they can’t do that,” says Conway. But Marathon counselor Sheryl Snyder says the matter at hand is Marathon wholesale prices, and says those have gone down. Conway thinks otherwise. (WKYT, May 16, 2011)

McConnell presses to prevent loss of 1,200 KY jobs

U.S. Senate Republican Leader Mitch McConnell pressed Wednesday to save the jobs of some 1,200 nuclear plant workers in Paducah, Ky., calling for the Obama administration to begin re-enriching uranium that’s stored there. McConnell raised the issue during a congressional committee hearing in Washington, telling Energy Secretary Steven Chu that the jobs could be spared by re-enriching some 40,000 cylinders of depleted uranium and selling it, allowing the U.S. Department of Energy to turn a profit. (Bloomberg Businessweek, May 19, 2011)

Natural gas futures advance in New York on warm weather outlook

Natural gas futures gained for the fourth time in five days in New York as forecasts of warmer- than-normal weather signaled stronger demand. Gas futures advanced 0.4 percent after forecasters including MDA EarthSat Weather predicted above-normal temperatures in the Northeast and South from May 23 through May 27. Prices dropped yesterday on a report showing U.S. industrial production unexpectedly stalled in April. “The weather is a little supportive for the key regions of the Southeast and Northeast, but it’s just elevating temperatures slightly above neutral,” said Matt Smith, a commodities analyst with Summit Energy in Louisville, Kentucky. (The San Francisco Chronicle, May 18, 2011)

Tom Eblen: Solar power a viable alternative in Kentucky

I heard from readers when I wrote about the pioneering solar home that Lexington architect Richard Levine built for himself in the 1970s and recently upgraded with new technology. I heard from more readers when I wrote about Warren County’s new “net-zero” school, designed to generate as much power as it uses. Many readers wanted to know this: How could they use solar power and innovative design to help the planet and lower their utility bills? (The Herald-Leader, May 16, 2011)

Turkey Foot school grows greener

When Kenton County School District officials said the new Turkey Foot Middle School was going to be “green,” they meant it in every possible way. The school just added its 13th energy-saving feature by installing \$2 million worth of solar panels. It is the largest electric-producing solar array in the state, according to the district, at more than 60,000 square feet. It’s expected that on weekends and during the summer, the building will produce more electricity than it needs, meaning the power can be sold back to Duke Energy. “The entire roof is covered with the panels,” said Chris Baker, the district’s energy systems coordinator. “This almost gets us to net-zero.” (NKY.com, May 16, 2011)

Kentucky Retail Fuel Prices (Dollars per gallon)

Product	5/20/2011	5/13/2011	5/6/2011	4/29/2011	Year Ago
Gasoline (State avg.)	3.873	4.019	3.914	3.885	2.774
Ashland	3.967	4.037	4.031	4.033	2.811
Covington	3.931	4.151	4.035	3.995	2.825
Lexington	3.862	4.029	3.908	3.869	2.736
Louisville	3.973	4.13	3.901	3.959	2.753
Owensboro	3.832	3.945	3.924	3.849	2.704
Diesel (State avg.)	3.988	4.038	4.061	4.051	3.029
Ashland	4.045	4.046	4.077	4.057	3.06
Covington	3.995	4.046	4.089	4.06	3.061
Lexington	3.996	4.03	4.058	4.054	3.045
Louisville	4.009	4.049	4.058	4.062	3.045
Owensboro	3.997	4.042	4.072	4.051	3.022

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	5/19/2011	5/12/2011	5/6/2011	4/29/2011	Year Ago
Crude Oil (Dollars per barrel) <i>West Texas Intermediate, job</i>	98.44	98.97	99.8	112.86	68.01
Natural Gas (Dollars per MMBtu) <i>Henry-Hub</i>	4.055	4.1	4.3	4.34	4.14

Source: Wall Street Journal

Futures		11-Jun	11-Jul	11-Aug
Crude Oil (Dollars per barrel) <i>Light Sweet Crude Oil</i>	5/19/2011	98.44	98.93	99.32
	5/12/2011	98.97	99.48	99.85
	5/6/2011	99.80	100.34	100.64
Natural Gas (Dollars per MMBtu) <i>Henry-Hub</i>	5/19/2011	4.094	4.161	4.214
	5/12/2011	4.194	4.256	4.3
	5/6/2011	4.261	4.331	4.376
Propane (Dollars per gallon) <i>Mt Belvieu (OPIS)</i>	5/19/2011	1.51	1.51	1.513
	5/12/2011	1.517	1.519	1.523
	5/6/2011	1.484	1.486	1.491
Coal (Dollars per ton) <i>Central Appalachian</i>	5/19/2011	75.82	75.53	75.86
	5/12/2011	73.13	74.18	74.18
	5/6/2011	74.02	74.93	74.93

Source: CME Group

* - Information not available



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