

# Kentucky Energy Watch

Department for Energy Development and Independence

A snapshot of state and national energy issues

## **Western Kentucky University celebrates energy savings**

The Tennessee Valley Authority and Bowling Green Municipal Utilities presented a check for \$ 106,390 to Western Kentucky University on Monday, June 27, to reward the university's investments in energy efficiency. Western Kentucky has trimmed electricity usage more than 500 kilowatts since joining TVA's EnergyRight Solutions for Business program in March 2010. The program, offered through the local power company, pays up to \$ 200 for every kilowatt saved. 'A better understanding of energy use through EnergyRight helps reduce operating costs and keeps the cost of other goods and services more affordable,' TVA Valley Relations Manager Nancy Mitchell said. (ENP Newswire, June 29, 2011)

## **Coal's future: opponents of EPA regs speak out**

Legislators and supporters of the coal industry spoke out against what they said were attacks on the industry by the Environmental Protection Agency at a press conference on Wednesday. Under the Obama administration, the EPA has passed regulations that change the way mining permits are distributed and places limits on carbon emissions. Speakers at the press conference were adamant these regulations threaten the economy and thousands of jobs in Appalachia. The regulations have caused mining permits to stall, meaning thousands of miners in the region have lost their jobs, said Kentucky House Majority Leader Rocky Adkins, D-Sandy Hook. (The Independent Online, June 29, 2011)

## **Group claims coal pollution has grown worse**

Two coal companies accused by environmental groups of polluting eastern Kentucky streams [allegedly] continued to dump pollutants into streams at higher levels than their permits allow after an agreement with the state to correct the problem. Several environmental groups and individuals filed notice in October they planned to sue Frasure Creek Mining and International Coal Group (ICG) for exceeding permitted levels of pollution discharges and accused the state Cabinet of Energy and the Environment of ignoring the violations. After the cabinet conducted its own investigation, it and the coal companies settled on a plan to correct the problem and pay about \$650,000 in fines. The environmental groups went to court seeking to intervene, claiming the settlement was inadequate and does not protect the public interest. They have also subsequently filed notice of intent to sue Nally and Hamilton, another coal company in Kentucky. (The Independent Online, June 27, 2011)

## **USDA forest service awards nearly \$3 million for renewable energy projects**

Agriculture Secretary Tom Vilsack today announced the award of nearly \$3 million in grants to 17 small businesses and community groups to develop wood-to-energy projects that require engineering services and will help expand regional economies and create new jobs. "Biomass is a vital part of America's clean energy future as we work to decrease our dependence on foreign oil," said Vilsack. "Projects like these will help grow regional economies, create new jobs, and improve and protect our environment. We will need architects and engineers to design these plants, skilled laborers to build them and well-trained technicians to operate them." These projects will use woody material removed from forests during projects such as wildfire prevention, and that woody biomass will be processed in bioenergy facilities to produce green energy for heating and electricity. (USDA Press Release, June 22, 2011)

## **Senate democrats hammer McConnell on ethanol subsidies**

In a press conference featuring several prominent Senate Democrats, Minority Leader Mitch McConnell, R-Ky., was urged to end tax breaks for ethanol subsidies as part of the debt ceiling negotiations. Earlier this month, McConnell was among many Republican lawmakers who voted to end the ethanol credits but the measure failed. Hammering the commonwealth's senior Senator stances has been a strategy for Democrats in the midst of the debate about the nation's credit, but it's unclear if the ethanol vote will make headway. (WFPL, June 29, 2011)

## **American Ethanol**

The 2011 NASCAR season is racing with a new, greener fuel, and the nation's corn growers have joined forces with NASCAR to promote the use of corn-based American ethanol. As an Official Partner of NASCAR, The National Corn Growers Association (NCGA) is leveraging its relationship to spread the message to NASCAR fans around the country about the role American farmers play in the development of ethanol. In December 2010, NASCAR unveiled its landmark partnership with American Ethanol just weeks after announcing a 2011 switch in its three major national series to Sunoco Green E15, a new 15 percent ethanol blend fuel made with corn grown in the United States. Growth Energy, a leading ethanol advocacy organization, created the American Ethanol partnership to push for broad acceptance of a renewable domestic fuel for all American motorists. (Kentucky Corn Growers' Association website 7/1/2011)

## **Government faults Massey in mine explosion**

Federal regulators held a briefing today in West Virginia to discuss their investigation into the Upper Big Branch Mine explosion. The Mine Safety and Health Administration says the explosion on April 5, 2010 that killed 29 miners in southern West Virginia was preventable. In a presentation, MSHA administrator Kevin Stricklin outlined Massey's failures at the mine, including a focus on coal production at the expense of proper safety measures. "A section foreman was fired for delaying production for about an hour to fix ventilation problems," he said. "One of the victims was told 'if you can't go up there to run coal, just bring your bucket outside and go home.'" But the company also took active steps to hide safety problems from federal mine inspectors. Stricklin says Massey was keeping two sets of books—one for government inspectors, and another with a more accurate list of safety concerns. (WEKU, June 30, 2011)

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

Product	7/1/2011	6/23/2011	6/17/2011	6/9/2011	Year Ago
Gasoline (State avg.)	3.469	3.498	3.59	3.701	2.671
Ashland	3.564	3.533	3.621	3.77	2.753
Covington	3.588	3.593	3.74	3.877	2.758
Lexington	3.459	3.441	3.535	3.677	2.658
Louisville	3.557	3.548	3.647	3.823	2.678
Owensboro	3.381	3.501	3.616	3.67	2.615
Diesel (State avg.)	3.82	3.878	3.899	3.904	2.919
Ashland	3.744	3.876	3.947	3.959	2.942
Covington	3.838	3.886	3.894	3.917	2.92
Lexington	3.761	3.836	3.863	3.899	2.932
Louisville	3.806	3.866	3.891	3.903	2.909
Owensboro	3.858	3.904	3.938	3.934	2.875

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	7/1/2011	6/23/2011	6/17/2011	6/9/2011	Year Ago
Crude Oil (Dollars per barrel) <i>West Texas Intermediate, job</i>	95.42	95.41	94.95	100.74	72.95
Natural Gas (Dollars per MMBtu) <i>Henry-Hub</i>	4.283	4.418	4.541	4.86	4.545

Source: Wall Street Journal

Futures		11-Jul	11-Aug	11-Sep
Crude Oil (Dollars per barrel) <i>Light Sweet Crude Oil</i>	7/1/2011	*	95.42	95.96
	6/23/2011	93.40	95.41	95.92
	6/17/2011	94.95	101.82	95.77
Natural Gas (Dollars per MMBtu) <i>Henry-Hub</i>	7/1/2011	*	4.374	4.393
	6/23/2011	4.317	4.35	4.375
	6/17/2011	4.412	4.469	4.476
Propane (Dollars per gallon) <i>Mt Belvieu (OPIS)</i>	7/1/2011	*	1.497	1.503
	6/23/2011	1.547	1.551	1.558
	6/17/2011	1.534	1.489	1.547
Coal (Dollars per ton) <i>Central Appalachian</i>	7/1/2011	*	77.63	77.67
	6/23/2011	77.2	77.08	77
	6/17/2011	76.72	76.15	76.72

Source: CME Group

\* - Information not available



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