

Kentucky Energy Watch

Department for Energy Development and Independence

A snapshot of state and national energy issues



Utility shelves ambitious plan to limit carbon

A major American utility is shelving the nation's most prominent effort to capture carbon dioxide from an existing coal-burning power plant, dealing a severe blow to efforts to rein in emissions responsible for global warming. American Electric Power has decided to table plans to build a full-scale carbon-capture plant at Mountaineer, a 31-year-old coal-fired plant in West Virginia, where the company has successfully captured and buried carbon dioxide in a small pilot program for two years. The technology had been heralded as the quickest solution to help the coal industry weather tougher federal limits on greenhouse gas emissions. But Congressional inaction on climate change diminished the incentives that had spurred A.E.P. to take the leap. Company officials, who plan an announcement on Thursday, said they were dropping the larger, \$668 million project because they did not believe state regulators would let the company recover its costs by charging customers, thus leaving it no compelling regulatory or business reason to continue the program. (The New York Times, July 13, 2011)

Berea College campus goes green with Ecovillage

On a five-acre patch of land on the Berea College campus, a group of students and staff is calmly preparing for the apocalypse. No, they are not holed up awaiting some visitation of divine judgment, but are taking small steps to prepare for a slow-motion catastrophe they say has already begun — as economic and population expansion outstrips the global supply of resources and creates a warmer, stormier climate. Their “Ecovillage” at the historic liberal-arts college in Eastern Kentucky’s Madison County combines student-family housing with environmental research and an early childhood education program. “We’re locked into an economic system that requires infinite growth, and we happen to be on a finite planet,” said Richard Olson, a Berea professor and director of its Sustainability and Environmental Studies, which is based at the Ecovillage. “It’s only a question of when our ever-increasing use of resources hits those limits.” (The Courier-Journal, July 10, 2011)

Water shortages to hit green energy, shale

Leaders are pondering the nation’s energy fate without adequately considering the effect that such policies will have on limited water supplies. Energy production is water-intensive -- a fact that could likely impede green energy development as well as that of shale gas. Those are the findings of the World Policy Institute that emphasizes to political leaders that they must consider the nexus between energy policy and water consumption. Indeed, the technologies to reduce carbon emissions are coming to the fore. But some of those ideas require high levels of water -- a scarce resource that is required by all energy forms. In this country, droughts have decreased the pool of water now available to all concerns. Not only do utilities use it. So do big industry and small residential households. To compound the matter, the demand for electricity here is expected to rise by 1.5 percent a year over 20 years. Governments and businesses alike are now calling for concerted conservation efforts. (The Energy Biz, July 8, 2011)

Pike County’s effective, innovative programs win 8 national awards

The East Kentucky Exposition Center was the site for a ceremony recognizing Pike County for winning eight National Association of Counties (NACo) Achievement Awards. “We are blessed to live in such a progressive county,” Pike County Judge-Executive Wayne T. Rutherford said. “These awards are a sign of the hard work, dedication and vision of Pike County, its programs and the people involved with these award-winning programs.” (Williamson Daily News, July 11, 2011)

Court split on amending zoning ordinance

A large crowd attended Tuesday’s Mason County Fiscal Court meeting to voice concerns to a proposed wind farm in the Germantown/Minerva area of the county. Discussion and questions about the project took an hour and half of the two and a half hour meeting. Bill Shugars, who has been the lead voice of opposition to the project, read a statement to the court in which he asked for a two mile setback from adjoining property lines for wind turbines. Currently, setback distances on land zoned agriculture is 50 feet from the side of a structure to the property line and 50 feet from the rear of a structure to the property line. Also in his statement, Shugars asked the court to put a moratorium on the wind farm developments, specifically the signing of contracts with landowners. He also informed the court of a petition containing more than 150 signatures asking for a two mile setback. (The Ledger Independent, July 12, 2011)

Private meeting with land owners held Monday in Germantown about wind farm

A spokesperson for NextEra Energy Resources, a Florida-based company, confirmed recently that a study is currently under way to see if wind turbines would be feasible in Mason County, Mary Wells of NextEra said the study is in the very early stages and could or could not lead to the placement of wind turbines in Mason County. At least two test meteorological towers have been placed locally to test wind resources, Wells said. She said she wasn’t sure of the location of the test towers but did say it takes at least a year of testing before a decision is made on the viability of a site, based on the results. “It’s very early in the process,” Wells said. If the sites prove there are enough wind resources for the turbines, then it would take several years before the devices were placed and in operation, she said. (The Ledger Independent, July 11, 2011)

Kentucky Retail Fuel Prices (Dollars per gallon)

Product	7/15/2011	7/8/2011	7/1/2011	6/23/2011	Year Ago
Gasoline (State avg.)	3.643	3.619	3.469	3.498	2.686
Ashland	3.681	3.71	3.564	3.533	2.76
Covington	3.707	3.788	3.588	3.593	2.769
Lexington	3.633	3.649	3.459	3.441	2.762
Louisville	3.718	3.755	3.557	3.548	2.732
Owensboro	3.609	3.477	3.381	3.501	2.571
Diesel (State avg.)	3.869	3.824	3.82	3.878	2.905
Ashland	3.845	3.733	3.744	3.876	2.955
Covington	3.8	3.797	3.838	3.886	2.925
Lexington	3.854	3.787	3.761	3.836	2.908
Louisville	3.824	3.811	3.806	3.866	2.89
Owensboro	3.918	3.874	3.858	3.904	2.837

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	7/15/2011	7/7/2011	7/1/2011	6/23/2011	Year Ago
Crude Oil (Dollars per barrel) <i>West Texas Intermediate, job</i>	95.69	98.67	95.42	95.41	76.62
Natural Gas (Dollars per MMBtu) <i>Henry-Hub</i>	4.39	4.19	4.283	4.418	4.47

Source: The Wall Street Journal

Futures		11-Aug	11-Sep	11-Oct
Crude Oil (Dollars per barrel) <i>Light Sweet Crude Oil</i>	7/15/2011	95.69	96.11	96.55
	7/7/2011	98.67	99.14	99.59
	7/1/2011	95.42	95.96	*
Natural Gas (Dollars per MMBtu) <i>Henry-Hub</i>	7/15/2011	4.378	4.358	4.378
	7/7/2011	4.133	4.138	4.168
	7/1/2011	4.374	4.393	*
Propane (Dollars per gallon) <i>Mt Belvieu (OPIS)</i>	7/15/2011	1.524	1.532	1.54
	7/7/2011	1.522	1.539	1.546
	7/1/2011	1.497	1.503	*
Coal (Dollars per ton) <i>Central Appalachian</i>	7/15/2011	76.57	76.63	46.8
	7/7/2011	77.37	77.38	77.6
	7/1/2011	77.63	77.67	*

Source: CME Group

* - Information not available



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