

# Kentucky Energy Watch

Department for Energy Development and Independence

A snapshot of state and national energy issues



## **Garrard courthouse energy use higher than average**

A study has shown the Garrard County Courthouse and annex use more energy than the average American courthouse. But a project to increase efficiency could pay for itself, according to the Kentuckiana Comfort Center Inc. The Louisville-based company presented a study to the Fiscal Court Monday outlining the building's energy consumption and a \$44,500 plan to lower it. The KCC conducted the study free of charge and estimated that the county could recoup the costs of recommended changes to lighting and HVAC systems in two years, said Kevin Vanover, territory sales director and Garrard County resident. (Central Kentucky News, July 19, 2011)

## **Appeals panel allows environmentalists to remain in coal case**

A three-judge panel of the Kentucky Court of Appeals has rejected a move by state environmental regulators and a coal company to exclude environmentalists from an enforcement action in Franklin Circuit Court. The panel, in a ruling dated July 19, rejected arguments by the Kentucky Energy and Environment Cabinet and Frasure Creek Mining, who claimed Circuit Judge Phillip Shepherd acted without jurisdiction when he allowed Appalachian Voices and other groups to intervene in an enforcement action that they had initiated through a Clean Water Act complaint. (The Courier-Journal, July 20, 2011)

## **Beshear heats up coal 'war'**

Kentucky Gov. Steve Beshear maintains when it comes to regulating coal, it's time for the federal government and the Obama administration to "get off our backs." After learning that Louisville Gas & Electric and Kentucky Utilities intended to seek permission to raise electrical rates 19 percent to comply with new EPA regulations on emissions, Beshear blasted the agency for engaging in a "war on coal" that "is now threatening to cause drastic utility rate increases." Beshear was not alone in rebuking the federal government over restraints placed on coal. (Evansville Courier & Press, July 16, 2011)

## **Duke Energy mismanaging plant project, Indiana agency says**

The state agency representing utility ratepayers is accusing Duke Energy Corp. of grossly mismanaging the \$2.9 billion coal-gasification plant it's building in Indiana, saying the company has displayed "arrogance or incompetence" in handling the project. Indiana's Office of Utility Consumer Counselor also said Thursday that Duke concealed vital information from regulators about the plant, which has been beset by nearly \$1 billion in cost overruns the company has sought to pass along to its customers in the state. (The Courier-Journal, July 15, 2011)

## **Environmental group ranks Kentucky fourth-highest on pollution list**

Kentucky ranks fourth-highest on the list of states with the most air pollution from coal and oil-fired power plants, an environmental group said Wednesday. The three highest states were Ohio, Pennsylvania and Florida, according to an analysis of federal data by the Natural Resources Defense Council. NRDC and Physicians for Social Responsibility released the report. The groups called for tougher standards on mercury and other emissions from power plants, decrying efforts by some members of Congress to block new emissions rules from the U.S. Environmental Protection Agency. (The Herald-Leader, July 21, 2011)

## **Foster Heights earns national award for energy savings**

A new STAR has risen in Nelson County – at least when you're talking about energy efficiency. Foster Heights Elementary School has earned status as the first and only school in Nelson County – and one of only 14 ENERGY STAR labeled elementary schools in Kentucky in 2011 – to earn an EPA ENERGY STAR. The ENERGY STAR is a national award from the U.S. Environmental Protection Agency, which recognizes achievements in energy efficiency. (The Kentucky Standard, July 16, 2011)

## **EPA finalizes controversial surface-mining guidelines**

Federal regulators have finalized surface-mining guidelines that have caused controversy in Appalachian coal country, including Eastern Kentucky. The guidelines include a new standard for judging the effect of mining on water quality. The U.S. Environmental Protection Agency said use of the guidelines will better protect water quality and aquatic life in streams below mountaintop strip mines. Runoff from mining operations contains substances such as chlorides and sulfates that can damage water quality. (The Herald Leader, July 22, 2011)

## **LG&E tries to explain coal ash findings**

Louisville Gas and Electric officials on Monday night tried to explain test results that at first found "significant amounts" of coal ash on three homes near its Cane Run power plant, only for it to be determined later that lesser amounts of ash were approaching the homes. LG&E officials told the homes' residents that the utility has taken steps to reduce ash blowing around, while acknowledging that a malfunction at the plant's ash landfill on Monday had produced "a dusting," in the words of Steve Turner, the plant's general manager. (The Courier-Journal, July 18, 2011)

## **Mayor Bloomberg gives \$50 million to fight coal-fired power plants**

New York Mayor Michael R. Bloomberg will donate \$50 million to the Sierra Club to support its nationwide campaign to eliminate coal-fired power plants. Sierra Club executive director Michael Brune described the gift from Bloomberg Philanthropies, which will be spread out over four years, as "a game-changer, from our perspective." The group will devote the money to its "Beyond Coal" campaign, which has helped block the construction of 153 new coal-fired power plants across the country since 2002. (The Washington Post, July 21, 2011)

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

| Product               | 7/22/2011 | 7/15/2011 | 7/8/2011 | 7/1/2011 | Year Ago |
|-----------------------|-----------|-----------|----------|----------|----------|
| Gasoline (State avg.) | 3.67      | 3.643     | 3.619    | 3.469    | 2.651    |
| Ashland               | 3.706     | 3.681     | 3.71     | 3.564    | 2.749    |
| Covington             | 3.721     | 3.707     | 3.788    | 3.588    | 2.749    |
| Lexington             | 3.666     | 3.633     | 3.649    | 3.459    | 2.655    |
| Louisville            | 2.752     | 3.718     | 3.755    | 3.557    | 2.655    |
| Owensboro             | 3.611     | 3.609     | 3.477    | 3.381    | 2.576    |
| Diesel (State avg.)   | 3.887     | 3.869     | 3.824    | 3.82     | 2.897    |
| Ashland               | 3.865     | 3.845     | 3.733    | 3.744    | 2.955    |
| Covington             | 3.8       | 3.8       | 3.797    | 3.838    | 2.913    |
| Lexington             | 3.867     | 3.854     | 3.787    | 3.761    | 2.904    |
| Louisville            | 3.825     | 3.824     | 3.811    | 3.806    | 2.867    |
| Owensboro             | 3.917     | 3.918     | 3.874    | 3.858    | 2.865    |

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   | 7/22/2011 | 7/15/2011 | 7/7/2011 | 7/1/2011 | Year Ago |
|---|-----------|-----------|----------|----------|----------|
| Crude Oil (Dollars per barrel)<br><i>West Texas Intermediate, job</i> | 98.93     | 95.69     | 98.67    | 95.42    | 79.3     |
| Natural Gas (Dollars per MMBtu)<br><i>Henry-Hub</i>                   | 4.563     | 4.39      | 4.19     | 4.283    | 4.69     |

Source: The Wall Street Journal

| Futures  |           | 11-Aug | 11-Sep | 11-Oct |
|--|-----------|--------|--------|--------|
| Crude Oil (Dollars per barrel)<br><i>Light Sweet Crude Oil</i> | 7/22/2011 | 98.14  | 98.40  | 98.78  |
|  | 7/15/2011 | 95.69  | 96.11  | 96.55  |
|  | 7/7/2011  | 98.67  | 99.14  | 99.59  |
| Natural Gas (Dollars per MMBtu)<br><i>Henry-Hub</i>            | 7/22/2011 | 4.395  | 4.469  | 4.483  |
|  | 7/15/2011 | 4.378  | 4.358  | 4.378  |
|  | 7/7/2011  | 4.133  | 4.138  | 4.168  |
| Propane (Dollars per gallon)<br><i>Mt Belvieu (OPIS)</i>       | 7/22/2011 | 1.522  | 1.537  | 1.545  |
|  | 7/15/2011 | 1.524  | 1.532  | 1.54   |
|  | 7/7/2011  | 1.522  | 1.539  | 1.546  |
| Coal (Dollars per ton)<br><i>Central Appalachian</i>           | 7/22/2011 | 77.5   | 77.5   | 77.45  |
|  | 7/15/2011 | 76.57  | 76.63  | 46.8   |
|  | 7/7/2011  | 77.37  | 77.38  | 77.6   |

Source: CME Group



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