

Kentucky Energy Watch

Department for Energy Development and Independence

A snapshot of state and national energy issues



Visitors get first tour of “green” elementary school building

It's being billed as Fayette County's most energy efficient and sustainable elementary school building, and on Monday, administrators, teachers, and volunteers took time out to show off the new Wellington Elementary School. With not one, but two water collection systems, sloped-ceiling classroom designs to incorporate both solar and natural lighting, an outdoor classroom and garden space, Wellington Elementary Principal Meribeth Gaines says the five hundred or so students that will soon call this place home, will be surrounded with daily lessons on sustainability. (WUKY, Aug. 1, 2011)

Incentives approved for coal-to-liquid

The Kentucky Industrial Development Finance Authority voted to preliminarily approve up to \$85 million in incentives to Secure Energy of St. Louis for its proposed \$1.3 billion coal-to-liquid fuel plant in western McCracken County. Lars Scott, co-owner of Secure Energy, told the Paducah Sun Friday the company still has to finalize the incentives, but that preliminary approval was a significant step forward. The authority said the company is in good standing with the Department of Revenue and meets all of the stipulations required for incentives under state statute. The plant would create 400 full-time construction jobs, 1,000 at its peak, and around 130 permanent full-time jobs. It will convert coal to gas through a liquidation process using low-cost west Kentucky coal. (West Kentucky Star, July 30, 2011)

County's first mine rescue contest in 15 years unearths memories

The campus of Southeast Community and Technical College in Cumberland has been filled this week with coal miners throughout the region as the college hosted and sponsored the Harlan County Safety Day Mine Rescue Competition. Organized by The Cumberland Tourist Commission, the event was a revival of once highly-popular mine rescue contests held in Harlan County years ago that brought both miners and community members to the Tri-Cities in support of mine safety. Harlan County Safety Day, which was the county's first mine rescue competition held in 15 years, served as both serious competing ground for the region's most polished mine rescue teams, and as a reunion for veteran coal miners who once competed. (Harlan Daily Enterprise, Aug. 1, 2011)

Adding biomass to coal less expensive than carbon capture

Faced with increasing pressure to reduce carbon emissions, coal-burning power plants may be better off adding biomass to the energy mix rather than waiting for expensive carbon capture and storage technology, a study suggests. Shrinking greenhouse gas emissions with biomass from forestry waste, logging residues or commercially produced wood pellets costs a fraction of what carbon capture and storage technology abatement would, states a report from the RAND Corp. The report is the fourth in a series prepared for the Department of Energy on the technical aspects of using biomass. (Climatewire.net, Aug. 2, 2011)

Emissions control rule could cost Southern Co. \$18b

Southern Co. said proposed U.S. Environmental Protection Agency (EPA) rules could lead to it closing or switching generating fuel in up to 40 percent of the company's coal-fired generation. Southern said the capital cost to comply with the rules could be as much as \$18 billion through 2020. Southern President, Chairman and CEO Thomas A. Fanning included the evaluation in comments filed August 4 with the EPA on the proposed Utility MACT rule. Southern said if the EPA's rule is implemented, 12,000 MW of coal-fired generation would need new emissions control equipment. He said another 4,000 MW of coal-fired generation would be retired and 1,500 MW of coal- and oil-fired generation would have to be replaced with natural gas. Southern's analysis also said that through 2020, the estimated capital cost for the company's operating units to comply with all of the proposed rules for coal-fired generation would be between \$13 billion and \$18 billion. (Power Engineering, Aug. 4, 2011)

Worries over water as natural gas

Drive through northern Pennsylvania and you'll see barns, cows, silos and drilling rigs perched on big, concrete pads. Pennsylvania is at the center of a natural gas boom. New technology is pushing gas out of huge shale deposits underground. That's created jobs and wealth, but it may be damaging drinking water. That's because when you “frack,” as hydraulic fracturing is called, you pump thousands of gallons of fluids underground. That cracks the shale a mile deep and drives natural gas up to the surface — gas that otherwise could never be tapped. But some people, like Mike Bastion, say fracking also ruins their water. “What gives the gas industry the right to take your clean water away?” a clearly angry Bastion says as he stands in the kitchen of his brother Steve's house near Alba, in northern Pennsylvania. He says fracking ruined his water well. Anxiety about fracking runs high here. Steve Bastion says some of his neighbors can't drink their well water any more. (NPR, Aug. 2, 2011)

MSHA offers grants to improve mine safety

The U.S. Mine Safety and Health Administration is offering grants to states and nonprofits to develop training for emergency preparedness and prevention in underground mines. The agency announced Wednesday that up to 20 grants from the Brookwood-Sago grants program could be awarded to help identify, avoid and prevent unsafe working conditions in and around mines. Grants will range from \$50,000 to \$250,000. Applicants also can reapply for a renewal grant. The deadline to apply is Aug. 31 and grants will be awarded on or before Sept. 30. (WYMT, Aug. 4, 2011)

Kentucky Retail Fuel Prices (Dollars per gallon)

Product	8/5/2011	7/28/2011	7/22/2011	7/15/2011	Year Ago
Gasoline (State avg.)	3.65	3.689	3.67	3.643	2.729
Ashland	3.667	3.714	3.706	3.681	2.791
Covington	3.699	3.773	3.721	3.707	2.823
Lexington	3.64	3.679	3.666	3.633	2.752
Louisville	3.633	3.745	3.752	3.718	2.811
Owensboro	3.597	3.608	3.611	3.609	2.645
Diesel (State avg.)	3.894	3.899	3.887	3.869	2.917
Ashland	3.902	3.907	3.865	3.845	2.954
Covington	3.798	3.805	3.8	3.8	2.918
Lexington	3.865	3.872	3.867	3.854	2.909
Louisville	3.832	3.839	3.825	3.824	2.901
Owensboro	3.938	3.929	3.917	3.918	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	8/4/2011	7/27/2011	7/22/2011	7/15/2011	Year Ago
Crude Oil (Dollars per barrel) <i>West Texas Intermediate, job</i>	86.63	97.4	98.93	95.69	82.01
Natural Gas (Dollars per MMBtu) <i>Henry-Hub</i>	4.151	4.445	4.563	4.39	4.845

Source: The Wall Street Journal

Futures		11-Sep	11-Oct	11-Nov
Crude Oil (Dollars per barrel) <i>Light Sweet Crude Oil</i>	8/4/2011	86.63	87.04	87.49
	7/27/2011	97.40	97.84	98.33
	7/22/2011	98.40	98.78	*
Natural Gas (Dollars per MMBtu) <i>Henry-Hub</i>	8/4/2011	3.941	3.955	4.09
	7/27/2011	4.318	4.333	4.446
	7/22/2011	4.469	4.483	*
Propane (Dollars per gallon) <i>Mt Belvieu (OPIS)</i>	8/4/2011	1.522	1.529	1.537
	7/27/2011	1.552	1.56	1.567
	7/22/2011	1.537	1.545	*
Coal (Dollars per ton) <i>Central Appalachian</i>	8/4/2011	74.67	74.53	74.53
	7/27/2011	77.12	77.48	77.48
	7/22/2011	77.5	77.45	*

Source: CME Group



The Department for Energy Development and Independence does not discriminate on the basis of race, color, national origin, sex, age, religion or disability and provides, on request, reasonable accommodations including auxiliary aids and services necessary to afford an individual with a disability an equal opportunity to participate in all services, programs and activities. To request materials in an alternative format, call the Department for Energy Development and Independence at (800) 282-0868. Persons with hearing and speech impairments can contact the agency by using the Kentucky Relay Service, a toll-free telecommunication device for the deaf (TDD). For voice to TDD, call (800) 648-6057. For TDD to voice, call (800) 648-6056.

