

# Kentucky Energy Watch

Department for Energy Development and Independence

A snapshot of state and national energy issues



## ***EPA officials hear concern about coal mining in E. Ky.***

A group of Eastern Kentucky residents concerned about the effects of coal mining on the environment sat down with officials from the Environmental Protection Agency last week as members of the federal agency toured the region. The EPA hosted four community meetings in Eastern Kentucky on August 18 and 19 in what officials said was an effort to glean community input about coal mining. Attending a meeting at Cordia School on Thursday was Gwendolyn Keyes Fleming, the regional administrator for the EPA, who noted that she was making her fourth visit to Kentucky in the 11 months since President Obama appointed her. (The Hazard-Herald, Aug. 24, 2011)

## ***EPA's water rules 'overstepped' bounds and halted new mine permits, state official says***

Kentucky has only processed two new permits to mine coal in Kentucky since new federal guidelines went into place in April 2010, said state Energy and Environment Cabinet Secretary Len Peters. Peters said the U.S. Environmental Protection Agency rules have all but halted new coal mining permits for surface mining in Kentucky, including the practice of mountaintop removal. In Kentucky, coal companies applied for more than 60 new coal mining permits, but only two have been approved. (Insight CN2, Aug. 21, 2011)

## ***West Virginia DEP issues temporary Marcellus Shale drilling rule***

The West Virginia Department of Environmental Protection Monday filed an emergency rule that imposes temporary regulations on the development of the state's Marcellus Shale resources. Acting Governor Earl Ray Tomblin said in a statement that the rule will become effective after approval by the Secretary of State and remain in effect for 15 months. The governor urged state lawmakers to develop permanent regulations for horizontal drilling in the gas-rich play. "I believe this emergency rule is a key first step to accomplishing that goal, but there is much work to be done," the governor said in a statement Monday. (Platts.com RSS Feed, Aug. 22, 2011)

## ***100 years of coal mining in Harlan County***

On Aug. 25, 1911, a Friday, a Louisville & Nashville locomotive steamed away from a tipple in a hollow in Harlan County with a load of coal bound for Western Kentucky, and the county changed dramatically, forever. It was the first commercial coal shipment by rail out of the mountainous county. The coming of the railroad sparked a feverish boom as out-of-state industrialists and investors, and some homegrown businessmen, rushed to develop the rich coalfield, with its high-quality seams nine feet thick in places. Within a few short years, a sparsely populated place that had long been defined by subsistence farming was transformed into an industrial society largely controlled by the coal industry. (The Herald-Leader, Aug. 21, 2011)

## ***Energy research at UK earning awards, lawmakers told***

The Center for Applied Energy Research at the University of Kentucky is raking in federal grants for everything from work in synthetic fuels for NASA to improving the cost and efficiency of carbon capture at coal-fired power plants. A \$14.5 million grant awarded to the university by the Department of Energy (DOE) last Monday will help the Center develop a system that uses a plant's waste heat to improve efficiency and hold down electricity costs created by carbon capture's use, the legislative Special Subcommittee on Energy heard today. (Legislative News Release, Aug. 19, 2011)

## ***Governor Beshear announces GE lighting to expand manufacturing of energy-efficient lighting products in Lexington***

Governor Steve Beshear today announced GE Lighting will invest approximately \$10 million at its Lexington Lamp Plant to produce a new line of energy-efficient lighting products. The expansion, which is in response to customer demand for energy-efficient lighting, will initially create 38 new jobs in the Commonwealth. "The addition of a new energy-efficient product line at GE's Lexington Lamp Plant is fantastic news for the Fayette County community and the entire state," Gov. Beshear said. (Press Release, Aug. 17, 2011)

## ***Registration opens for Governor's Conference on Energy and the Environment in September***

Online registration is under way for the 35th Governor's Conference on Energy and the Environment, sponsored by the Kentucky Energy and Environment Cabinet. This year's event takes place Sept. 26-27 at the Lexington Convention Center. The goal of the conference is to create a dialogue among government, community and business leaders on how to take advantage of opportunities and tackle the energy and environmental challenges presented in today's world. Topics include legislative, regulatory and policy updates at the federal level; water quality in riparian zones; Kentucky's renewable energy potential; federal electricity transmission issues and possible impacts on Kentucky; a panel discussion on today's coal mining practices that are designed to lessen the environmental impact of both underground and surface mining; and more. (Kentucky Forward, Aug. 23, 2011)

## ***State initiative encourages sustainability in racing industry***

Kentucky's horse racing industry could benefit from a new sustainability program. A state initiative will help racetracks comply with environmental regulations and reduce their footprint. Horse racing is important to Kentucky's economy, but huge events like the Derby take their toll on the environment—from the trash produced to animal waste and electricity usage. The state's new program is called "Green Beyond the Turf," and it was developed to encourage sustainability in the racetrack industry. Division of Compliance manager Kenya Stump says the program has a two-pronged approach. (WFPL News, Aug. 22, 2011)

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

Product	8/26/2011	8/19/2011	8/12/2011	8/5/2011	Year Ago
Gasoline (State avg.)	3.561	3.502	3.505	3.65	2.585
Ashland	3.687	3.514	3.425	3.667	2.612
Covington	3.609	3.567	3.561	3.699	2.698
Lexington	3.607	3.499	3.469	3.64	2.562
Louisville	3.512	3.458	3.475	3.633	2.555
Owensboro	3.514	3.474	3.451	3.597	2.552
Diesel (State avg.)	3.818	3.829	3.847	3.894	2.91
Ashland	3.816	3.841	3.877	3.902	2.923
Covington	3.778	3.777	3.782	3.798	2.896
Lexington	3.791	3.807	3.819	3.865	2.91
Louisville	3.779	3.791	3.807	3.832	2.912
Owensboro	3.836	3.82	3.848	3.938	2.878

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	8/26/2011	8/19/2011	8/11/2011	8/4/2011	Year Ago
Crude Oil (Dollars per barrel) <i>West Texas Intermediate, job</i>	85.3	82.38	85.72	86.63	73.36
Natural Gas (Dollars per MMBtu) <i>Henry-Hub</i>	3.993	3.98	4.08	4.151	3.81

Source: The Wall Street Journal

Futures		11-Sep	11-Oct	11-Nov
Crude Oil (Dollars per barrel) <i>Light Sweet Crude Oil</i>	8/26/2011	84.12	87.04	87.49
	8/19/2011	82.38	97.84	98.33
	8/11/2011	85.72	86.04	86.43
Natural Gas (Dollars per MMBtu) <i>Henry-Hub</i>	8/26/2011	3.931	3.955	4.09
	8/19/2011	3.892	4.333	4.446
	8/11/2011	4.108	4.127	4.279
Propane (Dollars per gallon) <i>Mt Belvieu (OPIS)</i>	8/26/2011	1.528	1.529	1.537
	8/19/2011	1.525	1.56	1.567
	8/11/2011	1.526	1.533	1.539
Coal (Dollars per ton) <i>Central Appalachian</i>	8/26/2011	75.47	74.53	74.53
	8/19/2011	75.83	77.48	77.48
	8/11/2011	76.05	76.2	76.2

Source: CME Group



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