

Kentucky *Department for Energy Development and Independence* Energy Watch

A snapshot of state and national energy issues

Kentucky companies to receive \$2.1 million for expansion of advanced biofuels

The U.S. Department of Agriculture will pay Kentucky companies more than \$2.1 million to support and ensure the production and expansion of advanced biofuels through its Rural Development mission area, Gov. Steve Beshear has announced. "I am pleased that these Kentucky companies will benefit from this USDA program authorized by the 2008 Farm Bill," Beshear said. "These investments will help us meet our future energy demands." (KY Forward, Sept. 29, 2011)

EPA responds to Beshear's letter

This morning, the Environmental Protection Agency responded to an email asking for comments on a letter Governor Steve Beshear sent to President Barack Obama earlier this week. In an interview, Energy and Environment Cabinet Secretary Len Peters expressed frustration with the EPA's requirements for permits. He says Kentucky worked with the regional EPA on a template for future permits and came to an agreement, but the deal was rejected by the EPA headquarters. In the response, the EPA didn't respond directly to a question about why the agreed-upon template was rejected. (WFPL News, Sept. 30, 2011)

Coal's woes run deeper than EPA regs

In Central Appalachia, coal's potential troubles are running much deeper than the proposed environmental regulations. Both public and private reviews note a reduction in production, citing not just pending federal rules but also increased competition and the depletion of the most recoverable deposits. The coal companies concur, saying that development could migrate to regions with more accessible reserves and a lower cost of production. And while the easy target is the U.S. Environmental Protection Agency that wants to cut toxic emissions, all are acknowledging that the process is more labor intensive and therefore less profitable. That's because the coal there is much harder dig out, leaving surface mining as the only other possibility -- an even more controversial technique. (Energy BIZ, Sept. 28, 2011)

Will the military be the bridge to the US renewable energy future?

With Congress likely to cut federal spending on renewable energy and private funds still awaiting more market certainty, renewables might run out of support -- but for a surprising benefactor, the U.S. Department of Defense (DoD). As detailed in the newly released From Barracks to the Battlefield: Clean Energy Innovation and America's Armed Forces report from the Pew Charitable Trusts' Project on National Security, Energy and Climate, DoD spending for renewables and efficiency went from \$400 million in 2006 to \$1.2 billion in 2009, a jump of 300 percent. (Greentech Media, Sept. 29, 2011)

NETL projects selected to conduct geothermal energy research

Two geothermal energy projects led by researchers at the National Energy Technology Laboratory (NETL) have been selected to receive funding from the U.S. Department of Energy's Office of Energy Efficiency and Renewable Energy. These projects, along with 30 others selected through a competitive process, promise to help accelerate development of geothermal energy technologies and diversify America's sources of clean, renewable energy. "The Department of Energy is investing in pioneering new technologies that will further develop the nation's geothermal resources, create skilled jobs for American workers, and help diversify our energy portfolio," says U.S. Energy Secretary Steven Chu in announcing the selected projects earlier this month. "The projects will provide opportunities for clean energy innovations that will ensure the U.S. remains a global leader in geothermal energy development and expand the nation's use of this important renewable energy resource." (R&D, Sept. 29, 2011)

ENERGY STAR home construction on the rise

The number of ENERGY STAR approved homes is on the rise, according to statistics from the Environmental Protection Agency (EPA). Information posted on the EPA's website said one-quarter of the homes built in 2010 in the United States were recognized as ENERGY STAR. That's a 21 percent increase over 2009 totals. To be considered ENERGY STAR approved, homes must adhere to strict energy-efficient requirements, including having effective insulation systems, high performance windows, quality construction to reduce leaks and drafts, efficient heating and cooling equipment and ENERGY STAR qualified lighting and appliances. Since 1995 approximately 1.2 million new homes have earned EPA's ENERGY STAR, representing savings of nearly \$350 million on utility bills while avoiding greenhouse gas emissions equivalent to those from more than 450,000 vehicles. (Earth Techling, Sept. 29, 2011)

DOE clean-energy program wraps up amid concerns

It should have been a celebratory milestone for the Energy Department: On Friday, DOE caps off more than two years of shepherding a new generation of job-creating clean energy projects during an economic downturn that had dried up private capital. Instead, the agency finds itself tarred by the collapse of a single company. The failure of solar manufacturer Solyndra, and revelations about DOE's decision to award the company a \$535 million loan guarantee, have lawmakers worrying that the department may have rushed the approval of billions of dollars in additional guarantees to companies that might become the next to flop. The last batch of those guarantees is due out the door Friday night, the deadline Congress set in 2009. In the past four days, DOE approved more than \$1.2 billion in guarantees. (Politico, Sept. 30, 2011)

Kentucky Retail Fuel Prices (Dollars per gallon)

Product	9/30/2011	9/23/2011	9/16/2011	9/9/2011	Year Ago
Gasoline (State avg.)	3.315	3.438	3.55	3.628	2.634
Ashland	3.282	3.434	3.615	3.677	2.705
Covington	3.379	3.52	3.617	3.692	2.695
Lexington	3.291	3.417	3.543	3.629	2.589
Louisville	3.264	3.309	3.494	3.596	2.599
Owensboro	3.267	3.352	3.45	3.576	2.578
Diesel (State avg.)	3.775	3.82	3.847	3.87	2.908
Ashland	3.798	3.849	3.872	3.89	2.935
Covington	3.762	3.767	3.817	3.822	2.923
Lexington	3.772	3.813	3.838	3.871	2.899
Louisville	3.758	3.807	3.836	3.85	2.883
Owensboro	3.754	3.802	3.84	3.862	2.91

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	9/30/2011	9/23/2011	9/16/2011	9/9/2011	Year Ago
Crude Oil (Dollars per barrel) <i>West Texas Intermediate, job</i>	82.14	80.51	89.4	89.05	79.97
Natural Gas (Dollars per MMBtu) <i>Henry-Hub</i>	3.77	3.734	3.91	3.985	3.825

Source: The Wall Street Journal

Futures		11-Oct	11-Nov	11-Dec
Crude Oil (Dollars per barrel) <i>Light Sweet Crude Oil</i>	9/30/2011	*	82.14	82.34
	9/23/2011	86.89	80.51	80.75
	9/16/2011	89.40	89.59	89.81
Natural Gas (Dollars per MMBtu) <i>Henry-Hub</i>	9/30/2011	3.759	3.747	4.015
	9/23/2011	3.705	3.782	4.045
	9/16/2011	3.878	3.981	4.195
Propane (Dollars per gallon) <i>Mt Behien (OPIS)</i>	9/30/2011	1.524	1.524	1.524
	9/23/2011	1.492	1.493	1.494
	9/16/2011	1.625	1.628	1.631
Coal (Dollars per ton) <i>Central Appalachian</i>	9/30/2011	74.48	74.37	74.37
	9/23/2011	74.03	73.88	73.78
	9/16/2011	74.92	75.03	75.12

Source: CME Group



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