

# Kentucky Energy Watch

Department for Energy Development and Independence

A snapshot of state and national energy issues



## **Settlement would let LG&E/KU recover \$2.25 billion to clean up coal plants**

Louisville Gas & Electric and Kentucky Utilities would be able to recover \$2.25 billion from their nearly 1 million ratepayers to install pollution controls on their largest coal-fired power plants under a proposed settlement filed Thursday with the Public Service Commission. Along with the two PPL subsidiaries, others who signed the agreement included Attorney General Jack Conway, the trade group Kentucky Industrial Utility Customers, Sierra Club, Natural Resources Defense Council and groups representing low-income customers. (Platts.com, Nov. 11, 2011)

## **Energy Secretary Chu takes responsibility for loan to failed solar panel maker Solyndra**

Taking responsibility for a debacle that has embarrassed the Obama administration, Energy Secretary Steven Chu says he made the final decisions on a half-billion-dollar loan to a California solar company that later went bankrupt. Chu, in testimony prepared for delivery Thursday to a House committee, said he made all decisions on Solyndra Inc. with the best interests of the taxpayer in mind. "I want to be clear: Over the course of Solyndra's loan guarantee, I did not make any decision based on political considerations," Chu said in testimony prepared for the House Energy and Commerce Committee. Chu is likely to face sharp questions as the energy panel continues a nine-month investigation of Solyndra. (The Washington Post, Nov. 17, 2011)

## **Clean energy activists rally for "green power" by utility companies**

Environmentalists, public health groups and concerned citizens are demanding "green power" from Louisville Gas and Electric (LG&E) and Kentucky Utilities (KU), and they took that message straight to the power companies' offices at a rally last week. LG&E and KU are seeking a rate increase to cover costs to upgrade their coal-fired power plants to meet new federal emission standards. The Sierra Club is one organization challenging the utilities to make investments in renewable energy sources instead of fossil fuels, which the environmental group contends are on the demise. Thomas Pearce, with the Sierra Club Beyond Coal Campaign, says the utilities' ratepayers deserve clean energy and green jobs. "It's unacceptable to ask the citizens to pay for investments in basically what we've always had, which is dirty air, dirty water." (Public News Service, Nov. 14, 2011)

## **Renewable energy investment may double by 2020, BNEF Says**

Investment in renewable power generation may double to \$395 billion a year by 2020, led by growth in offshore wind and solar energy projects, reports Bloomberg New Energy Finance forecast. The total may rise further to \$460 billion a year in real terms by 2030 from \$195 billion last year, according to the research unit of Bloomberg LP. The investments would boost clean energy as a portion of total world generation capacity to 15.7 percent within 20 years from 12.6 percent last year. (Bloomberg Businessweek, Nov. 16, 2011)

## **Grants helps Bullitt add five hybrid school buses**

Five hybrid diesel/electric school buses will be added to Bullitt County Public Schools' fleet, thanks to \$311,945 in federal grant funding. The district applied to the Kentucky Department of Education for the grant funding in September. The state's \$12.98 million program offsets the cost difference between regular school buses and hybrid buses to encourage districts to purchase the more efficient vehicles. The buses are designed to conserve fuel and emit exhaust that complies with the state's clean air initiatives. A regular school bus costs about \$80,000 and a hybrid costs about \$62,000 more, said Juliann Vachon, the district's grant writer. Vachon and transportation director Ida Prather presented the grant information to school board members during a meeting in September. (The Courier Journal, Nov. 15, 2011)

## **Energy department recognizes nation's top green power programs**

The U.S. Department of Energy (DOE) today recognized four leading organizations for expanding the market for electricity produced from renewable energy sources during the 11th annual Green Power Leadership Awards in San Francisco, Calif. These organizations' innovative "green power" programs provide consumers with the opportunity to purchase clean energy from environmentally-preferred sources, such as wind and solar energy. Organizations that offer and promote green power programs support an industry that creates thousands of jobs each year, making clean, renewable energy accessible and affordable to the homeowners and businesses they serve. DOE encourages the growth of these programs nationwide by selecting exemplary programs to receive Green Power Leadership Awards. (Power Industry News, Nov. 16, 2011)

## **State releases recommendations for harvesting forest biomass for energy**

The Kentucky Division of Forestry (KDF) recently released recommendations for harvesting forest biomass as an alternative energy source. Woody biomass, which is material that includes trees, tree branches and other vegetation, can be used as a source of heat or power for the generation of electricity. Technology is also being developed that would allow wood to be converted into ethanol and be used as a replacement for gasoline in motor vehicles. "Kentucky has nearly 12 million acres of forests that can provide a multitude of benefits to landowners, forest industry and our state's renewable energy needs," said Leah MacSwords, director of KDF. "Woody biomass has sparked interest from policymakers and forest industry representatives to energy analysts and others who are looking for new sources of energy. Our recommendations in this new document will help balance the emerging biomass industry with the need to protect our forests and ensure sustainability." (The Hazard-Herald, Nov. 14, 2011)

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

Product	11/17/2011	11/10/2011	11/3/2011	10/26/2011	Year Ago
Gasoline (State avg.)	3.319	3.393	3.382	3.365	2.842
Ashland	3.434	3.516	3.427	3.422	2.936
Covington	3.379	3.417	3.382	3.361	2.919
Lexington	3.3	3.402	3.41	3.372	2.816
Louisville	3.255	3.342	3.41	3.342	2.838
Owensboro	3.228	3.268	3.196	3.258	2.835
Diesel (State avg.)	3.992	3.889	3.85	3.802	3.111
Ashland	4.04	3.926	3.868	3.785	3.131
Covington	4.035	3.875	3.832	3.813	3.129
Lexington	4.035	3.906	3.859	3.817	3.108
Louisville	3.986	3.886	3.842	3.806	3.081
Owensboro	3.994	3.855	3.82	3.777	3.113

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,

Product	11/14/2011	11/7/2011	10/31/2011	10/24/2011	Year Ago
Heating Oil (dollars per gallon)	3.942	3.877	3.85	3.798	3.125
Propane (dollars per gallon)	2.825	2.819	2.815	2.791	2.521

Source: U.S. Energy Information Administration

**Wholesale Fuel Prices**

Spot Prices	11/17/2011	11/10/2011	11/2/2011	10/27/2011	Year Ago
Crude Oil (Dollars per barrel) <i>West Texas Intermediate, fob</i>	102.59	95.74	92.51	90.2	80.44
Natural Gas (Dollars per MMBtu) <i>Henry-Hub</i>	3.105	3.509	3.425	3.656	3.765

Source: The Wall Street Journal

Futures		11-Dec	12-Jan	12-Feb
Crude Oil (Dollars per barrel) <i>Light Sweet Crude Oil</i>	11/17/2011	102.59	102.60	102.48
	11/10/2011	95.74	95.64	95.54
	11/2/2011	92.51	92.35	92.19
Natural Gas (Dollars per MMBtu) <i>Henry-Hub</i>	11/17/2011	3.344	3.483	3.502
	11/10/2011	3.652	3.749	3.767
	11/2/2011	3.749	3.882	3.893
Propane (Dollars per gallon) <i>Mt Belvieu (OPIS)</i>	11/17/2011	1.479	1.484	1.466
	11/10/2011	1.462	1.467	1.452
	11/2/2011	1.45	1.455	1.438
Coal (Dollars per ton) <i>Central Appalachian</i>	11/17/2011	69.22	69.95	70.03
	11/10/2011	71.77	72.58	72.58
	11/2/2011	72.72	72.85	72.85

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.

