

# Kentucky Energy Watch

Department for Energy Development and Independence

A snapshot of state and national energy issues



## **Kentucky's hybrid school bus fleet is leading the nation, cutting fuel costs**

A statewide push to use more hybrid electric school buses could save Jefferson County Public Schools more than \$75,000 a year in gas. And that amount could rise as the district adds 18 more of the fuel-efficient buses this spring, bringing its total to 50 — more than any other district in the country. The hybrids, which use both diesel fuel and electricity, were purchased in 36 districts throughout the state during the past year using federal stimulus money as part of a statewide experiment to see if they can save schools money and reduce the impact on the environment. Kentucky has nearly 160 hybrid electric school buses, more than any other state, and it plans to add about 50 more as other districts express interest. (Courier-Journal.com, Jan. 8, 2011)

## **Alcan: Big Rivers' rates threaten smelters**

In mid-2009, the future looked promising for two of the biggest industries in northwestern Kentucky — the Rio Tinto Alcan and Century Aluminum smelters. They had secured a new long-term contract for the enormous amounts of electricity they need at prices the companies thought could keep them competitive; that power is vital, accounting for one-third of their cost to produce aluminum. Further, power producer Big Rivers Electric Corp. didn't anticipate a need to raise rates until 2016. But after sales of surplus electricity to other power companies came in lower than expected, Big Rivers requested an increase in rates last year. In November, the Kentucky Public Service Commission granted a rate increase that will hike the Alcan and Century power bills by a combined \$14.2 million per year — \$6 million just for Alcan's Sebree smelter. Now, the smelters say they are less sure of their ability to survive against worldwide competitors, which pay much less for electricity. (TheGleaner.com, Jan. 7, 2011)

## **Using a Kentucky gem to talk coal**

A lot of people who live in Kentucky may not share the same opinions on coal, but many do share a love for University of Kentucky basketball. With that in mind, the Sierra Club hopes to get people connecting the dots on leading in sports and in the clean energy economy. Senior Patrick Johnson says the idea is to let people know about the two coal-burning power plants on campus, and about their potential health and environmental hazards. "In a state that has so many political issues that really push people apart, U.K. basketball is one of the things that really brings people together who would normally not be in the same room and having discussions." The Sierra Club says since its campus-based "Beyond Coal" program started, 19 schools have made a commitment to stop burning coal on campus. Johnson wants U.K. to be next. (PublicNewsService.org, Jan. 12, 2011)

## **'Green energy' is the best route to profitable public investment**

The Obama administration's investments in the green energy economy have already produced a great number of jobs in a sector with significant potential for additional growth. It would be a serious mistake to undercut the initiative just as it's contributing to the recovery. While estimates vary on exactly how many jobs the American Recovery and Reinvestment Act created, several experts have put the number at 2 million or more. Separate studies by Daniel J. Wilson of the Federal Reserve Bank of San Francisco, economists James Feyrer and Bruce Sacerdote of Dartmouth College and the Congressional Budget Office also conclude that government spending on infrastructure, goods and services produces one of the highest jobs-per-dollar ratios of all spending alternatives. (MiamiHerald.com, Jan. 12, 2011)

## **Study finds economic benefits from passing renewable energy legislation**

A report commissioned by a Kentucky non-profit supports the establishment of a statewide renewable energy standard. This is the third time legislation that would require a certain percentage of the state's energy to come from sustainable or renewable sources has been introduced in the General Assembly. In the past, the Clean Energy Opportunity Act hasn't gained much traction. This year the Mountain Association for Community Economic Development, or MACED, commissioned a study from Boston-based Synapse Energy Economics on the bill's economic impact. Kristin Tracz of MACED says there needs to be more conversations about the state's energy future. (WFPL News, Jan. 12, 2011)

## **Clean Energy unveils backbone network for America's natural gas highway**

The route plan for the first phase of 150 new LNG fueling stations for America's Natural Gas Highway (ANGH) was unveiled today by Clean Energy Fuels Corp., the leading provider of natural gas fuel for transportation in North America. The company has identified 98 locations and anticipates having 70 stations open by the end of 2012 in 33 states. Many of the fueling stations will be co-located at Pilot-Flying J Travel Centers already serving goods movement trucking through an exclusive agreement with Pilot to build, own and operate natural gas fueling facilities at agreed-upon travel centers. Pilot-Flying J is the nation's largest truck-stop operator with more than 550 retail properties in 47 states. (MarketWatch.com, Jan. 12, 2011)

## **Energy and Environment Cabinet appoints new commissioner for natural resources**

The Kentucky Energy and Environment Cabinet announced today that Steve Hohmann has been appointed Commissioner for Natural Resources. The position has been vacant since former Commissioner Carl Campbell was dismissed in November. Hohmann has been the state's director of Abandoned Mine Lands Programs since 1995. In his new position, he will oversee the Divisions of Abandoned Mine Lands, Conservation, Forestry, Mine Permits, Oil and Gas, and Mine Reclamation and Enforcement, as well as the Office of Mine Safety and Licensing. (WFPLNews, Jan. 12, 2011)

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

Product	1/12/2012	1/5/2012	12/29/2011	12/22/2011	Year Ago
Gasoline (State avg.)	3.401	3.304	3.256	3.184	3.077
Ashland	3.483	3.413	3.344	3.311	3.166
Covington	3.386	3.397	3.308	3.231	3.115
Lexington	3.406	3.35	3.298	3.27	3.091
Louisville	3.379	3.242	3.263	3.109	3.083
Owensboro	3.423	3.245	3.18	3.161	3.027
Diesel (State avg.)	3.783	3.744	3.767	3.794	3.249
Ashland	3.811	3.795	3.8	3.817	3.294
Covington	3.748	3.751	3.799	3.828	3.248
Lexington	3.769	3.727	3.75	3.801	3.244
Louisville	3.756	3.712	3.731	3.787	3.206
Owensboro	3.845	3.835	3.844	3.965	3.256

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	1/9/2012	1/2/2012	12/26/2011	12/19/2011	Year Ago
Heating Oil (dollars per gallon)	3.934	3.843	3.832	3.823	3.362
Propane (dollars per gallon)	2.87	2.865	2.856	2.855	2.762

Source: the U.S. Energy Information Administration

**Wholesale Fuel Prices**

Spot Prices	1/12/2012	1/5/2012	12/29/2011	12/22/2011	Year Ago
Crude Oil (Dollars per barrel) <i>West Texas Intermediate, fob</i>	100.87	103.22	99.36	98.67	91.86
Natural Gas (Dollars per MMBtu) <i>Henry-Hub</i>	2.775	2.965	3.073	3.035	4.545

Source: the Wall Street Journal

Futures		12-Feb	12-Mar	12-Apr
Crude Oil (Dollars per barrel) <i>Light Sweet Crude Oil</i>	1/12/2012	100.87	101.09	101.33
	1/5/2012	103.22	103.40	103.60
	12/29/2011	99.36	99.51	*
Natural Gas (Dollars per MMBtu) <i>Henry-Hub</i>	1/12/2012	2.774	2.803	2.883
	1/5/2012	3.096	3.127	3.185
	12/29/2011	3.121	3.148	*
Propane (Dollars per gallon) <i>Mt Belvieu (OPIS)</i>	1/12/2012	1.235	1.225	1.221
	1/5/2012	1.37	1.344	1.33
	12/29/2011	1.389	1.343	*
Coal (Dollars per ton) <i>Central Appalachian</i>	1/12/2012	65.1	65.33	65.17
	1/5/2012	69.25	69.37	69.55
	12/29/2011	70.22	69.88	*

Source: CME Group

\* - Information Not Available



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