

Kentucky Energy Watch

Department for Energy Development and Independence

A snapshot of state and national energy issues



DOE-Clean Cities brings new alternative-fuel vehicles to Mammoth Cave NP

Four new propane buses moved park visitors around the grounds of Mammoth Cave National Park today as part of National Park Week activities. The Department of Energy (DOE)-Clean Cities/National Park Initiative awarded \$505,000 to Mammoth Cave for the purchase of high-efficiency vehicles -- buses, pickups and an electric vehicle -- to replace older models, acknowledging the park's consistent green energy efforts. "The Clean Cities partnership is a great boost to the park and our staff," said Park Superintendent Patrick Reed. "We have incorporated sustainable, green practices into almost every facet of our operation. These new vehicles aid in our efforts to reduce emissions and lower the carbon footprint of the park and to show park visitors how, together, we can make a difference." (Market Watch – Apr. 27, 2012)

Leaders exchange ideas for transforming the economy of eastern Kentucky

Set up a permanent endowment to fund projects in Eastern Kentucky's coal counties. Improve access to broadband Internet service. Provide clean water to every resident. Use biomass grown on old surface mines to generate power. Those were a few of the ideas discussed Thursday at the annual East Kentucky Leadership Conference, held this year in Prestonsburg. It was an exercise in coming up with ideas to transform the economy of eastern Kentucky, home to the largest cluster of counties in Appalachia classified as economically "distressed" by federal officials. Dee Davis, president of the Center for Rural Strategies in Whitesburg, noted the need for new ideas in the face of a projected steep decline in Central Appalachian coal production that would cost the area many of the jobs that now underpin its economy. (Herald Leader – Apr. 26, 2012)

Here's a switch: electric companies will pay you to help conserve power

With many utility bills on the rise because of required environmental upgrades, an opportunity is rapidly approaching for consumers to get credits toward their monthly costs. Kentucky's major electricity providers — including Kentucky Utilities, East Kentucky Power Cooperative and Kentucky Power — all offer programs that give credits to customers who allow the utility to control devices including air conditioners on the hottest days of the year. The utilities use the control to cycle a home's air conditioner at a different time to spread out the demand for power across the electric grid. In exchange, they offer credits on summer electric bills. "If it's one device affecting one compressor, that may seem like a drop in the bucket when you consider the size of our systems," said Kentucky Utilities spokeswoman Liz Pratt. "But when (all the) devices are being cycled, that makes a huge impact to help lessen the load." (Herald Leader – Apr. 28, 2012)

Natural gas continues rally from 10-year lows

Natural gas, long the dog of the commodities market, has some fight left in it yet. After spending most of the year plumbing 10-year lows, the benchmark front-month natural gas contract on the New York Mercantile Exchange has been on a tear, rising nearly 23% over eight sessions since settling at \$1.907 per million British thermal units on April 19--the lowest since September 2001. Booming production of natural gas from newly tapped shale formations, coupled with weak demand due to a warmer-than-normal winter, have produced a glut of the fuel in the U.S. Natural gas held in storage now is 55.4% above the five-year average, according to the latest government report. However, natural gas producers are finally showing signs of curbing their output. Also, utilities that can alternate between natural gas and more expensive coal have been moving toward gas. (Market Watch – May 1, 2012)

Expanding the role of distributed generation in the smart grid

Currently, distributed generation plays a very limited role in the U.S. electric grid. However, the U.S. Energy Information Administration (EIA) projects U.S. commercial sector distributed generation capacity to increase from 1.9 GW in 2009 to 6.8 GW in 2035. "Distributed generation has the potential to help us sustainably and securely meet our growing energy demand," said John McDonald, Director, Technical Strategy & Policy Development, GE's Digital Energy business. "However, most of today's infrastructure is unable to maximize the benefits of renewable resources, such as wind and solar. Grid capacity constraints and congestion can act as a barrier to full utilization, and renewable variability can cause reliability challenges at relatively high levels of penetration." (Fierce Smart Grid – May 2, 2012)

Energy efficiency now a bigger share of business for building contractors

A combination of energy efficiency and renewable energy programs and technology advancements — on the local, state and federal, levels — are helping local contractors stay in business during tough economic times. Although there are indications that the recession is starting to abate, some contractors attribute local and regional energy programs for helping them stay in business. "I would say our retrofit work would represent 20 percent of our volume, and that's 20 percent we didn't have five years ago," said Rick Rogers, branch manager for Insulvail, an insulation company based in Gypsum. "And it's good work." Rogers cited a recent effort to improve energy efficiency at the Rifle Housing Authority's senior housing complex — where Insulvail workers spent several weeks weather-stripping, blowing in insulation, and making other improvements — as an example. (Glenwood Springs Post Independent – Apr. 30, 2012)

Kentucky Retail Fuel Prices (Dollars per gallon)

Product	5/3/2012	4/26/2012	4/19/2012	4/13/2012	Year Ago
Gasoline (State avg.)	3.706	3.787	3.89	3.84	3.892
Ashland	3.72	3.752	3.845	3.757	4.042
Covington	3.745	3.825	3.928	3.88	4.012
Lexington	3.664	3.769	3.918	3.813	3.871
Louisville	3.728	3.794	3.923	3.887	3.914
Owensboro	3.723	3.797	3.868	3.875	3.914
Diesel (State avg.)	4.033	4.041	4.084	4.098	4.059
Ashland	4.054	4.069	4.107	4.115	4.086
Covington	4.07	4.069	4.104	4.116	4.086
Lexington	4.03	4.04	4.098	4.118	4.061
Louisville	4.013	4.018	4.055	4.08	4.066
Owensboro	4.06	4.085	4.123	4.127	4.07

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	3/19/2012	3/12/2012	3/5/2012	2/27/2012	Year Ago
Heating Oil (dollars per gallon)	4.112	4.105	4.1	4.108	3.878
Propane (dollars per gallon)	2.869	2.868	2.867	2.867	2.857

Source: the U.S. Energy Information Administration

Wholesale Fuel Prices

Spot Prices	5/2/2012	4/25/2012	4/18/2012	4/12/2012	Year Ago
Crude Oil (Dollars per barrel) <i>West Texas Intermediate, fob</i>	105.22	104.12	102.67	103.64	109.24
Natural Gas (Dollars per MMBtu) <i>Henry-Hub</i>	2.288	1.998	1.859	1.888	4.58

Source: the Wall Street Journal

Futures		12-Jun	12-Jul	12-Aug
Crude Oil (Dollars per barrel) <i>Light Sweet Crude Oil</i>	5/2/2012	105.22	105.58	105.83
	4/25/2012	*	104.12	104.50
	4/18/2012	102.67	103.12	103.58
Natural Gas (Dollars per MMBtu) <i>Henry-Hub</i>	5/2/2012	2.253	2.354	2.426
	4/25/2012	2.068	2.17	2.286
	4/18/2012	1.951	2.042	2.159
Propane (Dollars per gallon) <i>Mt Belvieu (OPIS)</i>	5/2/2012	1.09	1.093	1.1
	4/25/2012	1.184	1.188	1.194
	4/18/2012	1.2	1.205	1.212
Coal (Dollars per ton) <i>Central Appalachian</i>	5/2/2012	57.87	58.33	59.25
	4/25/2012	56.82	57.62	58.68
	4/18/2012	56.68	57.62	58.92

Source: CME Group

* - Information Not Available



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