

# Kentucky Energy Watch

Department for Energy Development and Independence

A snapshot of state and national energy issues



## **Power rate talks stall between utility, smelter**

An aluminum company warned Monday that its nearly 800-employee Hawesville smelter in western Kentucky is being put at risk as a result of stalled negotiations to achieve concessions in its power costs to help offset sluggish global aluminum prices. Century Aluminum executives updated plant employees Monday about a halt in negotiations with Big Rivers Electric Corp. The California-based company said its contract rate for electricity is much higher than open-market prices. The Hawesville smelter, which supplies aluminum for U.S. military equipment and civilian uses, consumes vast amounts of power. (charlotteobserver.com - Jul. 16, 2012)

## **New Habitat house in Berea is a model of energy efficiency**

This is a big weekend for J.T. and Marlena Hoover and their daughters, Madison and Jaidyn; they're moving into their new home, the very first they've ever owned. On top of that, their house on Brown Street in Berea promises to set new standards of energy efficiency and cost savings for homes in Kentucky. It's a "passive house," built for the Hoovers by Habitat for Humanity of Madison & Clark Counties. Deceptively simple-looking, the house employs a variety of non-mechanical features — mainly extra insulation and lots of sealing to prevent air leaks — which keep occupants cool in summer and warm in winter at very low cost. Habitat officials expect it to be the first house they've built in Kentucky to receive official certification from the Passive House Institute US, a non-profit group that promotes such structures. (Herald Leader - Jul. 14, 2012)

## **County schools gets high marks for energy efficiency**

At a regular meeting of the Warren County Public Schools Board of Education on Monday night, the district was recognized for energy efficiency and a contractor was selected for a school addition project. David Baird, associate executive director of the Kentucky School Boards Association, presented certificates for the schools that received an ENERGY STAR award. To get the award, a building must use at least 35 percent less energy and have at least 35 percent fewer greenhouse gas emissions than comparable facilities, Baird said. Nineteen of the 23 schools in the district received an ENERGY STAR Award this year, he said. "That speaks for itself," Baird said. The district is leading the way in energy efficiency and the KSBA points to Warren County as an example for other school districts looking to become energy efficient, he said. (BGdailynews.com - Jul. 10, 2012)

## **Seven Kellogg bakeries recognized for energy efficiency**

Seven U.S. Kellogg bakeries have once again earned the U.S. Environmental Protection Agency's (EPA) ENERGY STAR certification - placing them in the top 25 percent of similar facilities nationwide for energy efficiency. Last year, the EPA awarded these same facilities the first-ever ENERGY STAR certification for bakeries that demonstrate best-in-class energy performance. The ENERGY STAR-certified bakeries include Kellogg Company's Augusta Bakery, Augusta, Ga.; Cary Bakery, Raleigh, N.C.; Charlotte Bakery, Charlotte, N.C.; Cincinnati Bakery, Cincinnati, Oh.; Columbus Bakery, Columbus, Ga.; Florence Bakery, Florence, Ky.; and Louisville Bakery, Louisville, Ky. "Our company is committed to producing more using fewer natural resources - and that includes finding new ways to reduce energy use at our facilities," said Diane Holdorf, chief sustainability officer, Kellogg Company. "We're pleased to accept EPA's ENERGY STAR certification in recognition of these efforts at our bakeries." (Market Watch - Jul. 17, 2012)

## **Dimmer outlook for energy sector**

Bad news continues to batter Kentucky on the energy front, with falling coal and natural gas production exacerbated by new strict environmental regulations. However, the state's research investments could help the state maintain its role as a top national energy leader. Rapid growth in natural gas production nationally, in conjunction with a raft of new U.S. Environmental Protection Agency rules governing power plant emissions, has led to a steep fall-off in coal use for energy generation. In March, coal had only a 34 percent share of national electricity generation, the lowest ever reported, according to the national Energy Information Administration. (The Lane Report - Jul. 10, 2012)

## **Agriculture Secretary Vilsack announces funding to improve rural electric infrastructure**

Agriculture Secretary Tom Vilsack today announced that rural electric cooperatives and utilities in 15 states will receive loan guarantees to make improvements to generation and transmission facilities and implement smart grid technologies. "Maintaining and upgrading rural electric systems creates jobs and supports economic development," Vilsack said. "These loans I am announcing today will have a lasting impact on the rural landscape for generations to come. They will help ensure that rural areas can retain existing businesses, support new ones and have reliable, up-to-date infrastructure." (USDA.gov - Jul. 11, 2012)

## **Report: U.S. lags behind other countries in energy efficiency efforts**

The U.K. ranks first in a new energy-efficiency ranking of the world's major economies, and is followed closely by Germany, Italy and Japan, according to the International Energy Efficiency Scorecard, published by the nonprofit American Council for an Energy-Efficient Economy (ACEEE). The U.S., however, is ranked in ninth place out of 12 global economies. The report finds that in the last decade the U.S. has made "limited or little progress toward greater efficiency at the national level." The report lists 12 of the world's largest economies, including Australia, Brazil, Canada, China, France, Germany, Italy, Japan, Russia, the U.K., the U.S. and the European Union (EU). (Renew Grid - Jul. 18, 2012)

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

Product	7/19/2012	7/13/2012	7/5/2012	6/28/2012	Year Ago
Gasoline (State avg.)	3.368	3.33	3.297	3.23	3.68
Ashland	3.422	3.239	3.226	3.334	3.698
Covington	3.521	3.545	3.397	3.491	3.661
Lexington	3.337	3.304	3.325	3.15	3.682
Louisville	3.496	3.435	3.467	3.362	3.802
Owensboro	3.305	3.241	3.196	3.205	3.611
Diesel (State avg.)	3.647	3.618	3.614	3.652	3.876
Ashland	3.673	3.605	3.621	3.663	3.881
Covington	3.58	3.597	3.657	3.723	3.799
Lexington	3.66	3.594	3.629	3.67	3.865
Louisville	3.642	3.612	3.685	3.701	3.816
Owensboro	3.679	3.673	3.688	3.689	3.926

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	7/18/2012	7/12/2012	7/3/2012	6/27/2012	Year Ago
Crude Oil (Dollars per barrel) <i>West Texas Intermediate, fob</i>	89.87	86.08	87.66	80.21	98.14
Natural Gas (Dollars per MMBtu) <i>Henry-Hub</i>	2.86	2.789	2.801	2.825	4.583

Source: the Wall Street Journal

Futures		12-Aug	12-Sep	12-Oct
Crude Oil (Dollars per barrel) <i>Light Sweet Crude Oil</i>	7/18/2012	89.87	90.17	90.47
	7/12/2012	86.08	86.46	86.80
	7/3/2012	87.66	88.03	88.39
Natural Gas (Dollars per MMBtu) <i>Henry-Hub</i>	7/18/2012	2.973	2.95	2.97
	7/12/2012	2.874	2.869	2.894
	7/3/2012	2.899	2.911	2.955
Propane (Dollars per gallon) <i>Mt Belvieu (OPIS)</i>	7/18/2012	0.932	0.941	0.948
	7/12/2012	0.859	0.869	0.876
	7/3/2012	0.825	0.838	0.846
Coal (Dollars per ton) <i>Central Appalachian</i>	7/18/2012	55.17	57.67	61.2
	7/12/2012	56.45	57.47	59.95
	7/3/2012	56.33	56.85	58.67

Source: CME Group



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