

Kentucky Energy Watch

Department for Energy Development and Independence

A snapshot of state and national energy issues



UK students bring renewable energy technology to Africa

While Americans may complain about fuel prices, the availability and access to transportation fuel is something that most can take for granted. Several University of Kentucky College of Engineering students from the Paducah campus recently learned that is not necessarily so in other areas of the world. Jeffery Seay, assistant professor of chemical and materials engineering at the UK Paducah campus, led seven UK Paducah chemical and mechanical engineering students in a design project to develop low-cost, environmentally friendly technologies to produce biodiesel for rural villagers in Cameroon, Africa. Seay and the students worked with the African Center for Renewable Energy and Sustainable Technology (ACREST) to design the process using resources and materials readily available in Cameroon. (UKnow University News – Jul. 19, 2012)

Union County business owner testifies in congressional hearing on RIN fraud

U.S. Rep. Ed Whitfield, (KY-01), Chairman of the House Subcommittee on Energy and Power, welcomed Andy Sprague, Owner and Operator of Union County Biodiesel Company, LLC in Morganfield, Kentucky, to the Subcommittee on Oversight and Investigations hearing entitled “RIN Fraud: EPA’s Efforts to Ensure Market Integrity in the Renewable Fuels Program.” Rep. Whitfield participated in the hearing, and Mr. Sprague offered testimony. The hearing focused on the Environmental Protection Agency’s (EPA) handling of fraud in the production and trade of Renewable Identification Numbers, or “RINs,” which serve as credits for the production and blending of renewable fuels and are used for compliance purposes under EPA’s Renewable Fuel Standard (RFS) regulations. (Surf KY News – Jul. 12, 2012)

Knox schools OK energy program

The Knox County Board of Education wants to save utility expenses, and Tuesday evening, board members approved an energy school rewards program for the upcoming school year that could bring savings of \$80,000 to \$90,000 district-wide. Approval came after Chris Taylor, the Multi-District Energy Manager for Knox County Public Schools along with three other school districts, made a proposal involving a school district energy team. Each Knox County Public School would have a management team which would get students involved in saving energy costs. Taylor added the goal was to reduce energy consumption by 10 percent on each building in the schools. (The Times-Tribune, Jul. 25, 2012)

City: Big Rivers owes millions in surplus power

Henderson City Commissioner Robert Pruitt said Tuesday evening the city should pursue criminal charges against Big Rivers Electric Corp. and try to recoup millions of dollars related to surplus city power. “Millions of dollars have been stolen by Big Rivers,” Pruitt declared during a Henderson City Commission meeting. “I’d like to see the citizens of Henderson get some \$10,000 checks,” he said, although that figure appears to be unrealistic. City Attorney Dawn Kelsey reported after the meeting Henderson Municipal Power and Light already has “written a letter requesting payment from Big Rivers.” (The Gleaner – Jul. 25, 2012)

TVA considering fuel made from nuclear weapons

The Department of Energy is preparing an environmental impact statement on the use of fuel made from surplus nuclear weapons to power Tennessee Valley Authority nuclear plants. TVA released a set of talking points on Tuesday about the environmental impact statement, which will appear as a draft this week in the Federal Register, TVA spokesman Ray Golden told The Chattanooga Times Free Press. The mixed oxide fuel, also called MOX fuel, is a blend of plutonium and uranium, but the variety under consideration is made from retired nuclear weapons, according to the TVA. The utility has tentatively agreed to consider using the fuel in its Sequoyah and Browns Ferry nuclear plants in Tennessee and Alabama, with a timetable set for 2018. (Charlotte Observer – Jul. 26, 2012)

Lingering drought impacts ethanol production

Skyrocketing corn prices related to this summer’s drought have helped to idle an Indiana ethanol plant in Montgomery County, while Cardinal Ethanol at Union City and POET Biorefining in Portland and Alexandria remain at full production. Valero Energy Corp. idled its plant in Linden, between Lafayette and Crawfordsville, late last month but is keeping its 60 employees on the payroll and intends to re-start production before harvest. “High corn prices driven by the drought have caused some ethanol plants to temporarily idle or reduce production,” Matt Hartwig of the Renewable Fuels Association, an ethanol trade group in Washington, D.C., told The Star Press. (Lex 18 – Jul. 21, 2012)

The market for inverters for renewable energy applications will reach \$19 billion by 2017

One part power electronics and one part information and communications technology, inverters play a significant role in large-scale and distributed renewable energy generation. They have the potential to enable homeowners and utilities alike to realize the full benefits of distributed and centralized renewable energy systems. The inverter industry is entering a dynamic point in its history and undergoing an intense period of technological innovation, but also a period of turmoil for the industry. According to a new report from Pike Research (<http://www.navigant.com/pikeresearch>), a part of Navigant’s Energy Practice, the market for inverters for renewable energy applications totaled \$7.2 billion in 2011. (Equities – Jul. 17, 2012)

Kentucky Retail Fuel Prices (Dollars per gallon)

Product	7/26/2012	7/19/2012	7/13/2012	7/5/2012	Year Ago
Gasoline (State avg.)	3.448	3.368	3.33	3.297	3.664
Ashland	3.512	3.422	3.239	3.226	3.685
Covington	3.508	3.521	3.545	3.397	3.806
Lexington	3.512	3.337	3.304	3.325	3.651
Louisville	3.496	3.496	3.435	3.467	3.695
Owensboro	3.355	3.305	3.241	3.196	3.576
Diesel (State avg.)	3.728	3.647	3.618	3.614	3.892
Ashland	3.786	3.673	3.605	3.621	3.887
Covington	3.73	3.58	3.597	3.657	3.799
Lexington	3.761	3.66	3.594	3.629	3.873
Louisville	3.707	3.642	3.612	3.685	3.834
Owensboro	3.715	3.679	3.673	3.688	3.966

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	7/25/2012	7/18/2012	7/12/2012	7/3/2012	Year Ago
Crude Oil (Dollars per barrel) <i>West Texas Intermediate, fob</i>	88.97	89.87	86.08	87.66	97.4
Natural Gas (Dollars per MMBtu) <i>Henry-Hub</i>	3.148	2.86	2.789	2.801	4.445

Source: the Wall Street Journal

Futures		12-Aug	12-Sep	12-Oct
Crude Oil (Dollars per barrel) <i>Light Sweet Crude Oil</i>	7/25/2012	91.44	88.97	89.25
	7/18/2012	89.87	90.17	90.47
	7/12/2012	86.08	86.46	86.80
Natural Gas (Dollars per MMBtu) <i>Henry-Hub</i>	7/25/2012	3.07	3.052	3.064
	7/18/2012	2.973	2.95	2.97
	7/12/2012	2.874	2.869	2.894
Propane (Dollars per gallon) <i>Mt Belvieu (OPIS)</i>	7/25/2012	0.903	0.91	0.916
	7/18/2012	0.932	0.941	0.948
	7/12/2012	0.859	0.869	0.876
Coal (Dollars per ton) <i>Central Appalachian</i>	7/25/2012	56.97	57.77	61.42
	7/18/2012	55.17	57.67	61.2
	7/12/2012	56.45	57.47	59.95

Source: CME Group



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