

Kentucky Energy Watch

Department for Energy Development and Independence

A snapshot of state and national energy issues



Kentucky poised to move forward in implementing governor's energy strategy

The Kentucky Department for Energy Development and Independence's (DEDI) initiative to further efficiency efforts in Kentucky, while paving the way to achieve Gov. Steve Beshear's plan to reduce energy consumption by 18 percent by 2025 was the focus of a meeting Tuesday in Frankfort. It was the final meeting in a collaborative series that brought together stakeholders from all sectors to assess efforts by Kentucky's local utilities, industry and businesses. In January 2011, DEDI contracted the Midwest Energy Efficiency Alliance (MEEA) to manage a two-and-a-half year stakeholder process under a cooperative agreement with U.S. Department of Energy. MEEA contracted with Smith Management Group of Lexington to provide technical and meeting facilitation services. (The Lane Report – Aug. 3, 2012)

Kentucky gas prices soar

Gas prices in Kentucky soared over the past week to stand at an average of \$3.70 per gallon to begin the week, according to the gasoline price website KentuckyGasPrices.com. That represented a 22.6 cent per gallon increase in the average price at the pump. The price was 35.7 cents per gallon higher than a month ago and 11.6 cents per gallon higher than a year ago. Reported prices in Northern Kentucky ranged from \$3.85 per gallon to \$3.89 per gallon. (kypost.com – Aug. 6, 2012)

UK project receives DOE "clean coal" funding

A University of Kentucky Research Foundation project developing technologies capable of high-efficiency, low-cost carbon dioxide capture from coal-fired power plants has received funding from the Department of Energy. With a \$599,000 Energy Department investment and \$156,000 in cost-share, the project will investigate a system to produce high-temperature flue gas for electricity generation through a gas-turbine and a heat recovery unit combined with a conventional steam cycle. The cost effectiveness and efficiency of the process using iron-based oxygen carriers will be investigated. The selection of the UK research project is one of eight Energy Department investments supporting the development and deployment of carbon capture, utilization, and storage (CCUS) by focusing on further improving the efficiency and reducing the costs associated with carbon capture. (Business Lexington – Jul. 31, 2012)

Project to reduce energy costs completed at Frankfort Capital Plaza

USDA Rural Development State Director Tom Fern is in Franklin County on Wednesday to tour a local hotel that recently completed an energy-efficient lighting upgrade that was funded in part through USDA's Rural Energy for America Program (REAP). Frankfort Capital Plaza was awarded a \$20,000 grant to replace the hotel's outdated lighting system with one that is more energy-efficient and will result in a tremendous reduction in utility costs – particularly in common areas such as stairwells, lobby and hallways that must be continuously lighted. The upgrade will result in annual energy savings of 68 percent and provide a return on investment in less than three years. The total project cost was \$98,048 and included an applicant contribution of more than \$78,000. "The Obama Administration and USDA are helping agricultural producers and rural small business owners reduce their energy costs and consumption – and by doing so is helping to create jobs, preserve our natural resources, protect the environment and strengthen the bottom line for businesses," said Fern. (The State Journal – Aug. 7, 2012)

Waste Management expands CNG Fleet

Waste Management, Inc. recently announced the launch of a new fleet of 25 compressed natural gas (CNG) trucks and unveiled the first public-access, 24-hour CNG fueling station in Louisville, KY. The new fleet of state-of-the-art vehicles will replace the existing heavy-duty collection trucks and will run on CNG, a cleaner fuel compared to conventional gasoline or diesel fuel. The new fueling station will provide first-of-its-kind infrastructure to supply CNG fuel in Louisville. Waste Management will likely add up to 25 CNG-powered collection vehicles in Louisville and plans to roll out additional CNG-powered collection vehicles in the area in the future. The public fueling station will serve Waste Management's local fleet as well as other corporate fleets and other vehicles running on CNG. (NASDAQ – Aug. 7, 2012)

Alltech installs ethanol distillation tower

Alltech has installed a 60-foot ethanol distillation tower at its production facility in Springfield, Ky. The plant produces natural animal health and nutrition products. The company invested \$4 million dollars in new yeast-production technology, a core of their nutrition products. The new system has the ability to process 52,000 lbs of liquid yeast each day and produce 20,000 gallons of ethanol per week. (DomesticFuel.com – Aug. 2, 2012)

Utility, coal execs: US needs national energy plan

America needs a national energy policy that specifically includes the use of fossil fuels and creates a stable regulatory environment that encourages growth and job creation, executives in the coal, natural gas and electricity industries said Monday. West Virginia University and Republican U.S. Rep. David McKinley, one of two professional engineers in Congress, co-hosted a forum on the nation's evolving energy picture at WVU's National Research Center for Coal and Energy. McKinley and Democratic U.S. Sen. Joe Manchin said they planned to take what they heard back to fellow legislators in Washington. "I need to see a plan," said McKinley, an advocate of U.S. energy independence. "You can't build anything in America without a plan." (The Herald Leader – Aug. 6, 2012)

Kentucky Retail Fuel Prices (Dollars per gallon)

Product	8/10/2012	8/2/2012	7/26/2012	7/19/2012	Year Ago
Gasoline (State avg.)	3.7	3.525	3.448	3.368	3.553
Ashland	3.801	3.683	3.512	3.422	3.492
Covington	3.844	3.638	3.508	3.521	3.612
Lexington	3.72	3.642	3.512	3.337	3.516
Louisville	3.691	3.49	3.496	3.496	3.527
Owensboro	3.656	3.442	3.355	3.305	3.502
Diesel (State avg.)	3.858	3.75	3.728	3.647	3.87
Ashland	3.926	3.817	3.786	3.673	3.892
Covington	3.841	3.756	3.73	3.58	3.795
Lexington	3.883	3.756	3.761	3.66	3.847
Louisville	3.876	3.719	3.707	3.642	3.825
Owensboro	3.862	3.781	3.715	3.679	3.866

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	8/9/2012	8/1/2012	7/25/2012	7/18/2012	Year Ago
Crude Oil (Dollars per barrel) <i>West Texas Intermediate, fob</i>	93.36	88.91	88.97	89.87	85.72
Natural Gas (Dollars per MMBtu) <i>Henry-Hub</i>	2.933	3.199	3.148	2.86	4.08

Source: the Wall Street Journal

Futures		12-Sep	12-Oct	12-Nov
Crude Oil (Dollars per barrel) <i>Light Sweet Crude Oil</i>	8/9/2012	93.36	93.63	93.94
	8/1/2012	88.91	89.17	89.52
	7/25/2012	88.97	89.25	89.57
Natural Gas (Dollars per MMBtu) <i>Henry-Hub</i>	8/9/2012	2.945	2.97	3.156
	8/8/2012	3.171	3.171	3.297
	7/25/2012	3.052	3.064	3.217
Propane (Dollars per gallon) <i>Mt Belvieu (OPIS)</i>	8/9/2012	0.957	0.965	0.972
	8/1/2012	0.883	0.89	0.897
	7/25/2012	0.91	0.916	0.923
Coal (Dollars per ton) <i>Central Appalachian</i>	8/9/2012	60.3	62.87	64.77
	8/1/2012	60.1	62.77	64.44
	7/25/2012	57.77	61.42	61.42

Source: CME Group

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