

Kentucky Energy Watch

Department for Energy Development and Independence

A snapshot of state and national energy issues



Company in India plans to spend \$7 billion on coal from Kentucky, West Virginia

A company in India plans to buy \$7 billion worth of coal from Kentucky and West Virginia producers, Gov. Steve Beshear announced Wednesday. Beshear, at a Capitol news conference, called the private partnership “a great example of a new market for Kentucky resources.” He noted that he made an economic development trip to India two years ago and would be making another trip there soon. The deal is for 25 years and involves India’s Abhijeet Group and New Jersey-based FJS Energy LLC to buy coal from Kentucky and West Virginia through Kentucky-based affiliates FJSE Marshall Inc. and FJSE River Coal. (The Herald Leader – Aug. 15, 2012)

UK opens renewable energy and energy storage research building

Energy research became more energy efficient today as the University of Kentucky opened its newest energy research building a living laboratory, devoted to renewable energy and energy storage. The \$20.8 million laboratory building will allow UK to expand research devoted to Kentucky’s growing renewable energy industries, including biomass and biofuels, electrochemical power sources (like capacitors and batteries), and distributed solar energy technologies. The 43,000-square-foot building is part of the UK Center for Applied Energy Research, located off Iron Works Pike in northern Fayette County. “It makes good sense for all buildings not just those devoted to energy research to be as energy-efficient as possible,” Gov. Steve Beshear said. (SurfKY.com News – Aug. 15, 2012)

The ABCs of school makeovers

...Richardsville Elementary sits across from a cattle pasture nine miles north of Bowling Green. Until 2010, classes were held in a beloved but obsolete 60-year-old building with dismal lighting and no handicapped access. ...For the new Richardson Elementary, school officials asked Louisville architect Kenny Stanfield to design the nation’s first public school to produce more energy than it consumes. “We had to rethink everything,” says Stanfield—from the placement of classrooms to how bathroom sinks turned on. The building that resulted uses a quarter of the energy of an average school. Geothermal pumps, which rely on the earth’s steady underground temperatures, supply the heating and cooling. Solar tubes reduce the need for artificial lights. Sensors detect when a room is occupied (and by how many people) and adjust lighting and ventilation accordingly. The kitchen uses steam convection ovens rather than deep-fat fryers, which saves electricity and results in healthier food. And 2,700 rooftop solar panels produce enough power to allow the district to sell excess energy back to the grid. But what really makes Richardsville Elementary stand out—beyond the sunlit corridors and cutting-edge technology—is how conservation is woven into the fabric of everyday learning. (Parade – Aug. 12, 2012)

Kentucky coal industry keeps fighting

Coal production accounts for around \$10 billion in Kentucky’s economy, producing 42,078 jobs (directly and indirectly combined) and nearly \$470 million in state tax revenue, according to a study by the staff of the Legislative Research Commission. But it’s not going to last if something doesn’t change and, needless to say, Kentucky lawmakers and coal interests aren’t happy. Jonathan Roenker and Jean Ann Myatt of the LRC reviewed their study for the Program Review and Investigations Committee on Tuesday. They were followed by Energy and Environment Cabinet Secretary Len Peters and representatives of the industry, all of whom decried the assault they see on coal from market forces and especially from federal regulators at the Environmental Protection Agency. (The Daily Independent Online – Aug. 14, 2012)

Green dorm construction booms

College students in much of Kentucky move into dorms later this week. Many will be greeted by the sounds of construction. Residence halls are under construction at the University of Kentucky, Berea College and Eastern Kentucky University. And those new buildings will be some of “greenest” ever built in the Commonwealth. The residence hall or dormitory projects, if you prefer, at Berea College, ECU and UK will be built with energy efficiency in mind. At Berea College, Vice President Steve Carcher says a new 122-bed green dorm will be sealed against the element. (WEKU – Aug. 16, 2012)

Agriculture Sec. Vilsack: announces projects to boost renewable energy production, reduce energy consumption

Agriculture Secretary Tom Vilsack today announced that 106 projects in 29 states, Guam and Puerto Rico have been selected for funding to produce renewable energy and make energy efficiency improvements. Funding is made available through USDA Rural Development’s Rural Energy for America Program (REAP), which is authorized by the 2008 Farm Bill. “The Obama Administration is helping agricultural producers and rural small business owners across the country reduce their energy costs and consumption,” Vilsack said. “This is part of the President’s ‘all-of-the-above’ energy strategy, which involves expanding support for traditional as well as alternative energy sources. Stable energy costs create an environment for sustainable job growth in rural America.” (USDA.gov – Aug. 14, 2012)

Kentucky Retail Fuel Prices (Dollars per gallon)

Product	8/16/2012	8/10/2012	8/2/2012	7/26/2012	Year Ago
Gasoline (State avg.)	3.716	3.7	3.525	3.448	3.489
Ashland	3.752	3.801	3.683	3.512	3.483
Covington	3.822	3.844	3.638	3.508	3.562
Lexington	3.781	3.72	3.642	3.512	3.469
Louisville	3.677	3.691	3.49	3.496	3.447
Owensboro	3.652	3.656	3.442	3.355	3.426
Diesel (State avg.)	3.927	3.858	3.75	3.728	3.829
Ashland	3.971	3.926	3.817	3.786	3.879
Covington	3.839	3.841	3.756	3.73	3.787
Lexington	3.964	3.883	3.756	3.761	3.804
Louisville	3.937	3.876	3.719	3.707	3.788
Owensboro	3.961	3.862	3.781	3.715	3.848

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	8/15/2012	8/9/2012	8/1/2012	7/25/2012	Year Ago
Crude Oil (Dollars per barrel) <i>West Texas Intermediate, fob</i>	94.33	93.36	88.91	88.97	87.58
Natural Gas (Dollars per MMBtu) <i>Henry-Hub</i>	2.781	2.933	3.199	3.148	3.975

Source: the Wall Street Journal

Futures		12-Sep	12-Oct	12-Nov
Crude Oil (Dollars per barrel) <i>Light Sweet Crude Oil</i>	8/15/2012	94.33	94.62	94.91
	8/9/2012	93.36	93.63	93.94
	8/1/2012	88.91	89.17	89.52
Natural Gas (Dollars per MMBtu) <i>Henry-Hub</i>	8/15/2012	2.748	2.787	2.981
	8/9/2012	2.945	2.97	3.156
	8/8/2012	3.171	3.171	3.297
Propane (Dollars per gallon) <i>Mt Belvieu (OPIS)</i>	8/15/2012	0.963	0.972	0.98
	8/9/2012	0.957	0.965	0.972
	8/1/2012	0.883	0.89	0.897
Coal (Dollars per ton) <i>Central Appalachian</i>	8/15/2012	58.9	61.45	62.9
	8/9/2012	60.3	62.87	64.77
	8/1/2012	60.1	62.77	64.44

Source: CME Group



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