

Kentucky Energy Watch

Department for Energy Development and Independence

A snapshot of state and national energy issues



Fort Knox neighborhood gets LED lighting

LED lighting is coming to a Fort Knox neighborhood in a big way — a massive residential LED retrofit. Officials planned a ceremonial “light up” event this morning to mark the start of the installation of 9,500 LED bulbs in 164 homes at the Oak Park neighborhood at Knox Hills on the Fort Knox military base. I don’t know how to verify this quickly, but a press release about the project claims that “once completed in October 2012, Knox Hills will be the largest residential LED retrofit-installed community in the world.” Lend Lease, which is involved in the business of public/private community development, and PolyBrite International, a light manufacturer, are putting in the LED lights. In recent years, the U.S. Army has been on a major effort to save energy at the Kentucky base that has been undergoing a major transformation. (Watchdog Earth – Sept. 5, 2012)

PSC OKs energy efficiency plan for Big Rivers Electric - pilot programs expanded and made ongoing

The Kentucky Public Service Commission (PSC) has approved a slate of residential and commercial energy efficiency programs for Big Rivers Electric Corp. In an order issued earlier this month, the PSC authorized Big Rivers to establish 10 programs for residential or commercial customers. The programs will be administered by the three distribution cooperatives that own and receive power from Big Rivers. Big Rivers will allocate \$800,000 annually to reimburse the distribution cooperatives for incentives they pay to retail customers who participate in the programs. Big Rivers also plans to spend \$200,000 on promotional efforts to encourage participation in the programs. (Kentucky.gov – Aug. 31, 2012)

Kentucky EEC requests nominations for Energy Leadership Awards

The Kentucky Energy and Environment Cabinet is now accepting nominations for the Kentucky Energy Leadership Awards, to be presented at the Governor’s Conference on Energy and the Environment, Oct. 8-9 at the Hyatt Regency in Louisville. Energy Leadership Awards recognize those in the Kentucky energy field who have made a tremendous impact on Kentuckians by promoting energy efficiency and the exploration and usage of alternative energy sources. If you would like to nominate a person, company or organization that has made great strides in these areas, you can find a nomination form on the conference website at <http://eec.ky.gov/Pages/conference.aspx>. Once completed, submit the application to Ashley Thomas by fax at 502-564-7484; by email to Ashley.Thomas@ky.gov; or by mail to the Kentucky Department for Energy Development and Independence, 500 Mero St., Frankfort, KY 40601. (Surf KY News – Aug. 30, 2012)

KU, LG&E receive air permit for new natural gas combined cycle unit

Kentucky Utilities Co. and Louisville Gas and Electric Co. are one step closer to breaking ground for construction on a new 640-megawatt natural gas combined cycle unit with the recent approval of an air construction permit from the Louisville Metro Air Pollution Control District. The companies announced plans for the new natural gas unit in September 2011. LG&E and KU already have received a certificate of public convenience and need from the Kentucky Public Service Commission, and awarded Bluegrass Power Constructors (a joint venture between PLC Industrial Construction and Black & Veatch) a contract to design and build the new \$583 million unit on existing property at Cane Run. “We’re entering the largest construction phase in our company’s history that includes major environmental projects at most of our facilities,” said Paul W. Thompson, senior vice president of Energy Services for LG&E and KU. (The Lane Report – Sept. 5, 2012)

Heating oil falls as Gulf Coast plants start after Isaac

Heating oil fell as Gulf Coast refineries started up after Hurricane Isaac last week knocked out 13 percent of the region’s fuel-making capacity. Futures sank to a one-week low on speculation that production will increase, rebuilding supplies that dropped as flooding, power losses and disruption of crude oil supplies shut seven refineries and reduced output at four others. Valero Energy Corp. said most production units are back online today at its two Louisiana refineries. “The inventory draws were due largely to a hurricane and things are going to return to normal,” said Gene McGillian, an analyst and broker at Tradition Energy in Stamford, Connecticut. (Bloomberg Businessweek – Sept. 5, 2012)

Merkel’s green shift forces Germany to burn more coal

Chancellor Angela Merkel’s government says RWE AG (RWE)’s new power plant that can supply 3.4 million homes aids her plan to exit nuclear energy and switch to cleaner forms of generation. It’s fired with coal. The startup of the 2,200-megawatt station near Cologne last week shows how Europe’s largest economy is relying more on the most-polluting fuel. Coal consumption has risen 4.9 percent since Merkel announced a plan to start shutting the country’s atomic reactors after last year’s Fukushima disaster in Japan. Germany’s largest utilities RWE and EON AG (EOAN) are shunning cleaner-burning natural gas because it’s more costly, while the collapsing cost of carbon permits means there’s little penalty for burning coal. (Bloomberg – Aug. 20, 2012)

Kentucky Retail Fuel Prices (Dollars per gallon)

Product	9/6/2012	8/30/2012	8/23/2012	8/16/2012	Year Ago
Gasoline (State avg.)	3.846	3.852	3.664	3.716	3.627
Ashland	3.872	3.95	3.702	3.752	3.655
Covington	3.935	3.959	3.805	3.822	3.701
Lexington	3.849	3.916	3.652	3.781	3.613
Louisville	3.899	3.785	3.642	3.677	3.609
Owensboro	3.752	3.719	3.645	3.652	3.613
Diesel (State avg.)	4.07	4.039	3.956	3.927	3.861
Ashland	4.097	4.062	3.981	3.971	3.889
Covington	4.055	3.981	3.87	3.839	3.825
Lexington	4.092	4.067	3.97	3.964	3.861
Louisville	4.054	4.014	3.956	3.937	3.836
Owensboro	4.073	4.03	3.971	3.961	3.875

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	9/5/2012	8/29/2012	8/22/2012	8/15/2012	Year Ago
Crude Oil (Dollars per barrel) <i>West Texas Intermediate, fob</i>	95.36	95.49	97.26	94.33	89.34
Natural Gas (Dollars per MMBtu) <i>Henry-Hub</i>	2.88	2.65	2.818	2.781	3.995

Source: the Wall Street Journal

Futures		12-Oct	12-Nov	12-Dec
Crude Oil (Dollars per barrel) <i>Light Sweet Crude Oil</i>	9/5/2012	95.36	95.69	96.03
	8/29/2012	95.49	95.81	96.14
	8/22/2012	97.26	97.55	97.89
Natural Gas (Dollars per MMBtu) <i>Henry-Hub</i>	9/5/2012	2.795	2.937	3.18
	8/29/2012	2.685	2.867	3.137
	8/22/2012	2.863	3.03	3.296
Propane (Dollars per gallon) <i>Mt Belvieu (OPIS)</i>	9/5/2012	0.994	1.002	1.01
	8/29/2012	0.903	0.911	0.92
	8/22/2012	0.93	0.938	0.947
Coal (Dollars per ton) <i>Central Appalachian</i>	9/5/2012	57.07	58.12	58.75
	8/29/2012	57.95	59.35	59.35
	8/22/2012	60.58	62.53	62.53

Source: CME Group



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