

# Kentucky Department for Energy Development and Independence Energy Watch

*A snapshot of state and national energy issues*



## **TARC in Louisville gets \$4.4 million grant for all-electric buses**

All-electric buses with zero air-polluting emissions will become part of Louisville's public transportation fleet as a result of a \$4.4 million federal grant awarded to TARC (The Transit Authority of River City). "This puts TARC at the leading edge of high-technology, cleaner, greener buses," said TARC Executive Director J. Barry Barker. "We can't wait to get them on the road and we think passengers will love the ride." The grant, from the Federal Transit Administration Clean Fuels Program, will pay for five electric buses that will replace the oldest, high emissions trolleys now circulating downtown along Fourth Street and the Main-Market corridor. (The Lane Report – Sept. 19, 2012)

## **EPA partnering with state capitals on green design**

The U.S. Environmental Protection Agency (EPA) announced that the capital cities of Kentucky, Iowa, Louisiana, Montana, and Indiana will be awarded design assistance from EPA to create healthy, prosperous communities through green development. EPA's Greening America's Capitals (GAC) program will help these capital cities stimulate economic development, provide more housing and transportation choices, and reduce infrastructure and energy costs. Through this project, EPA will provide design assistance from private-sector experts to help these capital cities demonstrate sustainable designs that create vibrant neighborhoods while strengthening the local economies and protecting people's health. (Today's Facility Manager – Sept. 18, 2012)

## **Big Rivers plans to sell surplus power or generating capacity**

With the apparent loss of Century Aluminum's Hawesville smelter as a customer in August 2013, Big Rivers Electric Corp. plans to offer to sell surplus power or generating capacity to two other power companies that are in the market for electricity. Sister companies Louisville Gas & Electric Co. and Kentucky Utilities Co. announced Monday that because they plan to close three old power plants in late 2015 to meet stricter environmental regulations, they are seeking to buy up to 700 megawatts of power generation to meet their customers' future needs. Meanwhile, Century Aluminum last month gave Big Rivers a 12-month notice of its intention to terminate its power contract. Century has said that its Hawesville smelter is losing \$1 million a week, which is blamed on a combination of lower aluminum prices and the cost of its electricity. (Courier Press – Sept. 12, 2012)

## **Oil rises above \$93 in minor rebound from losses**

Oil climbed above \$93 a barrel Friday in Asia, making a muted rebound from big losses in the past week as indicators point to a weak global economy. Benchmark crude was up 94 cents at \$93.36 a barrel at midafternoon Bangkok time in electronic trading on the New York Mercantile Exchange. Before today's rise, oil had fallen 7 percent since last Friday, when the price briefly topped \$100 per barrel for the first time in 4 months. The sharp drop was expected and overdue, many analysts say. (The Herald Leader - Sept. 20, 2012)

## **Alpha Natural Resources closing eight mines, cutting hundreds of jobs**

Alpha Natural Resources will cut its coal production by 15 percent and immediately lay off about 160 mineworkers while idling eight mines in Virginia, West Virginia and Pennsylvania. Alpha Natural Resources becomes the latest in a series of coal mining companies to trim output and jobs this year as domestic coal-fired power plants shut down in the face of cheap new U.S. natural gas supplies, a weak economy, and environmental regulations. The company ranks as America's second-largest coal producer by revenue and third-largest by production. The company said that while its cuts would affect 400 mineworkers, most would be given jobs that are currently vacant or done by contractors. (The Washington Post – Sept. 18, 2012)

## **House moves to quash Obama coal, gas rules**

House Republicans voted Friday to cramp President Barack Obama's environmental policies in favor of increased coal production, in a parting jab before returning home to campaign. The bill would bar the Environmental Protection Agency from restricting greenhouse gases, quash stricter fuel efficiency standards for cars and give states control over disposal of harmful coal byproducts. The "Stop the War on Coal Act," passed on a mainly party-line vote, is a companion to GOP campaign ads accusing Obama and Democrats of costing the U.S. hundreds of thousands of jobs while driving up energy prices. Democrats dismissed the legislation as political theatrics, pointing out that almost all the provisions had already passed in the House. (SFGate – Sept. 21, 2012)

## **Coal era beckons for Europe as carbon giveaway finishes**

European utilities are poised to add more coal-fired power capacity than natural gas in the next four years, boosting emissions just as the era of free carbon permits ends. Power producers from EON AG to RWE AG (RWE) will open six times more coal-burning plants than gas-fed units by 2015, UBS AG said in a Sept. 5 research note. Profits at coal-fired power stations may more than double by then, according to a Goldman Sachs Group Inc. report published on Sept. 13. The new stations, replacing atomic and aging fossil fuel-based plants, will boost demand for emission permits because coal-fired generators need twice as many credits as gas users under climate protection rules. (Bloomberg Businessweek – Sept. 21, 2012)

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

Product	9/21/2012	9/13/2012	9/6/2012	8/30/2012	Year Ago
Gasoline (State avg.)	3.781	3.869	3.846	3.852	3.48
Ashland	3.821	3.942	3.872	3.95	3.454
Covington	3.885	3.938	3.935	3.959	3.554
Lexington	3.79	3.952	3.849	3.916	3.47
Louisville	3.726	3.83	3.899	3.785	3.435
Owensboro	3.773	3.762	3.752	3.719	3.372
Diesel (State avg.)	4.051	4.065	4.07	4.039	3.828
Ashland	4.083	4.087	4.097	4.062	3.857
Covington	4.018	4.041	4.055	3.981	3.79
Lexington	4.055	4.082	4.092	4.067	3.821
Louisville	4.021	4.035	4.054	4.014	3.811
Owensboro	4.104	4.096	4.073	4.03	3.817

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	9/20/2012	9/12/2012	9/5/2012	8/29/2012	Year Ago
Crude Oil (Dollars per barrel) <i>West Texas Intermediate, fob</i>	91.87	97.01	95.36	95.49	80.51
Natural Gas (Dollars per MMBtu) <i>Henry-Hub</i>	2.764	2.941	2.88	2.65	3.734

Source: the Wall Street Journal

Futures		12-Oct	12-Nov	12-Dec
Crude Oil (Dollars per barrel) <i>Light Sweet Crude Oil</i>	9/20/2012	91.87	92.42	92.74
	9/12/2012	97.01	97.34	97.66
	9/5/2012	95.36	95.69	96.03
Natural Gas (Dollars per MMBtu) <i>Henry-Hub</i>	9/21/2012	2.797	2.962	3.25
	9/12/2012	3.063	3.191	3.41
	9/5/2012	2.795	2.937	3.18
Propane (Dollars per gallon) <i>Mt Behvien (OPIS)</i>	9/21/2012	0.89	0.897	0.903
	9/12/2012	0.937	0.943	0.95
	9/5/2012	0.994	1.002	1.01
Coal (Dollars per ton) <i>Central Appalachian</i>	9/21/2012	52.5	53.72	54.17
	9/12/2012	55.57	56.32	57.02
	9/5/2012	57.07	58.12	58.75

Source: CME Group



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