

Kentucky *Department for Energy Development and Independence* Energy Watch

A snapshot of state and national energy issues

Lexington building half-finished and vacant for five years turned into energy-efficient commercial property

After sitting vacant for five years, the two-story building on Winchester Road at New Circle has undergone a complete renovation and is ready for commercial occupancy. The Gateway Building is one of the most high-efficiency, low-energy buildings in the Commonwealth, at a highly visible site in the city. Turner Development purchased the property from Citizens National Bank in Paintsville in June 2012, started construction in July and finished renovations in September. Jim Nuti was the original builder in 2007, but the project was 60 percent complete and left unfinished for five years. Nuti had named the project Gateway Plaza; Turner honored that concept, calling it the Gateway Building. Signage proclaims the energy-efficient building as “The Gateway to Lexington.” (The Lane Report – Sept. 24, 2012)

WC signs contract with Trane

The Webster County Board of Education agreed to a performance-based guaranteed energy savings project on Tuesday, September 4, 2012. The contract includes many energy and maintenance saving technologies and techniques and will guarantee an annual savings of \$108,023. The guaranteed savings program will allow Webster County Schools to defer a large amount of the capital monies by generating savings from the operating budget and using those savings to pay for the agreed upon improvements. (Surf KY News – Sept. 26, 2012)

ACEEE report: combined heat and power could replace up to 100 percent of retiring coal plants across the country

Utilities across the country could use highly efficient combined heat and power (CHP) to more cheaply replace a substantial portion of the coal-fired electric-generating capacity expected to retire in the near term, according to Coal Retirements and the CHP Investment Opportunity, a new report issued by the American Council for an Energy-Efficient Economy (ACEEE). The report estimates coal retirements in 12 energy-intensive manufacturing states. Coal-dependent states like West Virginia, which expects to see up to 11 percent of its total electric-generating capacity retire, could replace about one-third of that lost generation with utility-owned CHP. Alabama and North Carolina could replace over half of their retiring coal plants with CHP. States with smaller levels of expected coal retirements, such as Kansas and South Carolina, could replace all of their lost capacity with CHP. Other states included in the report are Colorado, Georgia, Indiana, Iowa, Kentucky, Louisiana, and Ohio. (Green Energy News – Sept. 25, 2012)

Tips for buying and maintaining a fuel efficient vehicle

Driving is getting more expensive. According to a recent study by AAA, the cost of owning and operating a car rose nearly 2 percent on average over the past year. That’s why so many consumers who are in the market for a new vehicle are putting a premium on fuel efficiency. “Whether you’re looking to go green for the sake of the planet or for the sake of your pocketbook, you’re in luck,” says Andrew Stoy, Digital Editor for the Autoweek Media Group. “Federally mandated efficiency standards are becoming more stringent.” (Bowling Green Daily News – Sept. 24, 2012)

Diesel prices down from last week

The average price of diesel dropped nearly 5 cents per gallon this week but remains over \$4 a gallon. Nationally, the average price for a gallon of diesel fell to \$4.09. While still an average of 30 cents per gallon more expensive than it was a year ago at this time, the price of diesel fell all across the nation last week according to the U.S. Energy Information Administration’s weekly report. It’s the sixth week in a row of \$4-plus diesel prices. (Truckinginfo – Sept. 25, 2012)

U.S. natural gas trades near two-week high on inventory outlook

Natural gas futures traded in New York near the highest price in two weeks as concern eased that supplies would test storage limits before demand picks up with colder weather. Gas for November delivery was at \$3.204 per million British thermal units, down 0.3 percent at 1 p.m. Tokyo time. That followed a gain for the October contract, which expired yesterday. It jumped 9.9 cents to \$3.023 per million Btu to the first settlement above \$3 since Sept. 13 and the biggest increase since Sept. 11. (Bloomberg Businessweek – Sept. 27, 2012)

Air Force picks Honeywell unit for biofuels

A division of Honeywell International Inc. is being tapped by the U.S. Air Force to expand the domestic supply of biofuels. On Thursday, the Defense Department announced Des Plaines, Ill.-based UOP LLC was awarded a \$17.3 million contract to help create an economically viable refinery for what’s known as advanced drop-in biofuels. The deal is structured as a Technology Investment Agreement — requiring bidders to share in at least half the cost — and falls under the Defense Production Act, which is meant to ensure domestic production capability for technology items that are essential to national defense. Air Force Research Laboratory at Wright-Patterson Air Force Base in Dayton is overseeing the 15-month contract. Honeywell also has a facility in the Dayton region. (Dayton Business Journal – Sept. 21, 2012)

Kentucky Retail Fuel Prices (Dollars per gallon)

Product	9/27/2012	9/21/2012	9/13/2012	9/6/2012	Year Ago
Gasoline (State avg.)	3.733	3.781	3.869	3.846	3.361
Ashland	3.75	3.821	3.942	3.872	3.35
Covington	3.856	3.885	3.938	3.935	3.44
Lexington	3.808	3.79	3.952	3.849	3.361
Louisville	3.645	3.726	3.83	3.899	3.327
Owensboro	3.693	3.773	3.762	3.752	3.271
Diesel (State avg.)	4.014	4.051	4.065	4.07	3.79
Ashland	4.063	4.083	4.087	4.097	3.833
Covington	3.979	4.018	4.041	4.055	3.759
Lexington	4.01	4.055	4.082	4.092	3.779
Louisville	3.998	4.021	4.035	4.054	3.773
Owensboro	4.071	4.104	4.096	4.073	3.774

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	9/26/2012	9/20/2012	9/12/2012	9/5/2012	Year Ago
Crude Oil (Dollars per barrel) <i>West Texas Intermediate, fob</i>	89.98	91.87	97.01	95.36	81.21
Natural Gas (Dollars per MMBtu) <i>Henry-Hub</i>	2.935	2.764	2.941	2.88	3.881

Source: the Wall Street Journal

Futures		12-Nov	12-Dec	13-Jan
Crude Oil (Dollars per barrel) <i>Light Sweet Crude Oil</i>	9/26/2012	89.98	90.34	90.77
	9/20/2012	92.42	92.74	93.10
	9/12/2012	97.34	97.66	98.08
Natural Gas (Dollars per MMBtu) <i>Henry-Hub</i>	9/26/2012	3.215	3.488	3.638
	9/21/2012	2.962	3.25	3.402
	9/12/2012	3.191	3.41	3.203
Propane (Dollars per gallon) <i>Mt Behvieu (OPIS)</i>	9/26/2012	0.887	0.894	0.91
	9/21/2012	0.897	0.903	0.92
	9/12/2012	0.943	0.95	0.966
Coal (Dollars per ton) <i>Central Appalachian</i>	9/26/2012	53.93	54.58	58.92
	9/21/2012	53.72	54.17	58.77
	9/12/2012	56.32	57.02	60.3

Source: CME Group



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