

Kentucky Energy Watch

Department for Energy Development and Independence

A snapshot of state and national energy issues



University of Kentucky College of Design receives grant from Energy and Environment Cabinet

In partnership with the Southern Tier Housing Corporation and Kentucky Highlands Investment Corporation (KHIC), the University of Kentucky (UK), College of Design, will receive a \$504,000 grant from the Kentucky Energy and Environment Cabinet as part of the TVA (Tennessee Valley Authority) Environmental Mitigation Grants Program. The funding will help advance research in the Houseboat to Energy Efficient Residences (HBEER) project, which provides low-cost, energy efficient housing options to Kentuckians. The College of Design's portion of this grant, \$300,000, will fund a research professor for three years and will enable the college to advance UK's HBEER modular housing research. In addition, the grant will fund construction of four new energy efficient, factory-built structures, equipped with photovoltaic generation systems to be installed in the Kentucky TVA service area. HBEER is a partnership between the UK College of Design, the Center for Applied Energy Research at UK, KHIC and the Kentucky Housing Corporation (KHC). HBEER is creating green jobs and bringing back to work some of the 575 skilled workers and 1,000 related jobs that were lost in the houseboat manufacturing and marine industries due to the economy. (Architect.ect.com – Jan. 2, 2013)

Ky. coal mine fatalities down by half in 2012

The number of coal miners killed on the job in Kentucky fell to four in 2012, down from eight the previous year, when the state led the nation in fatalities. Kentucky Coal Association president Bill Bissett said Monday the industry is making progress in protecting miners. But he said there clearly remains work to be done. Nation wide, 19 coal miners were killed on the job in 2012, the second-lowest count since the federal government began keeping records more than a century ago. West Virginia led the nation in 2012 with seven coal fatalities. Kentucky was second. Alabama was third with two. Colorado, Illinois, Indiana, Ohio, Tennessee and Virginia each had one. (Kentucky.com – Jan. 2, 2013)

KU will spend \$57 million to upgrade Ghent plant as part of EPA settlement

Kentucky Utilities will spend \$57 million to upgrade its coal-fired Ghent Station power plant as part of a settlement with the federal Environmental Protection Agency. The EPA announced the settlement Wednesday, noting that KU will also pay a \$300,000 civil penalty over issues related to sulfuric acid mist emissions at the plant. As part of the settlement, KU will install a control system as well as "adhere to more stringent and permanent emission limits," according to a statement by the EPA. The control system to be installed will reduce sulfuric acid mist emissions by more than two-thirds, according to the EPA. "Reducing emissions of this pollutant is vital to protect the local environment and health of the residents of this community," Gwendolyn Keyes-Fleming, regional administrator for the EPA Southeast Office, said in a statement. (Kentucky.com – Jan. 2, 2013)

PSC accepts settlement in LG&E and KU rate cases - rate increases will be smaller than requested

The Kentucky Public Service Commission (PSC) accepted a settlement granting revenue adjustments that increase the base electric rates for customers of Kentucky Utilities Co. (KU) and the base electric and natural gas rates for customers of Louisville Gas and Electric Co. (LG&E). The revenue adjustments are at levels agreed to by the two utilities, the Kentucky Office of Attorney General and other parties to the utilities' rate cases, among them the Kentucky Industrial Utility Customers Inc. (KIUC), Kroger Co., the Kentucky School Boards Association and advocates for low-income consumers. The new rates take effect on Jan. 1, 2013. The settlement also includes an increase in the contribution company stockholders will make to help low-income customers, bringing it to \$1 million per year. LG&E has about 401,000 electric customers in nine counties in and around the Louisville area and 320,000 natural gas customers in 17 counties. KU has 550,000 customers in 77 Kentucky counties. (Kentucky.gov - Dec. 20, 2012)

Natural gas station almost ready to open

A credit card reading device, now on order, is the only thing standing in the way of Somerset having one of the first compressed natural gas fueling stations open 24/7 for public use in Kentucky. It should happen within a couple of weeks, according to Somerset Mayor Eddie Girdler. The pump, located at the City of Somerset Fuel Center on Chappell's Dairy Road, will be similar to any service station pump and will take credit cards. "Compressed natural gas is available now at the fueling center, but people want to use their credit cards," Girdler said. Fill-ups with a single pole dispenser that require an attendant are done by appointment. Nonetheless, the mayor says a "steady stream" of vehicles are filling up with compressed natural gas at the fuel center during daytime business hours. (Commonwealth Journal - Dec. 12, 2012)

TVA eyes a better balance

Tennessee Valley Authority is well on its way toward meeting its renewable energy production goals. The multistate energy provider is in the process of updating its Integrated Resource Plan, which is a guideline for energy production. TVA is idling some of its coal-fired plant capacity. But the overall goal is to create a balanced generation capacity, rather than just reducing coal use, according to Scott Brooks, a spokesman for TVA in Knoxville, Tenn. Helping to balance that capacity is the organization's Green Power Providers and Green Power Switch programs, which it operates in concert with local utilities. "There are 65 projects operating and generating power in Kentucky," said Matt Brown, project manager for TVA's Green Power Providers program. Those partner providers receive a credit on their utility bills based on the power they produce each month. The Kentucky projects include solar, wind and biomass projects that have an estimated capacity of 4.7 megawatts of renewable energy. (Equities.com – Dec. 16, 2012)

Kentucky Retail Fuel Prices (Dollars per gallon)

Product	1/3/2013	12/13/2012	12/6/2012	11/29/2012	Year Ago
Gasoline (State avg.)	3.292	3.244	3.376	3.418	3.243
Ashland	3.354	3.301	3.398	3.468	3.304
Covington	3.342	3.309	3.464	3.538	3.395
Lexington	3.267	3.218	3.405	3.45	3.253
Louisville	3.328	3.285	3.428	3.448	3.192
Owensboro	3.222	3.187	3.253	3.279	3.199
Diesel (State avg.)	3.941	4.056	4.133	4.157	3.74
Ashland	3.967	4.062	4.122	4.139	3.801
Covington	3.996	4.12	4.206	4.211	3.755
Lexington	3.954	4.091	4.181	4.213	3.732
Louisville	3.934	4.023	4.143	4.182	3.707
Owensboro	3.986	4.047	4.101	4.071	3.825

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,

Product	12/24/2012	12/17/2012	12/10/2012	12/3/2012	Year Ago
Heating Oil (dollars per gallon)	3.563	3.667	3.735	3.838	3.32
Propane (dollars per gallon)	2.077	2.095	2.078	2.081	2.588

Source: U.S. Energy Information Administration

Wholesale Fuel Prices

Spot Prices	1/2/2013	12/12/2012	12/5/2012	11/28/2012	Year Ago
Crude Oil (Dollars per barrel) <i>West Texas Intermediate, fob</i>	93.12	86.77	87.88	86.49	103.22
Natural Gas (Dollars per MMBtu) <i>Henry-Hub</i>	3.274	3.331	3.405	3.46	2.965

Source: the Wall Street Journal

Futures		13-Feb	13-Mar	13-Apr
Crude Oil (Dollars per barrel) <i>Light Sweet Crude Oil</i>	1/2/2013	93.12	93.55	93.97
	12/12/2012	87.31	87.89	
	12/5/2012	88.47		
Natural Gas (Dollars per MMBtu) <i>Henry-Hub</i>	1/2/2012	3.233	3.255	3.294
	12/12/2012	3.412	3.426	
	12/5/2012	3.72		
Propane (Dollars per gallon) <i>Mt Belvieu (OPIS)</i>	1/2/2013	0.881	0.883	0.884
	12/12/2012	0.76	0.765	
	12/5/2012	0.789		
Coal (Dollars per ton) <i>Central Appalachian</i>	1/2/2012	58.5	58.78	61.32
	12/12/2012	61.12	61.5	
	12/5/2012	62.52		

Source CME Group



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