

Kentucky Energy Watch

Department for Energy Development and Independence

A snapshot of state and national energy issues



Rural electric co-ops go green

Charles Cotton never gave much thought to the fact that he owns a piece of Jackson Energy Cooperative, the utility that delivers power to his home in Berea, Ky. His grandparents used to go every year to the co-op's annual meeting and cook-out, where member-owners elect representatives and vote on cooperative business, but Cotton himself has never gone. He uses Jackson Energy simply because it's the only utility serving his region. But last November, Cotton's membership paid off in a way he hadn't expected: The cooperative gave him an energy upgrade, installing a plastic moisture barrier underneath his house and replacing his old furnace with an efficient heat pump. Cotton's home now feels warmer and his electric bills have dropped significantly, but he never paid a dime up front. (www.csmonitor.com April 15, 2013)

Proposal submitted to keep Paducah plant open

The company that operates the Paducah Gaseous Diffusion Plant in western Kentucky has applied to the federal government to keep the facility operating beyond May 31. United States Enrichment Corp. Vice President Paul Jacobson said the company submitted a proposal to the U.S. Department of Energy in February. Jacobson told *The Paducah Sun* (<http://bit.ly/10X30vy>) USEC submitted the proposal to keep the company's options open going forward. "We're continuing parallel discussions both about options for extending operations (at PGDP), and at the same time planning for the cessation of enrichment in order to make sure all of our options are available to us," Jacobson said. (*The Herald Leader* April 15, 2013)

E.P.A. Will Delay Rule Limiting Carbon Emissions at New Power Plants

The Environmental Protection Agency said Friday that it would delay issuance of a new rule limiting emissions of carbon dioxide and other greenhouse gases from new power plants after the electric power industry objected on legal and technical grounds. The rule, proposed a year ago and scheduled to be finalized on Saturday, would have put in place the first restrictions on climate-altering gases from the power sector in the United States. Agency officials said it would be rewritten to address the concerns raised by the industry, which said that strict new carbon standards could not be met using existing technology. (*The New York Times* April 12, 2013)

Obama Budget Ponders Sale of Tennessee Valley Authority

President Barack Obama is considering the sale of all or part of the Tennessee Valley Authority (3015A), the largest publicly owned U.S. power company, in a deal that may raise as much as \$35 billion as the administration seeks to reduce the national debt. A potential sale is part of a "strategic review" of the Knoxville, Tennessee-based nonprofit, which faces increasing capital costs, according to the administration's fiscal 2014 budget proposal released yesterday. A sale may yield \$30 billion to \$35 billion in cash and reduced government debt obligations, said Travis Miller, a Chicago-based analyst for Morningstar Inc. (MORN). The 80-year-old authority, created during the Great Depression to bring electricity to rural communities, will probably exceed its \$30 billion debt cap to pay for needed infrastructure improvements and meet new environmental rules, according to the budget proposal. (*The Bloomberg Report* April 11, 2013)

Europe Faces a Crisis in Energy Costs

The signs are everywhere. Britain has been unable to reach a deal for its first new nuclear power station since the 1990s. Spain, once a clean-energy enthusiast, has slashed its backing for wind and solar power. Even the European Union's flagship environmental achievement of recent years, its Emissions Trading System for carbon dioxide, is beset by existential doubts. On Tuesday, the European Parliament batted away an effort to bolster anemic carbon prices on the E.T.S. Prices for permits to emit greenhouse gases, which have fallen as low as €3 per metric ton, are just a fraction of what they were a few years ago, meaning that they are no longer doing their intended job of inducing utilities and manufacturers to invest in new technology and switch to cleaner fuels. (*The New York Times* April 17, 2013)

Study: Most Coal-Fired Power Plants Can't Compete Against Natural Gas

A new study estimates that 65 percent of current coal-fired power plants won't be economical to run in the near future. It's been a common refrain when reporting on the coal industry: the fuel isn't as competitive as it used to be because of low natural gas prices and increased environmental regulations. But the new study by researchers at Duke University's Nicholas School of the Environment quantifies the effects of natural gas and government regulations on the coal industry. Lincoln Pratson is the study's lead author. He says at current prices, just under a tenth of coal-fired power plants are more expensive to run than the average natural gas plant. (www.wfpl.org April 15, 2013)

Officials: Oil extraction could start soon in Ky.

Oil could be drilled later this month from shale deposits from a mine in Logan County, southern Kentucky officials said. Arrakis Oil Recovery is developing the Stampede Mine north of Russellville and has done site preparation such as runoff ponds and building a facility where oil would be extracted from shale deposits that start just a few feet below the topsoil. Heavy construction equipment dots the landscape at the site of the mine. (*The Herald Leader* April 8, 2013)

Kentucky Retail Fuel Prices (Dollars per gallon)

Product	4/18/2013	4/11/2013	4/4/2013	3/28/2013	Year Ago
Gasoline (State avg.)	\$ 3.45	\$ 3.50	\$ 3.60	\$ 3.60	\$ 3.90
Ashland	\$ 3.44	\$ 3.51	\$ 3.61	\$ 3.66	\$ 3.89
Covington	\$ 3.58	\$ 3.66	\$ 3.75	\$ 3.77	\$ 3.93
Lexington	\$ 3.45	\$ 3.44	\$ 3.58	\$ 3.57	\$ 3.94
Louisville	\$ 3.51	\$ 3.60	\$ 3.74	\$ 3.67	\$ 3.95
Owensboro	\$ 3.35	\$ 3.39	\$ 3.46	\$ 3.48	\$ 3.87
Diesel (State avg.)	\$ 3.93	\$ 3.96	\$ 3.98	\$ 3.98	\$ 4.09
Ashland	\$ 3.97	\$ 3.99	\$ 3.98	\$ 4.07	\$ 4.11
Covington	\$ 3.97	\$ 4.01	\$ 4.00	\$ 4.01	\$ 4.12
Lexington	\$ 3.95	\$ 3.98	\$ 3.99	\$ 4.01	\$ 4.11
Louisville	\$ 3.93	\$ 3.95	\$ 3.97	\$ 3.98	\$ 4.06
Owensboro	\$ 3.99	\$ 3.99	\$ 4.03	\$ 4.02	\$ 4.13

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,

Spot Prices	4/17/2013	4/10/2013	4/3/2013	3/27/2013	Year Ago
Crude Oil (Dollars per barrel) <i>West Texas Intermediate, fob</i>	\$ 86.68	\$ 94.64	\$ 94.45	\$ 96.58	\$ 102.67
MMBtu) <i>Henry-Hub</i>	\$ 4.23	\$ 4.11	\$ 4.01	\$ 4.06	\$ 1.86

Source: the Wall Street Journal

Futures		1-May	1-Jun	1-Jul
Crude Oil (Dollars per barrel) <i>Light Sweet Crude Oil</i>	4/17/2013	\$ 86.68	\$ 86.97	\$ 87.19
	4/10/2013	\$ 94.64	\$ 94.97	\$ 95.22
	4/3/2013	\$ 94.45	\$ 94.77	\$ 95.00
Natural Gas (Dollars per MMBtu) <i>Henry-Hub</i>	4/17/2013	\$ 4.21	\$ 4.24	\$ 4.29
	4/10/2013	\$ 4.09	\$ 4.13	\$ 4.17
	4/3/2013	\$ 3.90	\$ 3.95	\$ 4.00
Propane (Dollars per gallon) <i>Mt Belvieu (OPIS)</i>	4/17/2013	\$ 0.94	\$ 0.94	\$ 0.94
	4/10/2013	\$ 0.93	\$ 0.93	\$ 0.94
	4/3/2013	\$ 0.91	\$ 0.91	\$ 0.92
Coal (Dollars per ton) <i>Central Appalachian</i>	4/17/2013	\$ 57.43	\$ 58.43	\$ 60.62
	4/10/2013	\$ 57.03	\$ 58.05	\$ 60.15
	4/3/2013	\$ 56.02	\$ 57.33	\$ 59.73

Source: CME Group



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