

# Kentucky Energy Watch

Department for Energy Development and Independence

A snapshot of state and national energy issues



## **Kentucky coal production, employment plummet**

Coal production in Kentucky last year reached its lowest level since 1965, while shedding more than 4,000 jobs, nearly all of them in Appalachian counties, according to a new state report. Eastern Kentucky coalfields took the largest hit, with production dropping 27.6 percent — extending what state officials fear may be a long-term trend. Officials blame the drop on competition from natural gas and increased mining costs, along with Washington's tougher mining rules. ([www.courier-journal.com](http://www.courier-journal.com) April 3, 2013)

## **EPA awards Toyota with 9th consecutive Energy Star Partner of the Year award**

The Environmental Protection Agency recently recognized Toyota Motor Engineering & Manufacturing North America Inc. with its ninth consecutive Energy Star Partner of the Year – Sustained Excellence Award. Toyota was recognized for its continued leadership in protecting the environment through energy efficiency. The award represents the ninth consecutive year in which Toyota has been named partner of the year, the most of any automaker that assembles vehicles in the United States. (The Lane Report, March 28, 2013)

## **Cleaner gas rule would mean higher price at pump**

The Obama administration's newest anti-pollution plan would ping American drivers where they wince the most: at the gas pump. That makes arguments weighing the cost against the health benefits politically potent. The proposal to reduce sulfur in gasoline and tighten auto emission standards, released Friday, would raise gasoline prices by less than a penny per gallon, the Environmental Protection Agency says. But the oil industry points to its own study putting the cost between 6 and 9 cents a gallon. The EPA also said its proposal would add about \$130 to the price of new vehicles, beginning in 2025. ([www.kentucky.com](http://www.kentucky.com) March 28, 2013)

## **EPA finalizes power plant pollution standards**

The EPA has finalized pollution limits for new power plants, setting emissions limits for mercury and toxic air pollutants like arsenic, acid gas, nickel, selenium and cyanide. The Mercury and Air Toxics Standards sets limits for mercury emissions at 0.003 pound/GWh, a slightly higher rate than the 0.002 pound/GWh initial limit set in December 2011. In 2012, the agency agreed to review those limits after a challenge by industry. The standards have since been the subject of ongoing lawsuits by companies and counter-suits by nonprofits. After considering dozens of public comments from industry and environmental groups, the EPA announced the finalized standards last Friday. (Environmental Leader, April 1, 2013)

## **Energy efficiency saves money, teaches lessons at Kentucky school**

Kentucky's utility rates are among the lowest in the nation. But even so, several public school districts have found that it still pays to build energy efficient schools. One such school in Warren County has taken efficiency even further, and is now generating more energy than the building uses. Richardsville Elementary has all the bells and whistles you'd expect from a green school. It's heated and cooled by geothermal energy. The gym floor is bamboo. There's an array of solar panels—both on the roof, and in the parking lot. But the building's energy efficient features go further...they're incorporated into every aspect of planning and design. Warren County School District Energy Manager Jay Wilson stands in Richardsville lobby, and points upward. ([www.wfpl.org](http://www.wfpl.org) March 22, 2013)

## **Kentucky farmers get incentives go Go Green in 2013**

The Kentucky Agricultural Development Board (KADB), chaired by Governor Steve Beshear, reminds producers of the availability of \$1.75 million for on-farm energy efficiency or production projects. Application and guidelines for the KADB's 2013 On-farm Energy Efficiency & Production Incentives Program are available online at <http://ag-energy.ky.gov>. The program will provide 50 percent reimbursement of the actual cost of a qualified energy project, up to \$15,000. Permissible items include, but are not limited to, energy audits, energy efficient farm building components, on-farm energy upgrades and on-farm energy efficiency training. ([www.wdrb.com](http://www.wdrb.com) March 29, 2013)

## **Ky. Power seeking capacity proposals**

Kentucky Power Co., an operating unit of American Electric Power, has issued a request for proposals to purchase up to 250 megawatts of long-term capacity and energy. The request is in connection with the utility's search for the lowest-cost solution to replace the impending loss of generation at Kentucky Power's Big Sandy Plant Unit 1 near Louisa. Unit 1, a 278 megawatt coal-fired generating station, is scheduled for retirement in 2015. (The Independent Online, March 28, 2013)

## **Reed saves district nearly \$1 million**

For some, energy conservation is about saving the environment. Although she sees that as an important part of her job, for Boone County Schools energy manager Cathy Reed it's all about saving money. "\$966,000 and counting," to be exact, she said. That's how much energy conservation has saved the school district so far. Reed was hired in July 2010 through the Kentucky School Energy Managers Project. The project was implemented to find energy solutions for 1,000 schools throughout 130 districts in the state – with the goal of saving millions of dollars. So far, \$5.6 million has been saved statewide. ([nky.com](http://nky.com) March 29, 2013)

Kentucky Retail Fuel Prices (Dollars per gallon)

Product	4/4/2013	3/28/2013	3/21/2013	3/14/2013	Year Ago
<b>Gasoline (State avg.)</b>	\$ 3.60	\$ 3.60	\$ 3.67	\$ 3.68	\$ 3.90
Ashland	\$ 3.61	\$ 3.66	\$ 3.76	\$ 3.83	\$ 3.87
Covington	\$ 3.75	\$ 3.77	\$ 3.85	\$ 3.75	\$ 3.97
Lexington	\$ 3.58	\$ 3.57	\$ 3.61	\$ 3.75	\$ 3.84
Louisville	\$ 3.74	\$ 3.67	\$ 3.76	\$ 3.58	\$ 4.06
Owensboro	\$ 3.46	\$ 3.48	\$ 3.52	\$ 3.54	\$ 3.87
<b>Diesel (State avg.)</b>	\$ 3.98	\$ 3.98	\$ 4.01	\$ 4.04	\$ 4.11
Ashland	\$ 3.98	\$ 4.07	\$ 4.10	\$ 4.09	\$ 4.11
Covington	\$ 4.00	\$ 4.01	\$ 4.02	\$ 4.09	\$ 4.13
Lexington	\$ 3.99	\$ 4.01	\$ 4.05	\$ 4.08	\$ 4.12
Louisville	\$ 3.97	\$ 3.98	\$ 4.00	\$ 4.02	\$ 4.11
Owensboro	\$ 4.03	\$ 4.02	\$ 4.04	\$ 4.05	\$ 4.12

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	4/3/2013	3/27/2013	3/20/2013	3/13/2013	Year Ago
Crude Oil (Dollars per barrel) <i>West Texas Intermediate, fob</i>	\$ 94.45	\$ 96.58	\$ 92.96	\$ 92.52	\$ 101.47
MMBtu) <i>Henry-Hub</i>	\$ 4.01	\$ 4.06	\$ 3.98	\$ 3.72	\$ 2.06

Source: the Wall Street Journal

Futures		1-May	1-Jun	1-Jul
Crude Oil (Dollars per barrel) <i>Light Sweet Crude Oil</i>	4/3/2013	\$ 94.45	\$ 94.77	\$ 95.00
	3/27/2013	\$ 96.58	\$ 96.84	\$ 96.98
	3/20/2013	\$ 92.96	\$ 93.50	\$ 93.77
Natural Gas (Dollars per MMBtu) <i>Henry-Hub</i>	4/3/2013	\$ 3.90	\$ 3.95	\$ 4.00
	3/27/2013	\$ 4.06	\$ 4.11	\$ 4.15
	3/20/2013	\$ 3.96	\$ 3.99	\$ 4.02
Propane (Dollars per gallon) <i>Mt Belvieu (OPIS)</i>	4/3/2013	\$ 0.91	\$ 0.91	\$ 0.92
	3/27/2013	\$ 0.96	\$ 0.96	\$ 0.97
	3/20/2013	\$ 0.92	\$ 0.92	\$ 0.92
Coal (Dollars per ton) <i>Central Appalachian</i>	4/3/2013	\$ 56.02	\$ 57.33	\$ 59.73
	3/27/2013	\$ 57.28	\$ 58.18	\$ 60.30
	3/20/2013	\$ 55.75	\$ 56.62	\$ 57.50

Source: CME Group



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