

Kentucky *Department for Energy Development and Independence* Energy Watch

A snapshot of state and national energy issues



Kentucky PSC seeks answers from LG&E/KU on solar array plans, costs

Kentucky regulators are questioning a Louisville Gas & Electric and Kentucky Utilities proposal to build a 700-MW natural gas-fired plant and 10-MW solar array. In an information request sent Friday to the utilities, the Kentucky Public Service Commission said it wants to know why the estimated cost of the solar project jumped about 33% in less than a year, to \$3,600 /kW in the utilities' recent application from \$2,400 /kW in September 2013. (www.energycentral.com March 18, 2014)

Power Plant Bill on Governor's Desk

A bill that would give Kentucky more input into what works best for fossil fuel power plants within the state has passed the state House, the state Senate and is waiting for Gov. Steve Beshear's signature. According to state Rep. Jim Gooch, D-Providence, HB 388 would include the state legislature in planning the regulation of carbon dioxide emissions from existing fossil fuel-fired electric plants under federal Environmental Protection Agency rules. (<http://surfky.com> March 19, 2014)

Renewable Energy Isn't The End Of America's Old Guard Utility Companies

A world with widely available clean energy is no longer part of some far-off future. Long dismissed as too expensive, too intermittent, or both, subsidies and technology improvements have made solar and wind energy more competitive with fossil fuels. U.S. capacity for wind-generated energy reached 61 gigawatts at the end of 2013—up from basically zero a decade before—while solar capacity reached 13 gigawatts, nearly 15 times 2008 levels. (www.businessinsider.com March 19, 2014)

Fracking Hammers Clean Energy Research

A single bottle of dirty water transformed into the power source for a home—such was the promise of a technology package that became known as the “artificial leaf.” And such was the vision introduced by its inventor, Daniel Nocera, at the inaugural summit of the Advanced Research Projects Agency–Energy in 2010. (www.scientificamerican.com March 20, 2014)

Increase in natural gas cost hits local residents

The harsh winter weather has hit the pocketbooks of eastern Mason County residents with higher natural gas prices. Customers of Western Lewis-Rectorville Water and Gas District have been billed nearly double for natural gas used between January and February meter readings. The reason for the increase is attributed to an increase from the district's natural gas wholesale supplier, Atmos Energy of Texas. Customer complaints to The Ledger Independent prompted calls to the Western Lewis-Rectorville office Tuesday. (www.maysville-online.com March 19, 2014)

Coal's decline hits hardest in E. Tennessee, Kentucky

For decades, the coal seams running through the mountains of Appalachia have been the life line of the people in many communities, but over the last several years, a combination of reasons has led to the decline of jobs as mine after mine shut down. The family-operated Solid Fuels mine is located in Claiborne County, right on the border of Kentucky. (www.wate.com March 13, 2014)

State's combined heat and power technology program to benefit Ky. environment, economy

The Kentucky Energy and Environment Cabinet, in partnership with the Kentucky Pollution Prevention Center at the University of Louisville and the Kentucky Association of Manufacturers, is launching a statewide program to promote combined heat and power technologies. CHP technologies can reduce energy costs and carbon emissions, as well as spur new economic growth in Kentucky's industrial and manufacturing sectors. (www.kyforward.com March 13, 2014)

High-tech power plant is \$5 billion bet on future of coal

Looming like a spaceship over pine and sweet-gum forest, the high-tech power plant under construction in rural Kemper County is a \$5 billion wager on an energy future that includes coal. The Kemper plant is scheduled to open this year as the first in the United States to ramp up technology to remove carbon dioxide emissions on a large scale. If it works as planned, up to 65 percent of the plant's potential carbon dioxide emissions would be removed, significantly more than the Environmental Protection Agency's proposed requirement of about 40 percent. (www.kentucky.com March 17, 2014)

Kentucky Retail Fuel Prices (Dollars per gallon)

Product	3/20/2014	3/13/2014	3/6/2014	2/27/2014	Year Ago
Gasoline (State avg.)	\$ 3.59	\$ 3.47	\$ 3.40	\$ 3.43	\$ 3.68
Ashland	\$ 3.54	\$ 3.65	\$ 3.46	\$ 3.58	\$ 3.77
Covington	\$ 3.66	\$ 3.66	\$ 3.58	\$ 3.51	\$ 3.83
Lexington	\$ 3.64	\$ 3.49	\$ 3.35	\$ 3.49	\$ 3.64
Louisville	\$ 3.71	\$ 3.47	\$ 3.47	\$ 3.42	\$ 3.77
Owensboro	\$ 3.46	\$ 3.46	\$ 3.41	\$ 3.37	\$ 3.53
Diesel (State avg.)	\$ 4.07	\$ 4.09	\$ 4.11	\$ 4.11	\$ 4.02
Ashland	\$ 4.11	\$ 4.13	\$ 4.15	\$ 4.16	\$ 4.12
Covington	\$ 4.17	\$ 4.20	\$ 4.22	\$ 4.23	\$ 4.03
Lexington	\$ 4.12	\$ 4.12	\$ 4.12	\$ 4.15	\$ 4.05
Louisville	\$ 4.08	\$ 4.10	\$ 4.11	\$ 4.15	\$ 4.00
Owensboro	\$ 4.12	\$ 4.15	\$ 4.16	\$ 4.11	\$ 4.04

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	3/17/2014	3/10/2014	3/3/2014	2/24/2014	Year Ago
Heating Oil (dollars per gallon)	\$ 3.73	\$ 3.80	\$ 3.84	\$ 3.84	\$ 3.62
Propane (dollars per gallon)	\$ 2.87	\$ 2.94	\$ 2.94	\$ 3.42	\$ 2.19

Spot Prices	3/19/2014	3/12/2014	3/5/2014	2/19/2014	Year Ago
Crude Oil (Dollars per barrel) <i>West Texas Intermediate, fob</i>	\$ 100.08	\$ 100.29	\$ 105.34	\$ 103.46	\$ 93.94
Natural Gas (Dollars per MMBtu) <i>Henry-Hub</i>	\$ 4.45	\$ 4.69	\$ 6.50	\$ 5.98	\$ 3.98

Source: the Wall Street Journal

Futures		April 2014	May 2014	June 2014
Crude Oil (Dollars per barrel) <i>Light Sweet Crude Oil</i>	3/19/2014	\$ 100.37	\$ 99.17	\$ 98.15
	3/12/2014	\$ 97.99	\$ 97.68	\$ 97.09
	3/5/2014	\$ 101.45	\$ 100.88	\$ 99.99
Natural Gas (Dollars per MMBtu) <i>Henry-Hub</i>	3/19/2014	\$ 4.48	\$ 4.46	\$ 4.49
	3/12/2014	\$ 4.49	\$ 4.44	\$ 4.47
	3/5/2014	\$ 4.52	\$ 4.48	\$ 4.51
Propane (Dollars per gallon) <i>Mt Belvieu (OPIS)</i>	3/19/2014	\$ 1.04	\$ 1.04	\$ 1.04
	3/12/2014	\$ 1.06	\$ 1.06	\$ 1.05
	3/5/2014	\$ 1.04	\$ 1.04	\$ 1.04
Coal (Dollars per ton) <i>Central Appalachian</i>	3/19/2014	\$ 59.75	\$ 59.75	\$ 59.78
	3/12/2014	\$ 60.15	\$ 60.23	\$ 60.40
	3/5/2014	\$ 61.63	\$ 61.48	\$ 61.53

Source: CME Group

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