

Kentucky Department for Energy Development and Independence Energy Watch

A snapshot of state and national energy issues



Kentucky Senate sets up gas tax showdown

House Democrats have approved a 1.5 cents-per-gallon increase. It would give the state an extra \$107 million during the next two years to build new roads and fix the broken ones. But Senate Republican leaders rejected the gas tax increase Tuesday, arguing Kentuckians do not want to pay more taxes for any reason. Neither side has backed down, setting up a showdown this week as House and Senate negotiators are scheduled to discuss a compromise on the state's \$20 billion biennial budget. (<http://money.msn.com> March 26, 2014)

Bluegrass Pipeline project can't take land, judge says

Developers of the controversial Bluegrass Pipeline do not have the legal authority to condemn land to pipe natural gas liquids across Kentucky, a judge ruled Tuesday. In an 18-page order, Circuit Judge Phillip Shepherd granted a summary judgment in favor of the group Kentuckians United to Restrain Eminent Domain, or KURE, which has fought the pipeline project. (www.courier-journal.com March 26, 2014)

Higher fuel costs push up TVA electric rates in April

Spring has arrived with warmer temperatures, but consumers are still paying the price for the cold winter. The Tennessee Valley Authority will boost its monthly fuel cost adjustment in April as the federal utility catches up for higher fuel costs incurred during the extreme temperatures in January and continued colder than expected weather in February. (<http://timesfreepress.com> March 26, 2014)

House OKs bill related to Big Sandy Power Plant

The Kentucky House has passed a bill that would require the state's Public Service Commission to reconsider its decision allowing Kentucky Power Co. to shutter part of the Big Sandy Power Plant at Louisa. The bill co-sponsored by Democratic House Floor Leader Rocky Adkins cleared the House on a 62-34 vote Tuesday. It now goes to the Senate. The measure would require the PSC to reconsider any multistate deal rejected by another state. (www.wkyt.com March 27, 2014)

Renewables Aren't Enough. Clean Coal Is the Future

Proof that good things don't always come in nice packages can be found by taking the fast train from Beijing to Tianjin and then driving to the coast. Tianjin, China's third-biggest city, originated as Beijing's port on the Yellow Sea. But in recent years Tianjin has reclaimed so much of its muddy, unstable shoreline that the city has effectively moved inland and a new, crazily active port has sprung up at the water's edge. In this hyper-industrialized zone, its highways choked with trucks, stand scores of factories and utility plants, each a mass of pipes, reactors, valves, vents, retorts, crackers, blowers, chimneys, and distillation towers—the sort of facility James Cameron might have lingered over, musing, on his way to film the climax of Terminator 2. (www.wired.com March 25, 2014)

Energy Department OKs LNG terminal on Oregon coast

The U.S. Energy Department gave conditional authorization Monday for liquefied natural gas to be exported from a proposed terminal in Coos Bay, on the Oregon coast. Jordan Cove LNG terminal is the seventh project to get such authorization, although it may be years before exports begin. The project must still go through an environmental review and final regulatory approval. The terminal would prepare gas for shipment and export it to countries that do not have a free trade agreement with the United States. (www.washingtonpost.com March 24, 2014)

Landfill gas to build Toyota cars and a greener community

Can a car company be a vehicle for change? Toyota thinks so. The Kentucky plant that manufactures some of the greenest cars on the road, including two hybrid models, will soon be powered in part by green electricity. Toyota Motor Manufacturing Kentucky Inc. has teamed up with Waste Services of the Bluegrass to generate power from local landfill waste, marking the region's first business to landfill gas to energy initiative. (www.lanereport.com March 25, 2014)

Would the Eastern Kentucky Biomass Plant be Good for the Environment?

For decades, Eastern Kentucky has been coal country. Coal provided work for thousands, while severance taxes contributed to county budgets. And while the industry has been in a steep decline over the past few years, coal still powers almost all of the electricity for the region and the state. Coal is such the norm in Perry County, it's unusual to hear about a new power plant in the area that doesn't use coal. (<http://wfpl.org> March 20, 2014)

Kentucky Retail Fuel Prices (Dollars per gallon)

Product	3/27/2014	3/20/2014	3/13/2014	3/6/2014	Year Ago
Gasoline (State avg.)	\$ 3.52	\$ 3.59	\$ 3.47	\$ 3.40	\$ 3.59
Ashland	\$ 3.50	\$ 3.54	\$ 3.65	\$ 3.46	\$ 3.66
Covington	\$ 3.68	\$ 3.66	\$ 3.66	\$ 3.58	\$ 3.79
Lexington	\$ 3.52	\$ 3.64	\$ 3.49	\$ 3.35	\$ 3.51
Louisville	\$ 3.59	\$ 3.71	\$ 3.47	\$ 3.47	\$ 3.69
Owensboro	\$ 3.45	\$ 3.46	\$ 3.46	\$ 3.41	\$ 3.48
Diesel (State avg.)	\$ 4.05	\$ 4.07	\$ 4.09	\$ 4.11	\$ 3.99
Ashland	\$ 4.05	\$ 4.11	\$ 4.13	\$ 4.15	\$ 4.07
Covington	\$ 4.14	\$ 4.17	\$ 4.20	\$ 4.22	\$ 4.01
Lexington	\$ 4.10	\$ 4.12	\$ 4.12	\$ 4.12	\$ 4.01
Louisville	\$ 4.07	\$ 4.08	\$ 4.10	\$ 4.11	\$ 3.98
Owensboro	\$ 4.09	\$ 4.12	\$ 4.15	\$ 4.16	\$ 4.02

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	3/24/2014	3/19/2014	3/12/2014	3/5/2014	Year Ago
Crude Oil (Dollars per barrel) <i>West Texas Intermediate, job</i>	\$ 100.05	\$ 100.08	\$ 100.29	\$ 105.34	\$ 97.24
Natural Gas (Dollars per MMBtu) <i>Henry-Hub</i>	\$ 4.40	\$ 4.45	\$ 4.69	\$ 6.50	\$ 4.06

Source: the Wall Street Journal

Futures		May 2014	June 2014	July 2014
Crude Oil (Dollars per barrel) <i>Light Sweet Crude Oil</i>	3/26/2014	\$ 100.26	\$ 99.53	\$ 98.63
Natural Gas (Dollars per MMBtu) <i>Henry-Hub</i>	3/26/2014	\$ 4.40	\$ 4.42	\$ 4.46
Propane (Dollars per gallon) <i>Mt Belvieu (OPIS)</i>	3/26/2014	\$ 1.04	\$ 1.04	\$ 1.05
Coal (Dollars per ton) <i>Central Appalachian</i>	3/26/2014	\$ 60.33	\$ 60.38	\$ 61.10

Source: CME Group



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