

Kentucky Department for Energy Development and Independence Energy Watch

A snapshot of state and national energy issues



State urges propane users to plan for winter

The Kentucky Energy and Environment Cabinet issued a release on Monday asking propane customers to prepare for winter. “The most effective short-term actions that suppliers and customers can take are to participate in fall fill programs,” said EEC Secretary Len Peters. “Weather is a dominant influence in the demand for propane — colder-than-normal winters both increase demand and negatively impact deliverability. Current weather forecasts indicate that we’ll experience another strong winter for the region and we want to make sure customers are prepared.” Secretary Peters also recommended that homeowners seal and insulate their homes for increased efficiency and comfort in both winter and summer. (www.wkyt.com September 22, 2014)

‘WeCare’ helps cut utility bills

The Weatherization, Conservation Advice and Recycling Energy (WeCare) Program through Kentucky Utilities (KU) provides income-eligible LG&E and KU customers with measures to help them better manage their energy usage and improve the comfort and safety of their homes. The program also offers a home energy analysis, educational materials and home weatherization services. “It’s a situation where people need and want to try to save money where ever they can, particularly with winter coming on,” said Cliff Feltham, KU statewide media relations manager.” (<http://harlandaily.com> September 16, 2014)

Kentucky Town Beats High Gas Prices—By Opening a Public Gas Station

Earlier this month, the small city of Somerset, Kentucky, drew national attention when it opened a municipally owned and operated fuel center in an effort to drive down gas prices for local residents. As a result of its proximity to Lake Cumberland, a popular tourist destination, the city of 11,000 residents has long struggled with high fuel prices—especially during the summer months between Memorial Day and Labor Day. Under the leadership of Republican Mayor Eddie Girdler, the conservative-leaning city purchased a fuel storage facility for \$200,000 and spent \$75,000 building the infrastructure to distribute gasoline to the public—including the installation of 10 pumps. (<http://sandiegofreepress.org> September 24, 2014)

Aging gas pipes put Kentuckiana neighborhoods at risk

It’s an essential part of most of our daily lives. We use natural gas to heat our homes, food and water. The odorless gas sometimes travels into your home through old gas lines, setting up a potentially dangerous situation. They were the industry standard more than a century ago before the first commercial airplane, the Model-T and World War I but much has changed in modern times. Old cast iron lines, steel and wrought iron lines that transport gas through our cities, towns and neighborhoods aren’t what they used to be. Mike Wathen has seen the damage a gas explosion can do. (www.whas11.com September 23, 2014)

Robot neighbors wrap up TVA home energy efficiency study

What’s the real difference in utilities between a typical new house build and one that is built from scratch with a focus on energy efficiency? What about the same typical builder house that’s retrofitted with energy efficient items after it’s built? TVA says it has the answers after a five-year study between three nearly identical houses in the Campbell Creek subdivision in West Knox County. The three homes also had virtually identical residents. That’s because TVA loaded the homes with robotics that simulate actual human behavior. “The robots are leaving the house. We’ve been doing this study and collecting data since 2009. Now we’re done and the builder is going to sell the homes,” said David Dinse, senior program manager for technology innovation at TVA. (www.wbir.com September 24, 2014)

Kentucky is hit hard as its coal suffers a slow burn

Although the national rate of shuttered coal mines slowed this year, struggles in Central Appalachia continued, with Kentucky leading the nation in the number of coal mines being taken off-line. Central Appalachia’s problems have come even as the United States sharply increases imports of coal, taking advantage of cheap mine labor in Colombia. Sixty-four coal mines were idled nationwide in the first half of this year. That’s about half as many as in the final six months of last year, according to data compiled by the energy research firm SNL Financial. (www.sacbee.com September 22, 2014)

Nukes And Coal: The Surprising Clean Energy Bridge to Obama’s Low Carbon Future

The Clean Power Plan proposed by the federal Environmental Protection Agency (EPA) on June 2 seems to have sliced the country down the middle. We have green Democrats, climate change action proponents, and environmentalists on one side, and pro-coal Republicans and Democrats, red-meat Republicans, and Chamber of Commerce types—or ‘business,’ if you prefer—on the other. But I don’t buy this grim, Manichean worldview; we can find some common ground if we change our mentality towards two low-carbon superstars: nuclear power and coal plants that use carbon capture and storage (CCS) technology. The Obama Administration proposed the Clean Power Plan because it wants to cut the country’s overall carbon emissions by 30 percent over the next 15 years. (www.forbes.com September 23, 2014)

Kentucky Retail Fuel Prices (Dollars per gallon)

Product	9/25/2014	9/18/2014	9/11/2014	9/4/2014	Year Ago
Gasoline (State avg.)	\$ 3.35	\$ 3.36	\$ 3.42	\$ 3.42	\$ 3.45
Ashland	\$ 3.49	\$ 3.44	\$ 3.52	\$ 3.61	\$ 3.41
Covington	\$ 3.49	\$ 3.52	\$ 3.57	\$ 3.74	\$ 3.55
Lexington	\$ 3.45	\$ 3.32	\$ 3.47	\$ 3.34	\$ 3.37
Louisville	\$ 3.50	\$ 3.52	\$ 3.70	\$ 3.69	\$ 3.46
Owensboro	\$ 3.21	\$ 3.29	\$ 3.35	\$ 3.35	\$ 3.23
Diesel (State avg.)	\$ 3.75	\$ 3.73	\$ 3.79	\$ 3.76	\$ 3.92
Ashland	\$ 3.60	\$ 3.63	\$ 3.67	\$ 3.66	\$ 3.97
Covington	\$ 3.75	\$ 3.76	\$ 3.78	\$ 3.79	\$ 3.94
Lexington	\$ 3.68	\$ 3.71	\$ 3.73	\$ 3.73	\$ 3.96
Louisville	\$ 3.72	\$ 3.74	\$ 3.76	\$ 3.76	\$ 3.90
Owensboro	\$ 3.75	\$ 3.77	\$ 3.81	\$ 3.80	\$ 3.93

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	9/22/2014	9/17/2014	9/4/2014	8/28/2014	Year Ago
Crude Oil (Dollars per barrel) <i>West Texas Intermediate, job</i>	\$ 91.46	\$ 92.86	\$ 92.92	\$ 95.38	\$ 102.68
Natural Gas (Dollars per MMBtu) <i>Henry-Hub</i>	\$ 3.88	\$ 3.92	\$ 3.94	\$ 4.00	\$ 3.68

Source: the Wall Street Journal

Futures		October 2014	November 2014	December 2014
Crude Oil (Dollars per barrel) <i>Light Sweet Crude Oil</i>	9/24/2014	\$ 91.52	\$ 92.80	\$ 92.07
	9/17/2014	\$ 94.42	\$ 93.20	\$ 92.50
	9/10/2014	\$ 91.67	\$ 90.84	\$ 90.42
Natural Gas (Dollars per MMBtu) <i>Henry-Hub</i>	9/24/2014	\$ 3.91	\$ 3.97	\$ 4.05
	9/17/2014	\$ 4.01	\$ 4.08	\$ 4.16
	9/10/2014	\$ 3.95	\$ 4.01	\$ 4.09
Propane (Dollars per gallon) <i>Mt Belvieu (OPIS)</i>	9/24/2014	\$ 1.06	\$ 1.06	\$ 1.07
	9/17/2014	\$ 1.09	\$ 1.09	\$ 1.10
	9/10/2014	\$ 1.07	\$ 1.08	\$ 1.08
Coal (Dollars per ton) <i>Central Appalachian</i>	9/24/2014	\$ 52.58	\$ 54.17	\$ 54.90
	9/17/2014	\$ 55.98	\$ 55.80	\$ 55.83
	9/10/2014	\$ 56.35	\$ 55.85	\$ 56.08

Source: CME Group



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