

Kentucky Department for Energy Development and Independence Energy Watch

A snapshot of state and national energy issues

Fall in Oil Prices Poses a Problem for Russia, Iraq and Others

A steep decline in oil prices is straining the budgets of major petroleum-exporting countries around the globe, raising a specter of spending cuts in Russia, where the economy is under pressure from Western sanctions, and posing a potentially grave security challenge for Iraq, which is already struggling to finance its fight against the Islamic State. From Moscow to Caracas, Riyadh to Baghdad, in Tehran, Algiers, Kuwait City and Lagos, political leaders, finance ministers and central bankers have been scrambling to confront the plunge in prices — roughly 25 percent since a peak in June — driven by increased production in the United States and by projections of sustained cuts in demand in many developed countries, as well as decelerating growth in China. (www.nytimes.com October 15, 2014)

Georgia Power solar RFP yields 515 MW in power purchase agreements

Georgia Power has concluded its April request for proposals for 495 MW of utility-scale solar power by entering into power purchase agreements for the output of 10 proposed solar facilities with a combined capacity of 515 MW, Southern Company's largest utility subsidiary said in a regulatory filing made public on Tuesday. The PPAs include deals with two solar projects totaling 99 MW that will be owned by Southern Power, Southern Company's wholesale generation subsidiary. (www.platts.com October 14, 2014)

Gas From Fracking Won't Slow Climate Change, Scientists Say

Increased use of natural gas from a fracking boom won't slow climate change as the fuel will simply replace cleaner energy sources, scientists said in a study. A range of scenarios, including the possibility of gas use rising as much as 170 percent by mid-century, would lead to anything from a 2 percent cut to an 11 percent jump in carbon emissions, the study released today in the journal *Nature* showed. Cheaper gas may not replace coal but rather crowd out clean-energy and boost polluting economic activity, they said. (www.businessweek.com October 15, 2014)

A former EPA director is pushing for wider use of nuclear power in the US

All the waste from America's nuclear power could fit in a city block, and nuclear power plants don't release greenhouse gas emissions. Yet the US hasn't completed construction of a nuclear reactor in more than 30 years. Christine Todd Whitman, former Republican Governor of New Jersey, and administrator of the EPA under George W. Bush, says its time to change this. She is a strong advocate for the use of nuclear power and co-chairwoman of CASE, the Clean And Safe Energy Coalition. (www.pri.org October 13, 2014)

Gas prices expected to keep dropping

Crude oil prices fell to multi-year lows Monday, extending an autumn slide that cast more clouds over the energy sector but brightened the outlook for consumers who'll benefit by a continued slide in gasoline prices. International benchmark Brent crude oil dropped \$2.15 to \$88.06 a barrel, its lowest since December 2010, while West Texas Intermediate eased about 69 cents to \$85.05 in intraday trading, a 22-month low, before ending flat at \$85.74. Behind the drop: Iraq joined Saudi Arabia and Iran's recent price-cutting spree. (www.wkyc.com October 14, 2014)

Feds approve gas pipeline in Ky., Tenn.

A federal agency has approved plans for a natural gas pipeline across Todd County, Kentucky, that would mostly serve Clarksville, Tennessee. The (Clarksville) *Leaf-Chronicle* (<http://leafne.ws/1r1klz1>) reports that the Federal Energy Regulatory Commission recently issued a certificate for the Clarksville Natural Gas Interconnect Pipeline Project. The certificate includes conditions and stipulations that would allow others access to the pipeline. (www.wtvq.com October 14, 2014)

Jefferson County Public Schools earn ENERGY STAR Certification

ENERGY STAR is a national symbol for protecting the environment through superior energy performance. Certificates signed by Gov. Steve Beshear were presented to the schools' principals during the Oct. 13 meeting of the Jefferson County Board of Education. "On behalf of the Commonwealth of Kentucky, I congratulate the leaders, teachers and students of Jefferson County for your role in earning the ENERGY STAR label in your schools," said EEC Secretary Len Peters. (<http://surfky.com> October 14, 2014)

Grant funding allows post to plan solar array project

In less than a year, Fort Campbell will create its own renewable energy with the largest solar array in Kentucky. The post will begin installing a photovoltaic system in December. The ground-mounted system will be installed on about 25 acres of abandoned landfill at the corner of Market Garden Road and Screaming Eagle Boulevard. (www.fortcampbellcourier.com October 9, 2014)

Kentucky Energy Department Releases Virtual Solar Energy Tour

In celebration of October as Energy Awareness month, the Kentucky Department for Energy Development and Independence (DEDI) has released the virtual solar energy story map. For those unfamiliar with a story map, a story map uses geography to present information and is designed for everyone. The solar energy story map takes a visitor around the state virtually to view different types of solar energy projects across different locations and applications. (<http://eec.ky.gov> October 15, 2014)

Kentucky Retail Fuel Prices (Dollars per gallon)

Product	10/16/2014	10/9/2014	10/2/2014	9/25/2014	Year Ago
Gasoline (State avg.)	\$ 3.16	\$ 3.22	\$ 3.33	\$ 3.35	\$ 3.36
Ashland	\$ 3.19	\$ 3.32	\$ 3.39	\$ 3.49	\$ 3.28
Covington	\$ 3.27	\$ 3.38	\$ 3.47	\$ 3.49	\$ 3.46
Lexington	\$ 3.00	\$ 3.18	\$ 3.34	\$ 3.45	\$ 3.43
Louisville	\$ 3.15	\$ 3.27	\$ 3.50	\$ 3.50	\$ 3.42
Owensboro	\$ 2.89	\$ 3.02	\$ 3.20	\$ 3.21	\$ 3.34
Diesel (State avg.)	\$ 3.66	\$ 3.67	\$ 3.73	\$ 3.75	\$ 3.88
Ashland	\$ 3.54	\$ 3.58	\$ 3.58	\$ 3.60	\$ 3.93
Covington	\$ 3.64	\$ 3.70	\$ 3.74	\$ 3.75	\$ 3.92
Lexington	\$ 3.61	\$ 3.65	\$ 3.67	\$ 3.68	\$ 3.93
Louisville	\$ 3.66	\$ 3.69	\$ 3.71	\$ 3.72	\$ 3.87
Owensboro	\$ 3.63	\$ 3.70	\$ 3.72	\$ 3.75	\$ 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,

Product	10/13/2014				Year Ago
Heating Oil (dollars per gallon)	\$ 3.31				\$ 3.54
Propane (dollars per gallon)	\$ 2.18				\$ 2.06

http://www.eia.gov/dnav/pet/pet_pri_wfr_dcus_SKY_w.htm

Spot Prices	10/14/2014	10/6/2014	9/29/2014	9/29/2014	Year Ago
Crude Oil (Dollars per barrel) <i>West Texas Intermediate, fob</i>	\$ 81.72	\$ 90.33	\$ 94.53	\$ 94.53	\$ 102.34
Natural Gas (Dollars per MMBtu) <i>Henry-Hub</i>	\$ 3.89	\$ 3.89	\$ 3.89	\$ 3.89	\$ 3.57

Source: the Wall Street Journal

Futures		November 2014	December 2014	January 2015
Crude Oil (Dollars per barrel) <i>Light Sweet Crude Oil</i>	10/15/2014	\$ 81.78	\$ 80.94	\$ 80.36
	10/8/2014	\$ 87.31	\$ 86.59	\$ 86.19
Natural Gas (Dollars per MMBtu) <i>Henry-Hub</i>	10/15/2014	\$ 3.80	\$ 3.89	\$ 3.97
	10/8/2014	\$ 3.86	\$ 3.95	\$ 4.04
Propane (Dollars per gallon) <i>Mt Belvieu (OPIS)</i>	10/15/2014	\$ 0.91	\$ 0.92	\$ 0.93
	10/8/2014	\$ 1.03	\$ 1.04	\$ 1.04
Coal (Dollars per ton) <i>Central Appalachian</i>	10/15/2014	\$ 51.25	\$ 51.90	\$ 54.08
	10/8/2014	\$ 52.30	\$ 53.00	\$ 54.83

Source: CME Group

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