

Kentucky Department for Energy Development and Independence Energy Watch

A snapshot of state and national energy issues

U.S. utilities face up to \$48B revenue loss from solar, efficiency

Energy utilities face losing between \$18 billion and \$48 billion a year in the U.S and up to €61 billion a year in Europe by 2025 as solar power and energy conservation initiatives grow, according to Accenture. The Accenture analysis, based on extensive modeling and a survey of global utilities executives, estimates that energy demand could be reduced by more than 15% due to new energy technologies by 2025. (www.computerworld.com December 9, 2014)

Proposed natural gas plant gets W.Va. air permit

We know what's coming. But with any luck, it won't be nearly as severe as last winter. State regulators have granted an air quality permit for a proposed natural gas-fired power plant in Moundsville. A Department of Environmental Protection legal notice says the plant is authorized to annually emit certain levels of pollutants, including about 145 tons of nitrogen oxide and about 209 tons of carbon monoxide. The \$615 million plant would generate 549 megawatts. It would be located on a 37-and-a-half-acre site along the Ohio River. (www.seattlepi.com December 9, 2014)

Oil Falls to 5-Year Low, and Energy Companies Start to Retrench

The price of crude oil continued to collapse on Monday, plunging to a five-year low, as oil giants began to scale back their drilling ambitions and pare the ranks of their workers. On the same day that the American oil benchmark traded around \$63 a barrel, down more than 4 percent, ConocoPhillips announced it would cut investment spending in 2015 by 20 percent, the biggest sign yet that major oil companies are contracting. The announcement came on the heels of BP's notice that it would cut middle management and other jobs in the months ahead. (www.nytimes.com December 8, 2014)

PSC OKs Duke Energy Kentucky Purchase of Full Ownership of East Bend Power Plant in Rabbit Hash

Duke Energy Kentucky will become the sole owner of the East Bend electric power plant in Boone County following Kentucky Public Service Commission (PSC) approval of the company's purchase of a minority interest held by Dayton Power & Light Co. (DP&L) of Ohio. In an order issued Thursday, Dec. 4, the PSC authorized Duke Kentucky to purchase DP&L's 31-percent interest in the plant for a price of \$12.4 million. The 600-megawatt (MW) coal-fired East Bend plant is in Rabbit Hash, in southwest Boone County. (<http://migration.kentucky.gov> December 8, 2014)

Patriot Coal gives layoff notices to 670 Kentucky coal workers

US miner Patriot Coal has issued 670 Kentucky coal miners with Worker Adjustment and Retraining Notification (WARN) Act notices, citing low natural gas prices and increasingly stringent US Environmental Protection Agency regulations, which continued to drive down thermal coal prices, as the cause. The company on Friday said it would substantially reduce the workforce at the Highland mining complex, near Henderson, and the Dodge Hill mining complex, near Sturgis. The 670 employees represented the combined workforces of the complexes. (<http://m.miningweekly.com> December 6, 2014)

Valvoline world headquarters office earns EPA's ENERGY STAR(R) certification

Ashland Inc. (NYSE: ASH) today announced its Valvoline world headquarters office has earned the U.S. Environmental Protection Agency's (EPA's) ENERGY STAR certification, which signifies that the building performs in the top 25 percent of similar facilities nationwide for energy efficiency and meets strict energy efficiency performance levels set by the EPA. During a celebration hosted today at the facility and attended by company, local and state officials, Ashland was commended for its efforts. (<http://mobile.reuters.com> December 4, 2014)

Paducah Power System Will Not File Bankruptcy

The Paducah Power System board voted not to file Chapter Nine bankruptcy during their meeting today in Paducah. The Rate Reduction Plan adopted last month will help PPS to reduce millions of dollars in costs while looking to reduce the rates mid-2015 through bond insurance, general manager Mark Crisson said. "But, basically what it does in propose to access something called a Debt Services Reserve," he said. "That reserve can be replaced by an insurance policy for a fee and it would free up several million dollars over the next three years." (<http://wkms.org> December 8, 2014)

Without another polar vortex, natural gas prices will stay low

The chances of natural gas price spikes this winter are low and getting lower by the day, said a leading gas market analyst Tuesday. "Every week that passes without temperatures turning much colder, the likelihood of (price spikes) gets lower and lower," said Andrew Weissman, CEO of EBW Analytics Group, an independent energy analytical company based in Washington, D.C., which serves investors. (www.cleveland.com December 10, 2014)

Kentucky Retail Fuel Prices (Dollars per gallon)

Product	12/11/2014	12/4/2014	11/20/2014	11/13/2014	Year Ago
Gasoline (State avg.)	\$ 2.62	\$ 2.73	\$ 2.85	\$ 3.92	\$ 3.26
Ashland	\$ 2.70	\$ 2.77	\$ 2.90	\$ 2.93	\$ 3.29
Covington	\$ 2.65	\$ 2.78	\$ 2.92	\$ 3.04	\$ 3.25
Lexington	\$ 2.46	\$ 2.64	\$ 2.78	\$ 2.95	\$ 3.24
Louisville	\$ 2.44	\$ 2.71	\$ 2.79	\$ 2.88	\$ 3.35
Owensboro	\$ 2.55	\$ 2.66	\$ 2.75	\$ 2.86	\$ 3.21
Diesel (State avg.)	\$ 3.46	\$ 3.54	\$ 3.61	\$ 3.64	\$ 3.86
Ashland	\$ 3.59	\$ 3.66	\$ 3.69	\$ 3.68	\$ 3.91
Covington	\$ 3.64	\$ 3.70	\$ 3.72	\$ 3.70	\$ 3.84
Lexington	\$ 3.57	\$ 3.62	\$ 3.66	\$ 3.67	\$ 3.85
Louisville	\$ 3.64	\$ 3.66	\$ 3.68	\$ 3.69	\$ 3.83
Owensboro	\$ 3.49	\$ 3.61	\$ 3.70	\$ 3.77	\$ 3.89

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	12/8/2014	12/1/2014	11/17/2014	11/10/2014	Year Ago
Heating Oil (dollars per gallon)	\$ 3.24	\$ 3.64	\$ 3.46	\$ 3.45	\$ 3.49
Propane (dollars per gallon)	\$ 2.15	\$ 2.17	\$ 2.21	\$ 2.20	\$ 2.21

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

Spot Prices	12/8/2014	11/28/2014	11/17/2014	11/11/2014	Year Ago
Crude Oil (Dollars per barrel) <i>West Texas Intermediate, fob</i>	\$ 63.13	\$ 68.98	\$ 75.64	\$ 77.85	\$ 94.56
Natural Gas (Dollars per MMBtu) <i>Henry-Hub</i>	\$ 4.30	\$ 4.15	\$ 4.26	\$ 4.18	\$ 3.87
Coal Price (dollars per short ton) <i>Central Appalachia</i>	\$ 56.30	\$ 56.10			\$ 64.58
Coal Price (dollars per short ton) <i>Illinois Basin</i>	\$ 44.70	\$ 44.55			\$ 46.15

Source: the Wall Street Journal

Futures		January 2015	February 2015	March 2015
Crude Oil (Dollars per barrel) <i>Light Sweet Crude Oil</i>	12/10/2014	\$ 60.94	\$ 61.16	\$ 61.42
	12/3/2014	\$ 67.38	\$ 67.46	\$ 67.56
Natural Gas (Dollars per MMBtu) <i>Henry-Hub</i>	12/10/2014	\$ 3.71	\$ 3.74	\$ 3.70
	12/3/2014	\$ 3.81	\$ 3.81	\$ 3.76
Propane (Dollars per gallon) <i>Mt Behvieu (OPIS)</i>	12/10/2014	\$ 0.54	\$ 0.54	\$ 0.54
	12/3/2014	\$ 0.64	\$ 0.64	\$ 0.64

Source: CME Group

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