

# Kentucky Energy Watch

Department for Energy Development and Independence

A snapshot of state and national energy issues

## ***In some parts of Kentucky, 'a lot more people burning wood' to heat homes***

There's wood smoke rolling from more chimneys around Kentucky these days than just a few years ago. The number of homes using wood as a primary heating source — measured by heat consumption — hit a 40-year low in the state in 2001, but the number has rebounded to more than double what it was that year, according to information from the state Energy and Environment Cabinet. ([www.kentucky.com](http://www.kentucky.com) December 29, 2014)

## ***Marion County objects to repurposing pipeline***

The Marion County Fiscal Court last week reiterated its opposition to pipelines carrying natural gas liquids in the county. During the court's Dec. 18 meeting, the magistrates unanimously approved a resolution opposing plans by Kinder Morgan to convert a portion of the Tennessee Gas Pipeline to carry natural gas liquids instead of natural gas. ([www.laruecountyherald.com](http://www.laruecountyherald.com) December 26, 2014)

## ***How the Empire State's new ban on horizontal drilling could send shockwaves around the world.***

It's been a rough month for fracking. First, oil prices upended the economics of the once-booming shale fields. Then on Dec. 17, New York Gov. Andrew Cuomo banned the controversial oil and gas-extraction practice after the release of a state report highlighting uncertainties that cloud virtually every aspect of the science. The most powerful condemnation came in the form of personal testimony. "Would I live in a community with [fracking] based on the facts that I have now?" (<http://foreignpolicy.com> December 24, 2014)

## ***US-China trade war leave some solar firms reeling***

One U.S. company operating in the fast-growing solar industry announced it has to close a manufacturing plant, and it is blaming the federal government. Hemlock Semiconductor, a subsidiary of Dow Corning, announced last week it had to shutter a facility in Clarksville, Tennessee, in part because of market conditions arising from "global trade disputes." ([www.cnbc.com](http://www.cnbc.com) December 28, 2014)

## ***MSU moves to avoid results of last winter's TVA shut-off***

Murray State University officials say they are taking the steps necessary to avoid the damage and disruption that resulted from last January's campus-wide power shutdown. On Jan. 6, 2014, the Tennessee Valley Authority — which supplies Murray Electric System and MSU's campus with electricity — ordered MSU to power down because the single-digit temperatures across its service region had created such a high demand for electricity. MSU's interruptible service rate contract with TVA — also known as the 5MR contract — requires the university to power down during peak demand periods if TVA asks. (<http://murrayledger.com> December 27, 2014)

## ***Patriot to Idle Two Mines Today; 600-700 Jobs Affected***

Patriot Coal plans to idle two of its coal mines tomorrow in western Kentucky. Patriot Coal Corporation made the announcement about its plans today, Dec. 28. The two mines to be idled are the Highland Mine near Henderson and the Dodge Hill Mining Complex near Sturgis. Both mines will be idled effective Monday, Dec. 29. The Heritage preparation plant and the barge loading terminal on the Ohio River are expected to continue processing and shipping coal from onsite stockpiles. (<http://surfky.com> December 28, 2014)

## ***Trying to keep coal competitive***

Amid a global national debate about the environmental impact of using fossil fuels to generate energy, a group of University of Kentucky researchers is quietly working to find ecofriendly uses and mitigation processes for coal, one of the state's premier industries. Scientists at the UK Center for Applied Energy Research are exploring ways to improve the ecological impact of fuel coal and investigating whether it is feasible to turn it into a versatile, non-fuel raw material for industry. ([www.lanereport.com](http://www.lanereport.com) December 18, 2014)

## ***Ky. Public Service Commission approves order, sheds light on solar power project***

The sun's coming up on solar energy use in Kentucky. The Kentucky Public Service Commission has approved the construction of the state's first major solar-powered electric generating facility. The PSC authorized Kentucky Utilities Co. and Louisville Gas & Electric Co. to build a 10-megawatt photovoltaic solar array at the E.W. Brown Generating Station in Mercer County. A megawatt of generating capacity produces enough power to supply about 800 average homes. ([www.kyforward.com](http://www.kyforward.com) December 22, 2014)

## ***Recent sparks could power big changes for energy sector in 2015***

The energy landscape in Illinois is set to change in dramatic fashion in 2015. By year-end, the state could see an oil boom downstate, nuclear plants on the chopping block and forward momentum for a wind-power superhighway to carry wind-generated electricity from Iowa into Illinois. ([www.chicagotribune.com](http://www.chicagotribune.com) December 24, 2014)

Kentucky Retail Fuel Prices (Dollars per gallon)

Product	12/31/2014	12/18/2014	12/11/2014	12/4/2014	Year Ago
<b>Gasoline (State avg.)</b>	\$ 2.26	\$ 2.48	\$ 2.62	\$ 2.73	\$ 3.32
Ashland	\$ 2.20	\$ 2.53	\$ 2.70	\$ 2.77	\$ 3.42
Covington	\$ 2.23	\$ 2.49	\$ 2.65	\$ 2.78	\$ 3.39
Lexington	\$ 2.03	\$ 2.25	\$ 2.46	\$ 2.64	\$ 3.37
Louisville	\$ 2.22	\$ 2.19	\$ 2.44	\$ 2.71	\$ 3.29
Owensboro	\$ 1.99	\$ 2.35	\$ 2.55	\$ 2.66	\$ 3.29
<b>Diesel (State avg.)</b>	\$ 3.15	\$ 3.34	\$ 3.46	\$ 3.54	\$ 3.87
Ashland	\$ 3.30	\$ 3.45	\$ 3.59	\$ 3.66	\$ 3.89
Covington	\$ 3.42	\$ 3.55	\$ 3.64	\$ 3.70	\$ 3.86
Lexington	\$ 3.37	\$ 3.51	\$ 3.57	\$ 3.62	\$ 3.83
Louisville	\$ 3.46	\$ 3.57	\$ 3.64	\$ 3.66	\$ 3.83
Owensboro	\$ 2.95	\$ 3.29	\$ 3.49	\$ 3.61	\$ 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	12/22/2014	12/15/2014	12/8/2014	12/1/2014	Year Ago
Heating Oil (dollars per gallon)	\$ 2.84	\$ 3.00	\$ 3.24	\$ 3.64	\$ 3.49
Propane (dollars per gallon)	\$ 2.14	\$ 2.14	\$ 2.15	\$ 2.17	\$ 2.46

[http://www.eia.gov/dnav/pet/pet\\_pri\\_wfr\\_dcus\\_SKY\\_w.htm](http://www.eia.gov/dnav/pet/pet_pri_wfr_dcus_SKY_w.htm)

Spot Prices	12/30/2014	12/15/2014	12/8/2014	11/28/2014	Year Ago
Crude Oil (Dollars per barrel) <i>West Texas Intermediate, fob</i>	\$ 55.25	\$ 55.96	\$ 63.13	\$ 68.98	\$ 99.94
Natural Gas (Dollars per MMBtu) <i>Henry-Hub</i>	\$ 3.05	\$ 3.72	\$ 4.30	\$ 4.15	\$ 4.35
Coal Price (dollars per short ton) <i>Central Appalachia</i>	\$ 56.10	\$ 56.30	\$ 56.30	\$ 56.10	\$ 63.58
Coal Price (dollars per short ton) <i>Illinois Basin</i>	\$ 44.55	\$ 44.70	\$ 44.70	\$ 44.55	\$ 46.15

Source: the Wall Street Journal

Futures	12/30/2014	February 2015	March 2015	April 2015
Crude Oil (Dollars per barrel) <i>Light Sweet Crude Oil</i>	\$ 54.12	\$ 54.53	\$ 55.05	
Natural Gas (Dollars per MMBtu) <i>Henry-Hub</i>	\$ 3.09	\$ 3.10	\$ 3.05	
Propane (Dollars per gallon) <i>Mt Behvieu (OPIS)</i>	\$ 0.51	\$ 0.52	\$ 0.52	

Source: CME Group

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