

Kentucky Department for Energy Development and Independence Energy Watch

A snapshot of state and national energy issues

Kentucky Utilities announces plans to cap, close coal ash ponds at five power plant sites

Kentucky Utilities Company plans to cap and close its remaining coal ash ponds at E.W. Brown and Ghent Generating Stations and at the now-retired Green River, Pineville and Tyrone coal-fired power plants. The details of the plans will be laid out in the utility's environmental compliance plan, which will be submitted to the Kentucky Public Service Commission on Jan. 29. (www.kentuckyforward.com January 13, 2016)

Kentucky is buying other states' coal instead of its own

Kentucky may be the nation's third-leading coal producer, but over the years it has increasingly turned to other states to supply coal for its power plants. Kentucky power plants use only a fraction of the coal they once did from the state's struggling eastern coalfield, and according to federal data compiled by the state Energy and Environment Cabinet, coal mined in other states has almost entirely displaced it. (Lexington Herald Leader Jan. 9, 2016)

In Kentucky, the coal habit is hard to break

Joe Moore stood near a sign reading: "Authorized Personnel Only." "I used to be authorized," he said. Moore is a coal miner. The sign was at the entrance to the mine that had laid him off the previous day. The Alliance Coal facility had closed — a symptom of the coal industry's rapid decline. (www.npr.org January 12, 2016)

U.S. coal production dropped to 30-year low in 2015

Coal production in the U.S. has dropped to its lowest level in 30 years thanks in part to low natural gas prices and climate policies encouraging utilities to switch to natural gas to generate electricity. It was 1986 when coal production in the U.S. was as low as it is today, according to U.S. Energy Information Administration data released Friday. (Climate Central January 8, 2016)

Arch Coal files for bankruptcy, hit by mining downturn

Arch Coal, the second-largest U.S. coal miner, filed for Chapter 11 bankruptcy protection on Monday with a plan to cut \$4.5 billion in debt from its balance sheet in the midst of a prolonged downturn in the coal industry. (Reuters January 11, 2016)

Auburn Elementary achieves ENERGY STAR certification

Auburn Elementary was recognized for achieving ENERGY STAR certification at the district's Jan. 12 board meeting. The first school in Logan County to earn this prestigious certification, Auburn Elementary received this recognition after implementing a variety of energy and maintenance savings techniques that reduce the negative impact on the environment and produce energy savings, as well as a more comfortable and safe environment for students and staff. (www.theloganjournal.com January 13, 2016)

State severance tax revenues decline as fossil fuel prices drop

Several states that collect significant revenue from severance taxes on fossil fuel extraction are re-evaluating current and upcoming operating budgets and taxation structures to address revenue shortfalls. Severance taxes are often imposed on the extraction of non-renewable resources such as crude oil, natural gas, and coal. (Today In Energy January 12, 2016)

VW CEO plans to submit emissions fixes to EPA chief

Volkswagen's new chief executive plans to present remedies for fixing diesel engines that cheat on emissions tests when he meets with the top U.S. environmental regulator this week. CEO Matthias Mueller said that as of now VW has only given technical data to the Environmental Protection Agency and the California Air Resources Board. (Chicago Sun-Times January 11, 2016)

Oil prices slide again, and the bottom is not yet in sight

The continuing collapse in commodity prices pushed oil futures still lower Monday, and analysts predicted that the slide was far from over. Oil prices fell to their lowest level in 12 years, with futures of West Texas intermediate crude for February delivery settling at \$31.41 a barrel, down 5.3 percent. (www.newyorktimes.com January 11, 2016)

Sunrun joins Nevada solar exodus in response to utility fees

Residential solar installer Sunrun Inc. said it's ceasing operations in Nevada, the second company in as many days to cut jobs in the state after regulators imposed new fees on rooftop systems. The company's exit will result in "hundreds of job losses" and the local installers it works with will be forced to fire people or close shop entirely, Sunrun said in a statement Thursday. (www.BloombergBusiness.com January 6, 2016)



Kentucky Retail Fuel Prices (Dollars per gallon)

Product	1/14/2016	1/7/2016	12/17/2015	12/10/2015	Year Ago
Gasoline (State avg.)	\$ 1.81	\$ 2.00	\$ 2.01	\$ 2.01	\$ 2.04
Ashland	\$ 1.83	\$ 1.93	\$ 1.95	\$ 1.90	\$ 2.08
Covington	\$ 1.91	\$ 1.97	\$ 1.96	\$ 1.97	\$ 2.18
Lexington	\$ 1.79	\$ 1.96	\$ 1.91	\$ 1.85	\$ 2.08
Louisville	\$ 1.86	\$ 2.02	\$ 1.88	\$ 1.82	\$ 2.08
Owensboro	\$ 1.69	\$ 1.78	\$ 1.87	\$ 1.78	\$ 1.87
Diesel (State avg.)	\$ 2.17	\$ 2.23	\$ 2.33	\$ 2.37	\$ 3.06
Ashland	\$ 2.16	\$ 2.23	\$ 2.33	\$ 2.38	\$ 3.16
Covington	\$ 2.26	\$ 2.31	\$ 2.38	\$ 2.45	\$ 3.14
Lexington	\$ 2.25	\$ 2.31	\$ 2.39	\$ 2.43	\$ 3.19
Louisville	\$ 2.25	\$ 2.31	\$ 2.39	\$ 2.44	\$ 3.12
Owensboro	\$ 2.14	\$ 2.20	\$ 2.28	\$ 2.30	\$ 2.77

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	1/11/2016	1/4/2016	12/14/2015	12/7/2015	Year Ago
Heating Oil (dollars per gallon)	\$ 1.76	\$ 1.78	\$ 1.81	\$ 1.88	\$ 2.49
Propane (dollars per gallon)	\$ 1.83	\$ 1.79	\$ 1.74	\$ 1.72	\$ 2.15

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

Spot Prices	1/11/2016	1/4/2016	12/14/2015	12/7/2015	Year Ago
Crude Oil (Dollars per barrel) <i>West Texas Intermediate, fob</i>	\$ 31.42	\$ 36.81	\$ 36.31	\$ 37.64	\$ 49.15
Natural Gas (Dollars per MMBtu) <i>Henry-Hub</i>	\$ 2.47	\$ 2.39	\$ 1.70	\$ 2.11	\$ 2.96
Coal Price (dollars per short ton) <i>Central Appalachia</i>	\$ 43.50	\$ 43.50	\$ 43.50	\$ 43.50	\$ 53.06
Coal Price (dollars per short ton) <i>Illinois Basin</i>	\$ 32.60	\$ 32.60	\$ 32.60	\$ 32.60	\$ 45.32

Sources: <http://www.infomine.com/investment/metal-prices/coal/1-year> http://ycharts.com/indicators/natural_gas_spot_price
<https://www.quandl.com/data/DOE/COAL-US-Coal-Prices-by-Region> <http://markets.ft.com/research/Markets/Tearsheets/Summary?s=1069936>

Futures	1/13/2016	February 2016	March 2016	April 2016
Crude Oil (Dollars per barrel) <i>Light Sweet Crude Oil</i>	\$ 30.48	\$ 31.39	\$ 32.35	
Natural Gas (Dollars per MMBtu) <i>Henry-Hub</i>	\$ 2.27	\$ 2.29	\$ 2.34	
Propane (Dollars per gallon) <i>Mt Belvieu (OPIS)</i>	\$ 0.34	\$ 0.33	\$ 0.33	

Source: http://www.cmegroup.com/daily_bulletin/current/Section61_Energy_Futures_Products.pdf

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