

Kentucky Department for Energy Development and Independence Energy Watch

A snapshot of state and national energy issues

Environment Secretary Says Kentucky Hasn't Ruled Out State Carbon Plan

Kentucky's head environmental regulator says the state is hopeful the courts will rule upcoming federal carbon dioxide regulations are illegal. But if not, the state will likely create a state plan to comply, he said. Last week, the Energy and Environment Cabinet announced it would seek an extension from the Environmental Protection Agency, buying the state two more years to let litigation over the regulation play out. (<http://wfpl.org> January 26, 2016)

More pain for Kentucky environmental agencies

There appear to be winners and losers in Gov. Matt Bevin's proposed budget for the Kentucky Energy and Environment Cabinet, a branch of state government that has been a big budget loser during the last decade. But environmental advocates, a coal industry representative and even cabinet officials were still trying to sort through the details. (www.courier-journal.com January 28, 2016)

Bill advances to make coal sector eligible for incentives

Appalachian lawmakers talked about the desperation for jobs in the coalfields as a House panel approved a bill Thursday to make the hard-hit coal industry eligible for state economic development incentives. House Majority Floor Leader Rocky Adkins said the measure would "right a wrong" by letting coal companies seek the same economic incentives already available for other businesses and industries. (www.houstonchronicle.com January 28, 2016)

US stocks move up as energy and technology companies rise

Stocks are rising Thursday afternoon after getting off to a wobbly start. The price of oil is climbing for the third straight day as key oil-producing nations discuss cuts in production. That sent energy stocks higher. Biotech companies sank after Massachusetts began investigating drug prices. (www.kentucky.com January 28, 2016)

San Diego Mulls Whether To Let City, Not Utility, Buy Alternative Energy

San Diego is the largest city in the country to commit to using only renewable energy, a goal that political parties, environmentalists and business groups hope to meet over the next 20 years. That's right. There is broad consensus to reach this environmentally ambitious plan. (www.npr.org January 26, 2016)

Who's afraid of cheap oil?

Along with bank runs and market crashes, oil shocks have rare power to set monsters loose. Starting with the Arab oil embargo of 1973, people have learnt that sudden surges in the price of oil cause economic havoc. Conversely, when the price slumps because of a glut, as in 1986, it has done the world a power of good. The rule of thumb is that a 10% fall in oil prices boosts growth by 0.1-0.5 percentage points. (www.economist.com January 23, 2016)

Taxing Coal in Kentucky

Two bills before the Kentucky House of Representatives would change the way the state taxes coal that's left in the ground. They would give exemptions to mineral rights owners if the coal isn't going to be mined soon. This "unmined minerals tax" adds up to a substantial amount: in 2014, Kentucky collected more than \$39 million. Most of that—\$34 million—went to the individual counties where the minerals are. The remainder went to the state. (<http://weku.fm> January 25, 2016)



Kentucky Retail Fuel Prices (Dollars per gallon)

Product	1/28/2016	1/21/2016	1/14/2016	1/7/2016	Year Ago
Gasoline (State avg.)	\$ 1.82	\$ 1.70	\$ 1.81	\$ 2.00	\$ 2.04
Ashland	\$ 1.71	\$ 1.77	\$ 1.83	\$ 1.93	\$ 2.12
Covington	\$ 1.72	\$ 1.80	\$ 1.91	\$ 1.97	\$ 2.23
Lexington	\$ 1.66	\$ 1.64	\$ 1.79	\$ 1.96	\$ 2.20
Louisville	\$ 1.65	\$ 1.69	\$ 1.86	\$ 2.02	\$ 2.26
Owensboro	\$ 1.59	\$ 1.63	\$ 1.69	\$ 1.78	\$ 1.89
Diesel (State avg.)	\$ 2.07	\$ 2.08	\$ 2.17	\$ 2.23	\$ 2.82
Ashland	\$ 2.06	\$ 2.08	\$ 2.16	\$ 2.23	\$ 2.99
Covington	\$ 2.04	\$ 2.10	\$ 2.26	\$ 2.31	\$ 2.94
Lexington	\$ 2.06	\$ 2.12	\$ 2.25	\$ 2.31	\$ 2.98
Louisville	\$ 2.04	\$ 2.07	\$ 2.25	\$ 2.31	\$ 2.97
Owensboro	\$ 2.05	\$ 2.08	\$ 2.14	\$ 2.20	\$ 2.59

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	1/25/2016	1/18/2016	1/11/2016	1/4/2016	Year Ago
Heating Oil (dollars per gallon)	\$ 1.71	\$ 1.72	\$ 1.76	\$ 1.78	\$ 2.38
Propane (dollars per gallon)	\$ 1.84	\$ 1.82	\$ 1.83	\$ 1.79	\$ 2.17

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

Spot Prices	1/25/2016	1/19/2016	1/11/2016	1/4/2016	Year Ago
Crude Oil (Dollars per barrel) <i>West Texas Intermediate, fob</i>	\$ 30.31	\$ 28.47	\$ 31.42	\$ 36.81	\$ 45.26
Natural Gas (Dollars per MMBtu) <i>Henry-Hub</i>	\$ 2.16	\$ 2.23	\$ 2.47	\$ 2.39	\$ 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		March 2016	April 2016	May 2016
Crude Oil (Dollars per barrel) <i>Light Sweet Crude Oil</i>	1/27/2016	\$ 32.30	\$ 33.76	\$ 35.07
Natural Gas (Dollars per MMBtu) <i>Henry-Hub</i>	1/27/2016	\$ 2.16	\$ 2.23	\$ 2.29
Propane (Dollars per gallon) <i>Mt Belvieu (OPIS)</i>	1/27/2016	\$ 0.34	\$ 0.34	\$ 0.34

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

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