

Kentucky Department for Energy Development and Independence Energy Watch

A snapshot of state and national energy issues

Surprising Natural Gas Output Has BofA Bracing for Sub-\$2 Prices

Relentless U.S. production gains that caught many natural gas traders by surprise have triggered a 30 percent plunge in prices since November. Bank of America Corp. says the selloff isn't over and is telling clients to brace for the possibility of sub-\$2 prices for the first time in three years. Gas output will climb to an all-time high of 78.39 billion cubic feet a day this year, an increase of 50 percent over 2005, led by shale reservoirs in Pennsylvania, Louisiana and Texas, government data show. (www.bloomberg.com March 17, 2015)

America is brimming with oil

America's oil stockpiles continue to boom. Crude oil inventories rose 9.6 million barrels last week from 4.5 million the previous week, the Energy Information Administration said. Analysts polled by Reuters had expected an increase of 3.8 million barrels. Oil supplies at Cushing, Oklahoma rose by 2.865 million barrels to a record high. "At 458.5 million barrels, U.S. crude oil inventories are at the highest level for this time of year in at least the last 80 years," the EIA statement said. (www.businessinsider.com March 18, 2015)

Kentucky has 5 of 70 most energy efficient U.S. manufacturing plants

Five Kentucky manufacturing plants are among the U.S. Environmental Protection Agency's (EPA) top 70 manufacturing plants in 29 states and have achieved Energy Star certification for superior energy performance in 2014, the state Energy and Environment Cabinet announced today. Kentucky's two Toyota Motor Manufacturing plants; the Kellogg's Co. cookie and cracker plants located in Louisville and Florence; and CEMEX Kosmos, a Louisville-based cement manufacturer, are among the nation's leading industries for saving energy and money, while helping to improve the environment. (www.lanereport.com March 17, 2015)

Questions remain about controversial Cane Run power plant

Decades of dangerous conditions, fines and millions of dollars on the line. It's all thanks to one coal plant on Cane Run Road. Despite closing, there are still questions about what's going to happen to the ash that has been piling up since the plant opened in the 1950s. Tuesday evening, the state's Division of Waste Management hosted a meeting at Conway Middle School to give residents a chance to ask about the plans for the plant. (www.wbtv.com March 17, 2015)

Your desktop computer is wasting a surprising amount of energy while you're not using it

For some time now, energy efficiency wonks have had their eyes on a problem that has been dubbed the "miscellaneous electrical load," or MEL — the growing percentage of home electricity consumed by objects that are not heating or cooling systems, large appliances, or lighting. Rather, they're an odd assortment of electronics and other miscellany — ranging from aquariums to sprinkler systems. Many of these objects are never fully turned "off," and thus consume power all the time. (www.washingtonpost.com March 16, 2015)

Green Energy Causes Record Spike In Electricity Prices

In 2014, American households saw the largest electricity price increases in 6 years, according to government data, as utilities are forced to use more green energy and invest in energy efficiency and grid improvements. Energy Information Administration data shows that U.S. residential electricity prices "experienced large increases in retail electricity prices during 2014, with the average U.S. residential price increasing 3.1% over the previous year." Last year's price increase was the highest of any year since 2008 when prices rose 5.7 percent. (http://dailycaller.com March 16, 2015)

5 Ways Energy Is Transforming U.S. Railroads

U.S. railroads have not hauled so much crude oil since the short period at the dawn of the petroleum age, when John D. Rockefeller relied on trains to build his Standard Oil empire. But the long, black tanker trains are only the most visible way that the changing U.S. energy picture is transforming railroads. The fracking revolution has brought other business to railroads, from pipes to propane, and more change is underway. (www.scientificamerican.com March 16, 2015)

State releases virtual tour of Kentucky's energy history

The Kentucky Department for Energy Development and Independence (DEDI) has released a virtual tour of Kentucky's energy history. The timeline features videos and pictures that allow viewers to explore Kentucky's historical energy events beginning in 1750 with the first discovery and use of coal to December 2014 when the first utility solar generating facility was approved for Mercer County. (www.lanereport.com March 12, 2015)

Kentucky Retail Fuel Prices (Dollars per gallon)

Product	3/19/2015	3/12/2015	3/4/2015	2/26/2015	Year Ago
Gasoline (State avg.)	\$ 2.43	\$ 2.45	\$ 2.34	\$ 2.34	\$ 3.53
Ashland	\$ 2.28	\$ 2.32	\$ 2.37	\$ 2.25	\$ 3.56
Covington	\$ 2.45	\$ 2.41	\$ 2.47	\$ 2.41	\$ 3.67
Lexington	\$ 2.20	\$ 2.34	\$ 2.32	\$ 2.22	\$ 3.65
Louisville	\$ 2.46	\$ 2.38	\$ 2.39	\$ 2.37	\$ 3.60
Owensboro	\$ 2.18	\$ 2.26	\$ 2.28	\$ 2.18	\$ 3.46
Diesel (State avg.)	\$ 2.88	\$ 2.92	\$ 2.90	\$ 2.89	\$ 4.00
Ashland	\$ 2.92	\$ 2.94	\$ 2.95	\$ 2.95	\$ 4.10
Covington	\$ 2.89	\$ 2.91	\$ 2.92	\$ 2.89	\$ 4.17
Lexington	\$ 2.91	\$ 2.95	\$ 2.95	\$ 2.91	\$ 4.12
Louisville	\$ 2.88	\$ 2.90	\$ 2.92	\$ 2.90	\$ 4.08
Owensboro	\$ 2.75	\$ 2.79	\$ 2.78	\$ 2.75	\$ 4.11

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	3/16/2015	3/9/2015	3/2/2015	2/23/2015	Year Ago
Heating Oil (dollars per gallon)	\$ 2.62	\$ 2.67	\$ 2.68	\$ 2.62	\$ 3.79
Propane (dollars per gallon)	\$ 2.10	\$ 2.12	\$ 2.14	\$ 2.15	\$ 3.58

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

Spot Prices	3/19/2015	3/12/2015	3/4/2015	2/24/2015	Year Ago
Crude Oil (Dollars per barrel) <i>West Texas Intermediate, fob</i>	\$ 43.93	\$ 49.95	\$ 49.59	\$ 49.56	\$ 103.20
MMBtu) <i>Henry-Hub</i>	\$ 2.75	\$ 2.79	\$ 3.22	\$ 3.22	\$ 4.78
Coal Price (dollars per short ton) <i>Central Appalachia</i>	\$ 63.06	\$ 53.06	\$ 53.06	\$ 53.06	\$ 63.00
Coal Price (dollars per short ton) <i>Illinois Basin</i>	\$ 40.32	\$ 40.32	\$ 40.32	\$ 40.32	\$ 46.65

Sources: <https://www.quandl.com/#/c/markets/coal> http://www.eia.gov/dnav/pet/pet_pri_spt_s1_d.htm http://ycharts.com/indicators/natural_gas_spot_price

Futures		April 2015	May 2015	June 2015
Crude Oil (Dollars per barrel) <i>Light Sweet Crude Oil</i>	3/18/2015	\$ 44.66	\$ 46.65	\$ 48.69
	3/11/2015	\$ 48.17	\$ 50.02	\$ 51.59
	3/4/2015	\$ 50.52	\$ 52.50	\$ 54.07
Natural Gas (Dollars per MMBtu) <i>Henry-Hub</i>	3/18/2015	\$ 2.92	\$ 2.94	\$ 2.97
	3/11/2015	\$ 2.82	\$ 2.85	\$ 2.89
	3/4/2015	\$ 2.71	\$ 2.75	\$ 2.80
Propane (Dollars per gallon) <i>Mt Belvieu (OPIS)</i>	3/18/2015	\$ 0.51	\$ 0.52	\$ 0.52
	3/11/2015	\$ 0.54	\$ 0.55	\$ 0.55
	3/4/2015	\$ 0.62	\$ 0.62	\$ 0.62

Source: CME Group

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