

Kentucky Department for Energy Development and Independence Energy Watch

A snapshot of state and national energy issues

Kentucky School Boards Association honored as 2015 Energy Star Partner of the Year

The Kentucky School Boards Association – School Energy Managers Project has been chosen to receive the Energy Star Partner of the Year Award for 2015. This is the second year the organization is receiving this national recognition for its assistance to Kentucky public school districts in reducing energy costs and increasing energy efficiency in district buildings. These accomplishments will be recognized at a ceremony in Washington, D.C., on April 20. (www.kyforward.com April 15, 2015)

Federal Officials Reviewing Ky. Pipeline Proposal

Federal officials have begun reviewing a proposal to “repurpose” a natural gas pipeline that runs through 18 counties in Kentucky and is taking public comment about it. The Advocate Messenger reports the Federal Energy Regulatory Commission is preparing an environmental assessment and will take comments through May 18 on a proposal by Kinder Morgan to convert its Tennessee Gas Pipeline to carry natural gas liquids instead of natural gas. (www.lex18.com April 22, 2015)

TVA gets input on energy plan as environmental groups seek more renewable sources

The Tennessee Valley Authority continued this week gathering public input on a major 20-year plan on how the federal agency will produce the electricity that powers the state and much of the Southeast. But a large contingent of environmental activists turned out Tuesday night to raise their objections that the plan does not put enough emphasis on solar and wind technology and better energy efficiency. (www.tennessean.com April 22, 2015)

West Virginia ethane cracker project under reconsideration

A joint venture’s plans for an ethane cracker plant in West Virginia has been paused. Braskem and partner Odebrecht confirmed in a joint statement that they are re-evaluating plans to build a plant along the Ohio River in Parkersburg, W.Va., but stressed that the project wasn’t being cancelled outright. “From the beginning, we have taken a deliberate approach to Project ASCENT. (www.bizjournals.com April 22, 2015)

The U.S.’s energy infrastructure will need major changes, says Obama report

The U.S. electric grid will require major changes to reposition itself for the future challenges of climate change, new technologies, and national security in coming decades, according to a first-ever “Quadrennial Energy Review” released by the Obama administration. The report says our system for getting electricity stands at a “strategic inflection point” and requires “significant change” in order to accommodate more renewables and the growth of distributed energy technologies like rooftop solar. (www.washingtonpost.com April 21, 2015)

Congress Passes Bipartisan Bill to Improve Energy Efficiency

Congress on Tuesday passed a bill focused on improving energy efficiency in buildings and water heaters, a move celebrated by both parties for breaking longstanding partisan gridlock. The bill, which President Obama is expected to sign into law this week, is a modest one. But its authors, Senator Rob Portman, Republican of Ohio, and Senator Jeanne Shaheen, Democrat of New Hampshire, who had worked together for years on more ambitious energy-saving legislation, called it a significant victory. (www.nytimes.com April 22, 2015)

Direct Energy’s Bill Of The Future Could Change The Way We Use Electrons

Khan notes that today’s electricity bill is antiquated and not helpful to the consumer, and that is where Direct Energy hopes to drive fundamental change. He paints a very compelling picture. This is exciting, because if Direct Energy is successful, it will likely force the larger retail electric industry to change. (www.forbes.com April 20, 2015)

What LG&E and KU Got in the Rate Case Settlement

The Kentucky Public Service Commission was scheduled to hold a hearing on Tuesday on Louisville Gas and Electric and Kentucky Utilities’ proposed rate increase. Instead, as WFPL reported, the utilities and all of the intervenors in the case reached a settlement, which is now subject to PSC approval. Here’s a deeper look at the settlement, what LG&E/KU got—and what they didn’t get. (<http://wfpl.org> April 22, 2015)

Army issues RFP for Ft. Campbell solar project

The Army last week released a request for proposals for a 3.1-megawatt solar array at Fort Campbell, Ky. The Army intends to procure a 27-year power purchase agreement (PPA) for the array through the renewable energy multiple award task order contract small business solar pool. That acquisition will be combined with a 10-year utility energy services contract with Pennyrite Rural Electric Cooperative Corporation, according to a press release from the Army Corps of Engineers, Engineering and Support Center, Huntsville. (www.ncppp.org April 16, 2015)

Kentucky Retail Fuel Prices (Dollars per gallon)

| Product | 4/23/2015 | 4/16/2015 | 4/9/2015 | 4/2/2015 | Year Ago |
|------------------------------|-----------|-----------|----------|----------|----------|
| Gasoline (State avg.) | \$ 2.49 | \$ 2.41 | \$ 2.40 | \$ 2.40 | \$ 3.67 |
| Ashland | \$ 2.42 | \$ 2.39 | \$ 2.32 | \$ 2.37 | \$ 3.71 |
| Covington | \$ 2.53 | \$ 2.49 | \$ 2.54 | \$ 2.57 | \$ 3.85 |
| Lexington | \$ 2.45 | \$ 2.31 | \$ 2.43 | \$ 2.27 | \$ 3.75 |
| Louisville | \$ 2.61 | \$ 2.53 | \$ 2.56 | \$ 2.44 | \$ 3.77 |
| Owensboro | \$ 2.31 | \$ 2.19 | \$ 2.21 | \$ 2.23 | \$ 3.65 |
| Diesel (State avg.) | \$ 2.79 | \$ 2.78 | \$ 2.80 | \$ 2.82 | \$ 3.96 |
| Ashland | \$ 2.71 | \$ 2.72 | \$ 2.76 | \$ 2.80 | \$ 3.99 |
| Covington | \$ 2.79 | \$ 2.81 | \$ 2.83 | \$ 2.85 | \$ 4.09 |
| Lexington | \$ 2.78 | \$ 2.79 | \$ 2.81 | \$ 2.84 | \$ 4.07 |
| Louisville | \$ 2.72 | \$ 2.73 | \$ 2.76 | \$ 2.80 | \$ 4.03 |
| Owensboro | \$ 2.69 | \$ 2.68 | \$ 2.72 | \$ 2.73 | \$ 4.06 |

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,

| Spot Prices | 4/20/2015 | 4/16/2015 | 4/9/2015 | 3/30/2015 | Year Ago |
|---|-----------|-----------|----------|-----------|-----------|
| Crude Oil (Dollars per barrel) <i>West Texas Intermediate, fob</i> | \$ 55.58 | \$ 51.95 | \$ 52.08 | \$ 48.66 | \$ 101.47 |
| MMBtu <i>Henry-Hub</i> | \$ 2.59 | \$ 2.58 | \$ 2.64 | \$ 2.77 | \$ 4.76 |
| Coal Price (dollars per short ton) <i>Central Appalachia</i> | \$ 52.88 | \$ 52.88 | \$ 53.06 | \$ 53.06 | \$ 60.58 |
| Coal Price (dollars per short ton) <i>Illinois Basin</i> | \$ 40.77 | \$ 40.77 | \$ 40.32 | \$ 40.32 | \$ 46.02 |

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 | | May 2015 | June 2015 | July 2015 |
|--|-----------|----------|-----------|-----------|
| Crude Oil (Dollars per barrel) <i>Light Sweet Crude Oil</i> | 4/22/2015 | \$ 55.26 | \$ 56.16 | \$ 57.57 |
| | 4/15/2015 | \$ 56.39 | \$ 57.69 | \$ 58.73 |
| | 4/8/2015 | \$ 50.42 | \$ 51.87 | \$ 52.93 |
| Natural Gas (Dollars per MMBtu) <i>Henry-Hub</i> | 4/22/2015 | \$ 2.61 | \$ 2.65 | \$ 2.72 |
| | 4/15/2015 | \$ 2.61 | \$ 2.65 | \$ 2.71 |
| | 4/8/2015 | \$ 2.62 | \$ 2.67 | \$ 2.73 |
| Propane (Dollars per gallon) <i>Mt Belvieu (OPIS)</i> | 4/22/2015 | \$ 0.55 | \$ 0.55 | \$ 0.56 |
| | 4/15/2015 | \$ 0.57 | \$ 0.57 | \$ 0.58 |
| | 4/8/2015 | \$ 0.52 | \$ 0.52 | \$ 0.53 |

Source: CME Group

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