

# Kentucky Department for Energy Development and Independence Energy Watch

*A snapshot of state and national energy issues*



## ***Campbell Crossing – a Leader in Energy Innovation***

In 2011, President Barack Obama launched the Better Buildings Challenge, with a goal of making American homes and buildings 20 percent more energy efficient in ten years. Since then, Lend Lease, one of the original companies to accept this challenge, has exceeded its goal of 20 percent energy savings within its Department of Defense housing privatization business and has achieved 26 percent savings five years ahead of schedule. ([www.clarksvilleonline.com](http://www.clarksvilleonline.com) June 9, 2015)

## ***Will Indiana Be the Next Competitive Energy Market?***

A group of large-scale energy users in Indiana called the Indiana Industrial Energy Consumers (INDIEC) is pushing for the state to open up to retail energy competition, reports [nwitimes.com](http://nwitimes.com). According to the INDIEC website, the group represents 31 companies that want to open up the competitive energy market in the state. ([www.energymanagertoday.com](http://www.energymanagertoday.com) June 24, 2015)

## ***WV utilities form 10-year power demand, capacity forecasts***

While electric utilities across the nation prepare to re-evaluate their power generation portfolios as they await the U.S. Environmental Protection Agency to finalize its proposed Clean Power Plan, West Virginia's utility companies also are working to create extensive, long-term Integrated Resource Plans — which some advocates are taking as an opportunity to implement greater energy efficiency measures. ([www.statejournal.com](http://www.statejournal.com) June 12, 2015)

## ***Why are the government's energy forecasts so bad?***

In 2009, the federal government's Energy Information Administration made a forecast for the next two decades: U.S. wind power would grow modestly, reaching 44 gigawatts of generating capacity in 2030, while solar power would remain scarce, inching up to 12 GW. Just six years later, U.S. wind capacity is already up to 66 GW, and solar has shot up to 21 GW. ([www.politico.com](http://www.politico.com) June 2015)

## ***Study raises doubts about whether improving your home to save energy is worth its cost***

Making buildings more energy efficient — whether it's by adding better insulation or furnaces — has become a popular weapon in the fight against climate change. It's something that ordinary citizens can do to lower their energy bills. And the idea is that on a large enough scale, cutting down on the energy use in people's homes and offices can lead to reductions in carbon emissions overall. ([www.washingtonpost.com](http://www.washingtonpost.com) June 23, 2015)

## ***Shepherd Bend decision shows coal industry struggles, mining commission director says***

While many were surprised at the Drummond Company's announcement last week that it would not renew permits to mine for coal in the Shepherd Bend area of the Black Warrior River, Randall Johnson, director of the Alabama Surface Mining Commission said he was not among them. ([www.al.com](http://www.al.com) June 24, 2015)

## ***PSC approves settlement in Kentucky Power rate increase case***

The Kentucky Public Service Commission (PSC) has approved, with modifications, a settlement agreement granting a rate increase to Kentucky Power Co. The agreement allows Kentucky Power to increase annual revenue by \$45.4 million, which is 57 percent of the amount sought by the company in its application. ([www.wkyt.com](http://www.wkyt.com) June 22, 2015)

## ***Special Energy Efficiency Funding Announced in SOAR Region***

Lieutenant Governor Crit Luallen announced a special 1 percent financing program to make buying a home more affordable for residents in the 54-county SOAR region. "A home provides security, continuity, stability and a sense of pride. ([www.kentuckyagconnection.com](http://www.kentuckyagconnection.com) June 22, 2015)

## ***Proposed Rule for Big Trucks Aims at Cutting Fuel Emissions***

The Obama administration on Friday introduced a major climate change regulation intended to reduce planet-warming carbon pollution from heavy-duty trucks. ([www.nytimes.com](http://www.nytimes.com) June 20, 2015)

Kentucky Retail Fuel Prices (Dollars per gallon)

Product	6/25/2015	6/18/2015	6/11/2015	6/4/2015	Year Ago
<b>Gasoline (State avg.)</b>	\$ 2.78	\$ 2.80	\$ 2.76	\$ 2.76	\$ 3.68
Ashland	\$ 2.77	\$ 2.83	\$ 2.79	\$ 2.72	\$ 3.67
Covington	\$ 2.92	\$ 2.95	\$ 2.89	\$ 2.84	\$ 3.95
Lexington	\$ 2.75	\$ 2.64	\$ 2.75	\$ 2.70	\$ 3.67
Louisville	\$ 2.83	\$ 2.93	\$ 2.82	\$ 2.83	\$ 3.88
Owensboro	\$ 2.74	\$ 2.77	\$ 2.58	\$ 2.59	\$ 3.68
<b>Diesel (State avg.)</b>	\$ 2.85	\$ 2.87	\$ 2.87	\$ 2.88	\$ 3.90
Ashland	\$ 2.76	\$ 2.78	\$ 2.80	\$ 2.81	\$ 3.90
Covington	\$ 2.76	\$ 2.78	\$ 2.80	\$ 2.81	\$ 3.89
Lexington	\$ 2.78	\$ 2.81	\$ 2.79	\$ 2.80	\$ 3.93
Louisville	\$ 2.73	\$ 2.75	\$ 2.76	\$ 2.76	\$ 3.89
Owensboro	\$ 2.73	\$ 2.73	\$ 2.72	\$ 2.74	\$ 3.93

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	6/22/2015	6/17/2015	6/8/2015	6/1/2015	Year Ago
Crude Oil (Dollars per barrel) <i>West Texas Intermediate, fob</i>	\$ 60.01	\$ 59.53	\$ 58.15	\$ 60.24	\$ 107.04
Natural Gas (Dollars per MMBtu) <i>Henry-Hub</i>	\$ 2.79	\$ 2.89	\$ 2.60	\$ 2.78	\$ 4.53
Coal Price (dollars per short ton) <i>Central Appalachia</i>	\$ 52.75	\$ 41.92	\$ 52.75	\$ 52.75	\$ 60.05
Coal Price (dollars per short ton) <i>Illinois Basin</i>	\$ 40.45	\$ 40.45	\$ 40.45	\$ 40.45	\$ 45.45

Sources: <http://www.infomine.com/investment/metal-prices/coal/1-year> [http://ycharts.com/indicators/natural\\_gas\\_spot\\_price](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/>

Futures		August 2015	September 2015	October 2015
Crude Oil (Dollars per barrel) <i>Light Sweet Crude Oil</i>	6/24/2015	\$ 60.27	\$ 60.58	\$ 60.84
Natural Gas (Dollars per MMBtu) <i>Henry-Hub</i>	6/24/2015	\$ 2.78	\$ 2.80	\$ 2.83
Propane (Dollars per gallon) <i>Mt Belvieu (OPIS)</i>	6/24/2015	\$ 0.45	\$ 0.48	\$ 0.49

Source: CME Group



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