

Kentucky Department for Energy Development and Independence Energy Watch

A snapshot of state and national energy issues

TVA requests electric use cut back

The coldest temperatures in more than a year arrived overnight Wednesday and the Tennessee Valley Authority and local power companies continue to work to ensure the availability of safe and reliable electricity. Conserving power where possible is a first step. All consumers — residential, commercial and industrial customers — are being asked to join in, especially during the coldest period that is expected through Friday. (www.theleafchronicle.com February 18, 2015)

TVA sets new record electricity peak for the month of February

TVA set a new record electricity peak for the month of February today when the coldest temperatures so far this year in the Tennessee Valley pushed up power use from electric furnaces and appliances trying to cope with single-digit temperatures. TVA estimates that power consumers used 32,109 megawatts of power at 7 a.m. today when temperatures across TVA's 7-state region fell to an average 7 degrees Fahrenheit. (www.timesfreepress.com February 19, 2015)

TVA moves to buy 80MW of large-scale solar from NextEra

TVA remains heavily dependent on legacy coal, hydro and nuclear assets, but the board of the Knoxville-based utility has authorized two expansions to its fleet — the solar off-take agreement with NextEra and the acquisition of an existing 700MW combined-cycle gas plant. The announcement is a breakthrough for solar within TVA's 30GW+ generation portfolio, and underscores the rapid changes many US utilities are making as they look to reduce their carbon pollution. At present, TVA has scarcely any large-scale solar in its mix. (www.rechargenews.com February 17, 2015)

Falling ethanol prices concern producers and corn growers

A plunge in ethanol prices has added to the anxiety in the Corn Belt. The weekly spot price for ethanol in Iowa fell to \$1.27 a gallon in the middle of January from \$2.42 at the end of November, according to Scott Irwin, an agricultural economist at the University of Illinois. "That was the lowest price I have seen since I started tracking ethanol prices in 2007," Irwin said. At prices that low, profits have evaporated for ethanol producers. (www.kansascity.com February 12, 2015)

Can SMRs Lead The U.S. Into A Clean Energy Future?

If you thought the nuclear industry wasn't excited about the future of nuclear energy, think again. We will soon have five new reactors online in the United States and the industry is abuzz with the potential of small modular nuclear reactors, or SMRs. Because of their small size — 300 MW or less — SMRs have many unique applications, including generating emission-free electricity in remote areas with little or no access to the main power grid, or providing process heat to industrial applications. (www.forbes.com February 16, 2015)

Southern Company's Discomfort: What Kemper And Vogtle Plants Say About Competitive Power Markets

In any event, the utility's shareholders are largely insulated from the problems at Vogtle. In 2009, Georgia's General Assembly passed legislation allowing utilities to charge customers for the new Vogtle reactors before they began producing electricity. This is hugely beneficial to the utility's shareholders. The same cannot be said for the utility's ratepayers. In 2014, Georgia Power's customers paid an average of about \$8 each month for the nuclear reactors. (www.forbes.com February 9, 2015)

Mississippi Supreme Court Strikes Down Kemper County IGCC Rate Increase

In yet another black eye for the long-delayed and hugely over-budget Kemper County integrated gasification combined cycle plant (IGCC), the Mississippi Supreme Court ruled on Feb. 12 that the Mississippi Public Service Commission (MPSC) erred in granting plant owner Mississippi Power rate increases in 2013 and 2014, and ordered that the increases be refunded to the utility's ratepayers. It also threw out a 2013 agreement on the total costs that Mississippi Power would be allowed to recover for the plant. (www.powermag.com February 12, 2015)

Bad bet traps Paducah in coal-fired nightmare

Paducah's municipal power system bet big on coal, and now the western Kentucky city's businesses and residents are paying a penalty in skyrocketing electricity rates and suffocating debt. The small public power system's mountain of debt fueled in large part by an admitted over-investment in a coal mine and a brand new southern Illinois coal-fired power plant has been the talk of the town for several years. (www.courier-journal.com February 13, 2015)

Kentucky Retail Fuel Prices (Dollars per gallon)

Product	2/19/2015	2/12/2015	2/5/2015	1/29/2015	Year Ago
Gasoline (State avg.)	\$ 2.27	\$ 2.23	\$ 2.15	\$ 2.04	\$ 3.38
Ashland	\$ 2.28	\$ 2.33	\$ 2.35	\$ 2.11	\$ 3.47
Covington	\$ 2.42	\$ 2.45	\$ 2.36	\$ 2.24	\$ 3.41
Lexington	\$ 2.32	\$ 2.45	\$ 2.35	\$ 2.17	\$ 3.40
Louisville	\$ 2.30	\$ 2.45	\$ 2.35	\$ 2.23	\$ 3.35
Owensboro	\$ 2.18	\$ 2.16	\$ 2.14	\$ 1.92	\$ 3.37
Diesel (State avg.)	\$ 2.85	\$ 2.81	\$ 2.80	\$ 2.82	\$ 3.97
Ashland	\$ 2.95	\$ 2.95	\$ 2.96	\$ 2.97	\$ 4.15
Covington	\$ 2.89	\$ 2.87	\$ 2.89	\$ 2.95	\$ 4.18
Lexington	\$ 2.92	\$ 2.89	\$ 2.93	\$ 2.97	\$ 4.13
Louisville	\$ 2.89	\$ 2.91	\$ 2.94	\$ 2.97	\$ 4.10
Owensboro	\$ 2.67	\$ 2.61	\$ 2.60	\$ 2.60	\$ 4.00

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	2/16/2015	2/9/2015	2/2/2015	1/26/2015	Year Ago
Heating Oil (dollars per gallon)	\$ 2.62	\$ 2.45	\$ 2.39	\$ 2.38	\$ 3.79
Propane (dollars per gallon)	\$ 2.13	\$ 2.15	\$ 2.18	\$ 2.17	\$ 3.58

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

Spot Prices	2/18/2015	2/10/2015	2/4/2015	1/29/2015	Year Ago
Crude Oil (Dollars per barrel) <i>West Texas Intermediate, fob</i>	\$ 53.56	\$ 52.99	\$ 49.25	\$ 44.80	\$ 103.46
Natural Gas (Dollars per MMBtu) <i>Henry-Hub</i>	\$ 2.75	\$ 2.62	\$ 2.88	\$ 2.92	\$ 5.54
Coal Price (dollars per short ton) <i>Central Appalachia</i>	\$ 53.06	\$ 53.06	\$ 53.06	\$ 53.06	\$ 63.00
Coal Price (dollars per short ton) <i>Illinois Basin</i>	\$ 45.32	\$ 45.32	\$ 45.32	\$ 45.32	\$ 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		March 2015	April 2015	May 2015
Crude Oil (Dollars per barrel) <i>Light Sweet Crude Oil</i>	2/18/2015	\$ 52.14	\$ 52.82	\$ 53.97
	2/11/2015	\$ 48.84	\$ 49.78	\$ 51.08
	2/4/2015	\$ 48.45	\$ 49.30	\$ 50.58
Natural Gas (Dollars per MMBtu) <i>Henry-Hub</i>	2/18/2015	\$ 2.83	\$ 2.86	\$ 2.89
	2/11/2015	\$ 2.80	\$ 2.81	\$ 2.85
	2/4/2015	\$ 2.66	\$ 2.67	\$ 2.70
Propane (Dollars per gallon) <i>Mt Belvieu (OPIS)</i>	2/18/2015	\$ 0.60	\$ 0.60	\$ 0.60
	2/11/2015	\$ 0.55	\$ 0.55	\$ 0.56
	2/4/2015	\$ 0.52	\$ 0.52	\$ 0.52

Source: CME Group

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