

# Kentucky Energy Watch

Department for Energy Development and Independence

A snapshot of state and national energy issues



## **Franklin county school launches alternative fuels lab**

The Franklin County Career and Technical Center (FCCTC) launched its alternative fuels lab with the production of its first batch of biodiesel Nov. 10, 2011. The biodiesel production at FCCTC was made possible by the Kentucky Biofuels for Schools Program, which encourages Kentucky high schools to teach, produce and use biofuels within their schools and community. Kentucky Biofuels for Schools is made possible by TogetherGreen and the Kentucky Division of Compliance Assistance (DCA). With the visionary leadership of automotive technology instructor, Francis Wheatley, as well as the helping hands of students, FCCTC collected waste oil donated by local restaurants to convert to biodiesel. (Press Release - KY.gov, Nov. 29, 2011)

## **U.S. nears milestone: net fuel exporter**

U.S. exports of gasoline, diesel and other oil-based fuels are soaring, putting the nation on track to be a net exporter of petroleum products in 2011 for the first time in 62 years. A combination of booming demand from emerging markets and faltering domestic activity means the U.S. is exporting more fuel than it imports, upending the historical norm. According to data released by the U.S. Energy Information Administration on Tuesday, the U.S. sent abroad 753.4 million barrels of everything from gasoline to jet fuel in the first nine months of this year, while it imported 689.4 million barrels. (The Wall Street Journal, Nov. 30, 2011)

## **New lighting standards begin in 2012**

Beginning in 2012, common light bulbs sold in the U.S. will typically use about 25% to 80% less energy. Many bulbs meet these new standards, including incandescents, CFLs, and LEDs, and are already available for purchase today. The newer bulbs provide a wide range of choices in color and brightness, and many of them will last much longer than traditional light bulbs. The lighting standards, which phase in from 2012-2014, do not ban incandescent or any specific bulb type; they say that bulbs need to use about 25% less energy. (U.S. Dept. of Energy, November, 2011)

## **Coal generation shut downs becoming real**

The Midwest Independent Transmission System Operator Inc. has again sounded a warning that new U.S. Environmental Protection Agency air emissions regulations will strain system capacity as coal-fired units are shut down by power generators to meet the standards. MISO expects generation station retirements to eliminate all generation capacity above minimum capacity requirements, the grid operator said in comments filed with FERC. The MISO markets had about 116,000 MW of generation and demand resources participating as of the summer of 2011. About 72,000 MW is coal-fired generation. About 62,000 MW of this coal capacity will require retrofit investments or replacement, MISO noted. Ranges of retrofit costs vary depending on size and current air quality control equipment installed. (EnergyBiz.com, Nov. 27, 2011)

## **Energy defends air pollution regulations, says new rules won't crash power grid**

The Energy Department said Thursday that upcoming air pollution regulations will not threaten the reliability of the country's electric grid, the latest effort by the Obama administration to counter claims by Republicans and industry officials that the rules could cause power outages. The department released a report Thursday that analyzed the effects on the electric grid of two Environmental Protection Agency air regulations: the cross-state air-pollution rule and the mercury and air toxics standard. The Obama administration has launched a full-court press this week to counter growing attacks by Republicans on EPA air regulations over the reliability of the electric grid just weeks before the agency is scheduled to finalize rules requiring that power plants install technology to reduce emissions of mercury and air toxics. (TheHill.com, Dec. 1, 2011)

## **OIL FUTURES: crude higher after US unemployment under 9%**

Oil futures traded higher Friday after the U.S. unemployment rate fell to under 9%, fueling optimism over the economic recovery in the world's biggest oil consumer. Light, sweet crude for January delivery rose 45 cents, or 0.5%, to \$100.65 a barrel on the New York Mercantile Exchange. Brent crude on ICE Futures Europe traded 74 cents, or 0.7%, higher at \$109.73 a barrel. Nymex futures pushed as high as \$101.56 a barrel after the 8:30 a.m. EST report, which said nonfarm payrolls rose 120,000 last month. The unemployment rate, obtained from a separate survey, fell to 8.6% from 9% the previous month. November marked the first time the jobless rate had fallen below 9% since March 2009. "I don't think it would be out of the ordinary to see that thing under 8% in the next three months," said Carl Larry, president of the trading advisory firm Oil Outlook and Opinions. (Nasdaq.com, Dec. 2, 2011)

## **WKU building noted for energy efficiency**

Western Kentucky University achieved a milestone Tuesday - its newest building became another staple in the university's energy efforts. Gary A. Ransdell Hall, which opened last year, is the first WKU building to receive a prestigious national energy efficiency certification. The building snagged the certification after workers constructed the building to meet green standards, officials announced Tuesday. The Leadership in Energy and Environmental Design certification requires buildings to meet certain standards. Ransdell Hall received gold - the second-highest level of LEED certification - even though it was originally designed to meet silver standards. "They don't just roll over and say, 'Here's your plaque.' It's a very complicated process," said Ben Johnson, project manager for Ransdell Hall. "There is more effort." The 120,000-square-foot, \$35 million building is the first WKU facility to be deemed LEED-worthy. (BGdailynews.com, Nov. 30, 2011)

**Kentucky Retail Fuel Prices (Dollars per gallon)**

Product	12/2/2011	11/23/2011	11/17/2011	11/10/2011	Year Ago
Gasoline (State avg.)	3.237	3.236	3.319	3.393	2.822
Ashland	3.251	3.296	3.434	3.516	2.859
Covington	3.24	3.291	3.379	3.417	2.823
Lexington	3.245	3.22	3.3	3.402	2.825
Louisville	3.237	3.126	3.255	3.342	2.856
Owensboro	3.216	3.158	3.228	3.268	2.788
Diesel (State avg.)	3.939	3.983	3.992	3.889	3.089
Ashland	3.964	4.021	4.04	3.926	3.128
Covington	3.942	3.976	4.035	3.875	3.075
Lexington	3.941	4.004	4.035	3.906	3.084
Louisville	3.946	3.979	3.986	3.886	3.054
Owensboro	3.989	4.001	3.994	3.855	3.074

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	11/28/2011	11/21/2011	11/14/2011	11/7/2011	Year Ago
Heating Oil (dollars per gallon)	3.895	3.935	3.942	3.977	3.113
Propane (dollars per gallon)	2.845	2.84	2.825	2.818	2.579

Source: the U.S. Energy Information Administration

**Wholesale Fuel Prices**

Spot Prices	12/2/2011	11/23/2011	11/17/2011	11/10/2011	Year Ago
Crude Oil (Dollars per barrel) <i>West Texas Intermediate, fob</i>	100.2	98.01	102.59	95.74	88
Natural Gas (Dollars per MMBtu) <i>Henry-Hub</i>	3.47	3.038	3.105	3.509	4.229

Source: the Wall Street Journal

Futures		12-Jan	12-Feb	12-Mar
Crude Oil (Dollars per barrel) <i>Light Sweet Crude Oil</i>	12/1/2011	100.20	100.33	100.45
	11/22/2011	98.01	98.19	97.41
	11/17/2011	102.60	102.48	102.59
Natural Gas (Dollars per MMBtu) <i>Henry-Hub</i>	12/1/2011	3.648	3.675	3.68
	11/22/2011	3.561	3.578	3.415
	11/17/2011	3.483	3.502	3.344
Propane (Dollars per gallon) <i>Mt Belvieu (OPIS)</i>	12/1/2011	1.455	1.44	1.368
	11/22/2011	1.46	1.442	1.455
	11/17/2011	1.484	1.466	1.479
Coal (Dollars per ton) <i>Central Appalachian</i>	12/1/2011	69.25	69.47	69.68
	11/22/2011	69.28	69.3	67.83
	11/17/2011	69.95	70.03	69.22

Source: CME Group



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