

# Kentucky Energy Watch

Department for Energy Development and Independence

*A snapshot of state and national energy issues*



## ***Tax credits for energy efficiency are back***

Federal tax credits for energy-efficient home improvements are back. Reinstatement of the popular credits was a little-noticed part of the American Taxpayer Relief Act, the last-minute legislation that kept America from tumbling over the fiscal cliff at the start of the year. The law allows homeowners to claim tax credits of varying amounts on improvements such as insulation, energy-smart windows and highly efficient furnaces. (The Herald Leader, January 15, 2013)

## ***Pike adopts energy savings plan***

Because of a shortfall in Pike County's budget, an economic recession and dwindling coal severance tax receipts, the Pike County government is looking at ways to save money. "We have been looking for a long time to reduce our long-term energy costs," Pike County Judge-Executive Wayne T. Rutherford said. "We had dealt with two companies — Ameresco and Energy Systems Group — but neither could supply the fiscal court with complete verification with savings and shelter for the county government if there were to be a shortfall after the first year." (Floyd County Times, January 4, 2013)

## ***Kenton schools go green, earn green***

Since Kenton County Schools made the decision to go green, they're seeing green by reaping benefits of a tax credit given to energy efficient schools. It's not just the \$66,000 donation received from the architecture firm that designed Edgewood's Turkey Foot Middle School that's money in the district's pockets. Energy efficient schools equate to lower electricity bills and one of Kentucky's only salary hikes for educators this year. "We put money back into it," said Superintendent Terri Cox-Cruey. "That's why we are going to use this donation to put it into programs that continue to educate our students on the importance of energy savings and also help our kids get into careers. (nky.com January 17, 2013)

## ***Big Rivers seeking \$ 74 million annual***

Substantial rate increases to rural electric customers, the possible closure or sale of a power plant and increased uncertainty for the future of Rio Tinto Alcan's Sebree aluminum smelter are facing Henderson and Western Kentucky. Big Rivers Electric Corp. on Tuesday sought permission to raise its wholesale electric rates in Western Kentucky by \$74.5 million per year starting in August, primarily to make up for departure of its biggest customer, Century Aluminum's smelter in Hancock County this August. In an application filed Tuesday with the Kentucky Public Service Commission, Henderson-based Big Rivers estimated that the rate increase, if approved, would boost retail electric bills for a typical residential customer of rural electric co-ops by \$21.71 per month or 18.6 percent. That's based on usage of 1,300 kilowatt-hours per month. (Courier Press; January 16, 2013)

## ***When do farmers need energy audits?***

In general, it's a good idea for farmers to look at energy use on their farm every five years and consider opportunities to reduce energy consumption, says Don Day, energy extension associate for University of Missouri Extension. However, the need for an energy audit may vary from farm to farm, Day said. For example, if you already had an energy audit conducted on your farm, even if it was five or more years ago, it will continue to provide accurate information regarding potential energy savings until you make changes that affect energy usage. (Southeast Farmers Press; January 16, 2013)

## ***Nearly 1 million natural gas trucks and buses will be sold from 2012 to 2019***

Because trucks and buses use significant amounts of fuel and tend to emit high levels of greenhouse gases, natural gas vehicles are increasingly attractive options in these commercial markets. At the same time, the rebounding construction industry is pushing growth in the overall truck market while cities and municipalities look to expand their public transit systems. According to a recent report from Pike Research, a part of Navigant's Energy Practice, sales of natural gas trucks and buses will expand steadily over the remainder of the decade. More than 930,000 of these vehicles will be sold worldwide from 2012 to 2019, the study concludes. (Trucking Info, January 16, 2013)

## ***Hemlock laying off workers, production pushed back***

Hemlock Semiconductor is laying off three-fourths of its employees in Clarksville shortly before the planned start of production at its new \$1.2 billion plant. Officials of the Michigan-based company met with The Leaf-Chronicle (<http://leafne.ws/WX8wuq>) on Monday and said the company is laying off 300 of its 400 employees in Clarksville and 100 workers at its Michigan plant. The company announced in 2008 their plans to build the facility in Clarksville. After years of construction, officials at the plant near the Kentucky border said last fall they had plans to begin production of polycrystalline silicon in 2013. The compound is used in solar energy panels. (The Herald Leader, January 14, 2013) (Trucking Info, January 16, 2013)

Kentucky Retail Fuel Prices (Dollars per gallon)

Product	1/17/2013	1/10/2013	1/3/2013	12/13/2012	Year Ago
Gasoline (State avg.)	3.289	3.316	3.292	3.244	3.347
Ashland	3.21	3.286	3.354	3.301	3.437
Covington	3.341	3.337	3.342	3.309	3.352
Lexington	3.273	3.374	3.267	3.218	3.341
Louisville	3.324	3.26	3.328	3.285	3.308
Owensboro	3.184	3.224	3.222	3.187	3.373
Diesel (State avg.)	3.894	3.919	3.941	4.056	3.776
Ashland	3.925	3.946	3.967	4.062	3.812
Covington	3.896	3.952	3.996	4.12	3.731
Lexington	3.881	3.916	3.954	4.091	3.764
Louisville	3.866	3.901	3.934	4.023	3.732
Owensboro	3.976	3.974	3.986	4.047	3.861

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	1/14/2013	1/7/2013	12/24/2012	12/17/2012	Year Ago
Heating Oil (dollars per gallon)	3.585	3.562	3.563	3.667	3.391
Propane (dollars per gallon)	2.113	2.138	2.077	2.095	2.62

Source: U.S. Energy Information Administration

Wholesale Fuel Prices

Spot Prices	1/16/2013	1/9/2013	1/2/2013	12/12/2012	Year Ago
Crude Oil (Dollars per barrel) <i>West Texas Intermediate, fob</i>	94.24	93.1	93.12	86.77	100.59
Natural Gas (Dollars per MMBtu) <i>Henry-Hub</i>	3.455	3.12	3.274	3.331	2.491

Source: the Wall Street Journal

Futures		13-Feb	13-Mar	13-Apr
Crude Oil (Dollars per barrel) <i>Light Sweet Crude Oil</i>	1/16/2013	94.24	94.68	35.05
	1/9/2013	93.10	93.56	93.99
	1/2/2013	93.12	93.55	93.97
Natural Gas (Dollars per MMBtu) <i>Henry-Hub</i>	1/16/2013	3.435	3.437	3.466
	1/9/2013	3.113	3.131	3.182
	1/2/2012	3.233	3.255	3.294
Propane (Dollars per gallon) <i>Mt Belvieu (OPIS)</i>	1/16/2013	0.799	0.804	0.811
	1/9/2013	0.83	0.834	0.838
	1/2/2013	0.881	0.883	0.884
Coal (Dollars per ton) <i>Central Appalachian</i>	1/16/2013	57	57.48	59.75
	1/9/2013	57.93	58.25	60.7
	1/2/2012	58.5	58.78	61.32

Source: CME Group

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