

Kentucky Energy Watch

Department for Energy Development and Independence

A snapshot of state and national energy issues

Kentucky bill would block automatic utility rate increases for gas power plants

In a move to get utility companies to think twice about converting from coal to natural gas, Rep. Jim Gooch has filed a bill to block certain automatic utility rate increases for power plants that use natural gas. Gooch, chairman of the House Natural Resources and Environment Committee, has filed House Bill 110, which would prohibit utilities from using a provision in current law called the “fuel adjustment clause” for baseload generating units fired by natural gas. The fuel adjustment clause allows utilities to regularly adjust what it charges consumers based on fluctuations in its cost of fuel or purchased power.

“What I don’t want is for utilities to make the decision to switch to natural gas thinking that, well, if the price goes up we can just pass that onto the consumer without seeking a rate increase,” Gooch said in an interview. “To me it is a consumer protection bill.” (Courier Journal, January 19, 2013)

LEDs emerge as a popular ‘green’ lighting

The lighting industry has finally come up with an energy-efficient replacement for the standard incandescent bulb that people actually seem to like: the LED bulb. Although priced at around 20 times more than the old-fashioned incandescents, bulbs based on LEDs, or light-emitting diodes, last much longer and use far less electricity, a saving that homeowners are beginning to recognize. Prices for the bulbs are falling steadily as retailers like Home Depot and Lowe’s sell them aggressively and manufacturers improve the technology. And because the light in LED bulbs comes from chips, companies have been able to develop software applications that let users control the bulbs, even change the color of the light, with tablets and smartphones. Apple sells a three-pack of such bulbs, made by Philips, with the hardware to operate them for about \$200. (New York Times, January 21, 2013)

4 Pendleton Co. schools get energy-saving award

Four schools in Pendleton County have been recognized for energy efficiency. The schools have received an Energy Star award, which is a national symbol that reflects superior energy performance. Over the last two years the county’s schools have undergone renovations that include lighting upgrades, room occupancy sensors and high efficiency equipment. Student energy teams also played a part by creating an energy-saving culture. The district says it saved \$77,000 in energy costs last year. The schools receiving the honor were Pendleton County High School, Philip Sharp Middle School, Southern Elementary and Northern Elementary Schools. (kentucky.com, January 18, 2013)

Inauguration 2013 speech: Obama puts energy, climate change in spotlight

In his Inauguration 2013 address Monday, President Obama may have satisfied some of those who say energy and environment issues are too-often overshadowed by the crisis du jour. Climate change was not far behind the Inauguration 2013 speech’s top-billed issues of economic collapse, a decade of war, and the debate over health care. Roughly a thousand words in, Obama made a long-term case for energy innovation, and was unequivocal in positing environmental protection as a mandate set forth by the nation’s founding fathers. “We, the people, still believe that our obligations as Americans are not just to ourselves, but to all posterity,” Obama said. “We will respond to the threat of climate change, knowing that the failure to do so would betray our children and future generations.” (The Christian Science Monitor, January 21, 2013)

Cold means a heating crisis for some

The prolonged cold snap here in Kentucky is a chilly reminder to many that their heating bills could break the bank. For those who need help with keeping their heat on this winter now is the time to act. The window has just opened, as of Monday, for low-income families to apply for crisis home-energy assistance. Nichole Simmons, who lives in Sheperdsville, received help last year, and knows how critical the assistance can be. “Basically it was four kids and Christmas and, that or rent.” (Public News Service, January 8, 2013)

MSU seeks utility savings through Siemens Inc

Morehead State University expects to save more than \$775,000 annually in utility costs through an energy savings performance contract, university officials said Tuesday. The 12-year contract with Siemens Industry Inc. Building Technologies division is expected to save the university more than \$9.3 million. “These measures provide a tangible demonstration of Morehead State University’s and the Commonwealth of Kentucky’s commitment to environmental responsibility by significantly reducing carbon dioxide emissions associated with campus operations,” said Beth Patrick, chief financial officer and vice president for administration and fiscal services. “Projects like these demonstrate that energy efficiency and environmental sustainability can be fiscally and socially responsible improvements.” (The Daily Independent, January 22, 2013)

Kentucky Retail Fuel Prices (Dollars per gallon)

| Product | 1/24/2013 | 1/17/2013 | 1/10/2013 | 1/3/2013 | Year Ago |
|-----------------------|-----------|-----------|-----------|----------|----------|
| Gasoline (State avg.) | 3.31 | 3.289 | 3.316 | 3.292 | 3.299 |
| Ashland | 3.383 | 3.21 | 3.286 | 3.354 | 3.298 |
| Covington | 3.296 | 3.341 | 3.337 | 3.342 | 3.306 |
| Lexington | 3.405 | 3.273 | 3.374 | 3.267 | 3.287 |
| Louisville | 3.218 | 3.324 | 3.26 | 3.328 | 3.222 |
| Owensboro | 3.18 | 3.184 | 3.224 | 3.222 | 3.34 |
| Diesel (State avg.) | 3.881 | 3.894 | 3.919 | 3.941 | 3.76 |
| Ashland | 3.932 | 3.925 | 3.946 | 3.967 | 3.802 |
| Covington | 3.87 | 3.896 | 3.952 | 3.996 | 3.725 |
| Lexington | 3.871 | 3.881 | 3.916 | 3.954 | 3.738 |
| Louisville | 3.83 | 3.866 | 3.901 | 3.934 | 3.721 |

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 | 1/21/2013 | 1/14/2013 | 1/7/2013 | 12/24/2012 | Year Ago |
|----------------------------------|-----------|-----------|----------|------------|----------|
| Heating Oil (dollars per gallon) | 3.553 | 3.585 | 3.562 | 3.563 | 3.363 |
| Propane (dollars per gallon) | 2.131 | 2.113 | 2.138 | 2.077 | 2.622 |

Source: the U.S. Energy Information Administration

Wholesale Fuel Prices

| Spot Prices | 1/23/2013 | 1/16/2013 | 1/9/2013 | 1/2/2013 | Year Ago |
|---|-----------|-----------|----------|----------|----------|
| Crude Oil (Dollars per barrel) <i>West Texas Intermediate, fob</i> | 95.23 | 94.24 | 93.1 | 93.12 | 99.4 |
| MMBtu) <i>Henry-Hub</i> | 3.545 | 3.455 | 3.12 | 3.274 | 2.625 |

Source: the Wall Street Journal

| Futures | | 13-Feb | 13-Mar | 13-Apr |
|--|-----------|--------|--------|--------|
| Crude Oil (Dollars per barrel) <i>Light Sweet Crude Oil</i> | 1/23/2013 | 96.24 | 95.23 | 95.75 |
| | 1/16/2013 | 94.24 | 94.68 | 35.05 |
| | 1/9/2013 | 93.10 | 93.56 | 93.99 |
| Natural Gas (Dollars per MMBtu) <i>Henry-Hub</i> | 1/23/2013 | 3.55 | 3.55 | 3.58 |
| | 1/16/2013 | 3.435 | 3.437 | 3.466 |
| | 1/9/2013 | 3.113 | 3.131 | 3.182 |
| Propane (Dollars per gallon) <i>Mt Belvieu (OPIS)</i> | 1/23/2013 | 0.87 | 0.87 | 0.88 |
| | 1/16/2013 | 0.799 | 0.804 | 0.811 |
| | 1/9/2013 | 0.83 | 0.834 | 0.838 |
| Coal (Dollars per ton) <i>Central Appalachian</i> | 1/23/2013 | 55.75 | 56.67 | 58.7 |
| | 1/16/2013 | 57 | 57.48 | 59.75 |
| | 1/9/2013 | 57.93 | 58.25 | 60.7 |

Source: CME Group



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