

# Kentucky Department for Energy Development and Independence Energy Watch

*A snapshot of state and national energy issues*



## ***Lawmakers look at using Kentucky's sweet sorghum crop for biofuel, not just for biscuits***

Most sweet sorghum in Kentucky becomes syrup and goes on biscuits, but a new group of state lawmakers, experts and farmers has other plans. Instead of on biscuits, they want to put sorghum into our gas tanks. ([www.kyforward.com](http://www.kyforward.com) October 21, 2013)

## ***Two Utilities Announce Move Away from Central Appalachian Coal***

Eastern Kentucky's coalfields are struggling...last year, coal production dropped to the lowest level since 1965, as utilities shift toward natural gas. Now, in the wake of news of mass layoffs in Eastern Kentucky's coalfields, two of the nation's larger utility companies are essentially pulling out of the region. ([www.wfpl.org](http://www.wfpl.org) October 21, 2013)

## ***Re-Energizing Peabody***

The coal industry has been in the dumps for the past few years. Coal prices have fallen by more than a third since 2011, dragging down company earnings and stock prices. Peabody Energy (ticker: BTU), the world's largest private-sector coal company, hasn't escaped the carnage; its shares have fallen 26%, to \$17.62, in the past year, and the stock is the second-worst performer this year in the Standard & Poor's 500. (<http://online.barrons.com> August 24, 2013)

## ***Bluegrass Pipeline draws eminent domain fears; public meeting scheduled***

The battle over the Bluegrass Pipeline has divided neighbors as the builder starts buying property for the proposed line. Williams County will spend between \$30 and \$50 million in lump-sum payments for easements across private property in several Kentucky counties, said Tom Droege, a spokesman for the Oklahoma-based company. ([www.wave3.com](http://www.wave3.com) October 21, 2013)

## ***Arronco installing geothermal wells at Henry Clay Estate***

On Oct. 28, Arronco Comfort Air will begin drilling geothermal wells at Ashland, the estate of the well-known statesman Henry Clay, as part of the estate's ongoing green initiative. It is estimated that Ashland will save more than 45 percent of its total energy usage by making the move to a geothermal heating and air conditioning system. ([www.lanereport.com](http://www.lanereport.com) October 22, 2013)

## ***GE: Time to Rethink Electric Utility Regulation***

Nearly one year ago, Hurricane Sandy struck the East Coast of the United States, leaving 72 dead, damaging 650,000 homes and knocking out power for 8.5 million Americans<sup>1</sup>. This anniversary serves as a reminder of the challenges facing electric distribution companies as they plan for the future design and operation of the power grid. These utilities are expected to improve their resiliency during severe weather events, replace aging infrastructure, integrate greater quantities of renewable and distributed generation and secure their systems against cyber and physical attacks. ([www.energycentral.com](http://www.energycentral.com) October 23, 2013)

## ***Winter heating carries carbon monoxide risk***

People turning on the heat could mean a risk for an odorless, colorless gas. Recovering from carbon monoxide poisoning can at times take weeks or months, said Dr. Mitchell Wicker, a physician at The Hazard Clinic. "It displaces oxygen, so you're not getting enough oxygen," he said. "All the types of damage that can be done from oxygen are what you're talking about." ([www.wkyt.com](http://www.wkyt.com) October 23, 2013)

## ***TVA says fuel cost unusual***

Tennessee Valley Authority's fuel cost for November will be 25 percent lower than it was in November 2012. "Usually heading into November, costs will go up (much) higher," TVA spokesman Scott Brooks said. "This is very unusual. Our wholesale sales are down about 10 percent, and we had a pretty mild and wet summer." ([www.bgdailynews.com](http://www.bgdailynews.com) October 22, 2013)

Kentucky Retail Fuel Prices (Dollars per gallon)

Product	10/24/2013	10/17/2013	10/10/2013	10/3/2013	Year Ago
<b>Gasoline (State avg.)</b>	\$ 3.37	\$ 3.41	\$ 3.35	\$ 3.29	\$ 3.48
Ashland	\$ 3.48	\$ 3.39	\$ 3.31	\$ 3.31	\$ 3.49
Covington	\$ 3.43	\$ 3.48	\$ 3.46	\$ 3.48	\$ 3.48
Lexington	\$ 3.34	\$ 3.50	\$ 3.41	\$ 3.25	\$ 3.39
Louisville	\$ 3.45	\$ 3.39	\$ 3.31	\$ 3.31	\$ 3.54
Owensboro	\$ 3.29	\$ 3.33	\$ 3.15	\$ 3.20	\$ 3.40
<b>Diesel (State avg.)</b>	\$ 3.91	\$ 3.91	\$ 3.91	\$ 3.92	\$ 4.02
Ashland	\$ 3.94	\$ 3.94	\$ 3.94	\$ 3.94	\$ 4.03
Covington	\$ 3.94	\$ 3.93	\$ 3.93	\$ 3.92	\$ 4.01
Lexington	\$ 3.92	\$ 3.93	\$ 3.92	\$ 3.93	\$ 4.02
Louisville	\$ 3.87	\$ 3.86	\$ 3.88	\$ 3.88	\$ 4.04
Owensboro	\$ 3.92	\$ 3.94	\$ 3.92	\$ 3.91	\$ 4.07

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	10/23/2013	10/16/2013	10/9/2013	10/2/2013	Year Ago
Crude Oil (Dollars per barrel) <i>West Texas Intermediate, fob</i>	\$ 97.05	\$ 100.62	\$ 103.12	\$ 103.54	\$ 85.59
Natural Gas (Dollars per MMBtu) <i>Henry-Hub</i>	\$ 3.66	\$ 3.76	\$ 3.70	\$ 3.61	\$ 3.43

Source: the Wall Street Journal

Futures		November 2013	December 2013	January 2013
Crude Oil (Dollars per barrel) <i>Light Sweet Crude Oil</i>	10/23/2013	\$ 97.80	\$ 96.86	\$ 97.00
	10/16/2013	\$ 102.29	\$ 102.49	\$ 102.33
	10/9/2013	\$ 101.61	\$ 101.43	\$ 100.97
MMBtu <i>Henry-Hub</i>	10/23/2013	\$ 3.62	\$ 3.73	\$ 3.82
	10/16/2013	\$ 3.77	\$ 3.91	\$ 3.99
	10/9/2013	\$ 3.67	\$ 3.83	\$ 3.94
Propane (Dollars per gallon) <i>Mt Belvieu (OPIS)</i>	10/23/2013	\$ 1.14	\$ 1.14	\$ 1.14
	10/16/2013	\$ 1.14	\$ 1.17	\$ 1.16
	10/9/2013	\$ 1.09	\$ 1.09	\$ 1.09
Coal (Dollars per ton) <i>Central Appalachian</i>	10/23/2013	\$ 57.40	\$ 57.81	\$ 58.80
	10/16/2013	\$ 54.98	\$ 55.50	\$ 56.68
	10/9/2013	\$ 53.69	\$ 53.78	\$ 55.00

Source: CME Group



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