

Kentucky Department for Energy Development and Independence Energy Watch

A snapshot of state and national energy issues

Cleaner air could mean higher electric bills

Electricity prices are probably on their way up across much of the United States as coal-fired plants, the dominant source of cheap power, shut down in response to environmental regulations and economic forces. New and tighter pollution rules and tough competition from cleaner sources — natural gas, wind and solar — will lead to the closings of dozens of coal-burning plants in 20 states over the next three years. And many of those that stay open will need expensive retrofits. (www.kentucky.com May 21, 2014)

Harshaw Trane surpasses \$100 million mark in guaranteed energy savings contracts for Kentucky/Indiana schools

Harshaw Trane has surpassed \$100 million in guaranteed energy savings contracts with Kentucky and Southern Indiana schools, with the signing of a \$14.9 million agreement with Christian County Schools in Hopkinsville to implement several energy conservation measures in the district. (www.lanereport.com May 20, 2014)

E. Kentucky Miners Hear About New Coal Dust Rules

Coal miners and industry leaders heard first hand Tuesday how a new coal dust rule will change operations inside Eastern Kentucky mines. It's one of the biggest rulings in the history of coal mining and one that's divided those within the industry. Assistant Secretary of Labor for Mine Safety and Health Joseph Main spoke at the meeting held at Hazard Community and Technical College. (www.wsaz.com May 20, 2014)

OCTC Cobra Project to be Unveiled

This has been a two-year project and has evolved to involve multiple disciplines at the college, outside partners, and supporters. The car will be revealed at the event, and multiple partners will be on hand to answer questions about the project. The event is free and open to the public. Preparing Vehicle Technicians for Advanced Transportation Fuels is an initiative designed to develop an advanced transportation technology training program at OCTC. (http://surfky.com May 16, 2014)

Fracking boom is a struggle for Kentucky

The fracking revolution is not being kind to Kentucky's role as an American energy leader, helping to decimate coal while struggling to deliver a natural gas boom for the state on par with nearby peers. Kentucky's natural gas production more than doubled from 2008 to 2009. But the growth largely stalled in recent years, and analysts are saying the state isn't attracting the same interest from major drillers as its neighbors West Virginia and Ohio. (www.mcclatchydc.com May 21, 2014)

Agricultural development funds awarded

The Kentucky Agricultural Development Board (KADB) last week approved \$829,343 for 31 agricultural diversification projects across the commonwealth during its board meeting at the Bath County Agricultural Education and Marketing Center. (www.lanereport.com May 20, 2014)

EPA is readying climate rule for existing power plants as deadline approaches

With less than two weeks to go, the Environmental Protection Agency is readying a climate rule for existing power plants that requires a steep reduction in carbon emissions while allowing states and companies broad flexibility in how they limit overall greenhouse-gas discharges. (www.washingtonpost.com May 21, 2014)

Blaze Energy Acquires Kentucky Energy Company

Blaze Energy Corp. (OTC Markets: BLZE) today announced, effective April 22nd, it has closed on the acquisition of Kentucky Diversified Fuels, LLC ("KDF"). As announced in the Company's prior release of February 11, KDF is a recently consolidated energy company with operations in eastern Kentucky, consisting of a steam coal strip-mining company, Middle Fork Development Services, LLC ("MFDS"), and subsidiaries; a development stage coal-to-liquid company, MXP, LLC ("MXP"); and a coal feedstock impoundment, situated on 24.68 acres, with approximately 2.4 million tons of in-place fine refuse reserves. (www.cbs8.com May 19, 2014)

Nine cities threaten defection from Kentucky Utilities

Nine municipal power providers, including the Frankfort Power Board, have threatened to bolt from Kentucky Utilities Co., saying they believe they can get a more flexible electricity contract and save money on the open market. (www.courier-journal.com May 14, 2014)

KAM conference speakers say energy revolution fueling U.S. manufacturing renaissance, but environmental policies could suffocate the boom

Undreamed of a decade ago, an innovation-driven U.S. energy revolution is driving a manufacturing renaissance producing millions of new American jobs, National Association of Manufacturers President Jay Timmons told a Kentucky Association of Manufacturers Energy Conference audience Thursday in Lexington (www.lanereport.com May 16, 2014)

Kentucky Retail Fuel Prices (Dollars per gallon)

Product	5/22/2014	5/15/2014	5/8/2014	5/1/2014	Year Ago
Gasoline (State avg.)	\$ 3.65	\$ 3.68	\$ 3.70	\$ 3.69	\$ 3.66
Ashland	\$ 3.85	\$ 3.71	\$ 3.69	\$ 3.71	\$ 3.77
Covington	\$ 3.86	\$ 3.82	\$ 3.84	\$ 3.81	\$ 3.85
Lexington	\$ 3.79	\$ 3.71	\$ 3.74	\$ 3.65	\$ 3.57
Louisville	\$ 3.95	\$ 3.81	\$ 3.74	\$ 3.86	\$ 3.56
Owensboro	\$ 3.59	\$ 3.58	\$ 3.59	\$ 3.61	\$ 3.56
Diesel (State avg.)	\$ 3.93	\$ 3.97	\$ 3.99	\$ 4.01	\$ 3.89
Ashland	\$ 3.95	\$ 3.97	\$ 3.98	\$ 3.98	\$ 3.94
Covington	\$ 3.99	\$ 3.98	\$ 4.01	\$ 4.05	\$ 3.93
Lexington	\$ 3.99	\$ 4.01	\$ 4.03	\$ 4.05	\$ 3.95
Louisville	\$ 3.97	\$ 3.97	\$ 3.99	\$ 4.02	\$ 3.93
Owensboro	\$ 3.99	\$ 4.02	\$ 4.04	\$ 4.06	\$ 3.98

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	5/19/2014	5/14/2014	5/8/2014	4/24/2014	Year Ago
Crude Oil (Dollars per barrel) <i>West Texas Intermediate, job</i>	\$ 102.95	\$ 100.89	\$ 99.74	\$ 101.13	\$ 93.84
Natural Gas (Dollars per MMBtu) <i>Henry-Hub</i>	\$ 4.54	\$ 4.52	\$ 4.57	\$ 4.71	\$ 4.13

Source: the Wall Street Journal

Futures		June 2014	July 2014	August 2014
Crude Oil (Dollars per barrel) <i>Light Sweet Crude Oil</i>	5/21/2014	\$ 102.44	\$ 104.07	\$ 103.16
	5/14/2014	\$ 102.37	\$ 101.74	\$ 100.85
	5/5/2014	\$ 99.48	\$ 98.73	\$ 97.82
Natural Gas (Dollars per MMBtu) <i>Henry-Hub</i>	5/21/2014	\$ 4.47	\$ 4.48	\$ 4.46
	5/14/2014	\$ 4.37	\$ 4.37	\$ 4.37
	5/5/2014	\$ 4.69	\$ 4.72	\$ 4.71
Propane (Dollars per gallon) <i>Mt Belvieu (OPIS)</i>	5/21/2014	\$ 1.04	\$ 1.04	\$ 1.05
	5/14/2014	\$ 1.02	\$ 1.02	\$ 1.03
	5/5/2014	\$ 1.06	\$ 1.06	\$ 1.07
Coal (Dollars per ton) <i>Central Appalachian</i>	5/21/2014	\$ 62.33	\$ 63.13	\$ 63.68
	5/14/2014	\$ 63.43	\$ 64.37	\$ 65.28
	5/5/2014	\$ 63.50	\$ 64.00	\$ 64.38

Source: CME Group

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