

Kentucky Department for Energy Development and Independence Energy Watch

A snapshot of state and national energy issues

White House Touts Energy Policies as Rules Loom

Setting the stage for upcoming restrictions on coal-fired power plants, the Obama administration is making a concerted effort to cast its energy policy as an economic success that is creating jobs, securing the nation against international upheavals and shifting energy use to cleaner sources. In a 42-page report to be released Thursday, the White House argues that significant increases in the domestic production of natural gas and reductions in oil consumption have better positioned the United States to advance its economic and environmental goals. (<http://abcnews.go.com> May 29, 2014)

Cap and trade lives on through the states

Many people in Washington think of cap and trade as a carbon-cutting strategy that died in the Senate four years ago. But in fact, it's alive and well in much of the country. Advocates say it's working. And it's poised to gain new life from the proposed greenhouse gas rule that the Environmental Protection Agency is rolling out next week. (www.politico.com May 27, 2014)

President Said to Be Planning to Use Executive Authority on Carbon Rule

President Obama will use his executive authority to cut carbon emissions from the nation's coal-fired power plants by up to 20 percent, according to people familiar with his plans, which will spur the creation of a state cap-and-trade program forcing industry to pay for the carbon pollution it creates. Mr. Obama will unveil his plans in a new regulation, written by the Environmental Protection Agency, at the White House on Monday. It would be the strongest action ever taken by an American president to tackle climate change and could become one of the defining elements of Mr. Obama's legacy. (www.nytimes.com May 28, 2014)

Kentucky's hardwood can grow energy jobs

Kentucky's hardwood industry has a significant role in many of our State's signature industries. Kentucky's forests are harvested to craft the world's finest bourbon barrels, to fence the world's fastest horses and to build the courts for the country's best basketball teams. Currently, the hardwood industry employs over 56,000 workers and contributes \$12.7 billion to the economy every year. As we look to the future, our forest residuals can create an equally important role in creating a new sustainable energy industry – biomass power. (www.floydcountytimes.com May 27, 2014)

US industry gears up to fight Barack Obama's climate rules

This summer is likely to see a series of attacks by industry opponents of a US plan to curb carbon emissions from power plants in a bid to stir voter anger ahead of elections in November, when voters in states such as Kentucky and West Virginia may determine whether Democrats keep control of the Senate. On Monday, the Environmental Protection Agency is expected to propose new rules to crack down on power plant emissions, part of President Barack Obama's efforts to combat global climate change. (www.freewnewspos.com May 28, 2014)

Obama will let states decide how to cut greenhouse gas emissions

President Barack Obama is about to unveil the centerpiece of his agenda to fight climate change, a much anticipated rule to slash the emissions of planet-warming gases from power plants. The president will call for major reductions, according to sources familiar with the planning, with each state given its own greenhouse gas emissions reduction target and the power to decide how to meet it. (www.ledger-enquirer.com May 27, 2014)

Natural gas prices rise slightly as summer approaches

Columbia Gas of Kentucky has received approval from the Kentucky Public Service Commission (PSC) for its most recent Gas Cost Adjustment (GCA). Effective May 30, Columbia Gas of Kentucky's natural gas supply cost will be \$6.1314 per Mcf (1,000 cubic feet), a 7.9 percent increase. The new gas supply cost will remain in effect until the next scheduled Gas Cost Adjustment in September 2014. (www.lanereport.com May 27, 2014)

Governments Await Obama's Move on Carbon to Gauge U.S. Climate Efforts

President Obama is expected to announce on Monday an Environmental Protection Agency regulation to cut carbon pollution from the nation's 600 coal-fired power plants, in a speech that government analysts in Beijing, Brussels and beyond will scrutinize to determine how serious the president is about fighting global warming. (www.nytimes.com May 27, 2014)

Second company discontinues wind energy project

A second company has notified officials in northeastern Kentucky that it has discontinued research on a possible wind energy project in the area. The Ledger-Independent (<http://bit.ly/1k26Tai>) reports NextEra Energy Resources sent a letter earlier this month to Mason County officials to let them know an analysis of the project is being discontinued due to a new state law and a move for stricter local laws. (www.kentucky.com May 25, 2014)

Kentucky Retail Fuel Prices (Dollars per gallon)

Product	5/29/2014	5/22/2014	5/15/2014	5/8/2014	Year Ago
Gasoline (State avg.)	\$ 3.65	\$ 3.65	\$ 3.68	\$ 3.70	\$ 3.62
Ashland	\$ 3.85	\$ 3.85	\$ 3.71	\$ 3.69	\$ 3.58
Covington	\$ 3.90	\$ 3.86	\$ 3.82	\$ 3.84	\$ 3.76
Lexington	\$ 3.77	\$ 3.79	\$ 3.71	\$ 3.74	\$ 3.46
Louisville	\$ 3.96	\$ 3.95	\$ 3.81	\$ 3.74	\$ 3.65
Owensboro	\$ 3.64	\$ 3.59	\$ 3.58	\$ 3.59	\$ 3.69
Diesel (State avg.)	\$ 3.92	\$ 3.93	\$ 3.97	\$ 3.99	\$ 3.88
Ashland	\$ 3.92	\$ 3.95	\$ 3.97	\$ 3.98	\$ 3.94
Covington	\$ 3.96	\$ 3.99	\$ 3.98	\$ 4.01	\$ 3.95
Lexington	\$ 3.99	\$ 3.99	\$ 4.01	\$ 4.03	\$ 3.92
Louisville	\$ 3.96	\$ 3.97	\$ 3.97	\$ 3.99	\$ 3.90
Owensboro	\$ 3.97	\$ 3.99	\$ 4.02	\$ 4.04	\$ 3.96

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	5/29/2014	5/19/2014	5/14/2014	5/8/2014	Year Ago
Crude Oil (Dollars per barrel) <i>West Texas Intermediate, job</i>	\$ 104.78	\$ 102.95	\$ 100.89	\$ 99.74	\$ 93.13
Natural Gas (Dollars per MMBtu) <i>Henry-Hub</i>	\$ 4.57	\$ 4.54	\$ 4.52	\$ 4.57	\$ 4.15

Source: the Wall Street Journal

Futures		July 2014	August 2014	September 2014
Crude Oil (Dollars per barrel) <i>Light Sweet Crude Oil</i>	5/28/2014	\$ 102.72	\$ 101.99	\$ 101.02
Natural Gas (Dollars per MMBtu) <i>Henry-Hub</i>	5/28/2014	\$ 4.62	\$ 4.59	\$ 4.55
Propane (Dollars per gallon) <i>Mt Behvieu (OPIS)</i>	5/28/2014	\$ 1.06	\$ 1.06	\$ 1.07
Coal (Dollars per ton) <i>Central Appalachian</i>	5/28/2014	\$ 61.63	\$ 62.07	\$ 62.35

Source: CME Group



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