

Kentucky Legislative Hearing Becomes Proxy Battle For GOP Gubernatorial Candidates

A state legislative hearing Friday on proposed federal regulations on carbon dioxide emissions became a flashpoint in Kentucky's Republican gubernatorial primary. Lawmakers on an energy subcommittee heard testimony from Energy and Environment Cabinet Secretary Len Peters on how the state must respond to regulations proposed by the Environmental Protection Agency, which seek to lower carbon dioxide emissions in the state by about 17 percent by 2030, with a national target reduction of 30 percent that same year. (<http://wkms.org> August 18, 2014)

Sweeping coal mine reclamation deal reached

Billionaire coal operator Jim Justice has reached a sweeping settlement with state regulators to resolve the largest number of mine reclamation violations Eastern Kentucky has seen in more than a decade. In an agreed order reached Friday, Justice admits to hundreds of violations, promises to post \$10.5 million in bonding and puts up his personal assets to guarantee the vast land reclamation that is required. (www.courier-journal.com August 19, 2014)

Appeals court dismisses coal-industry challenge to rule targeting mines with repeated violations

Federal appeals judges have dismissed a complaint challenging a rule that regulators have used in stepped-up enforcement against coal mines accused of having poor safety records. The Kentucky Coal Association and other industry groups had asked the court to strike down the provision, called the pattern of violations rule. Under the rule, the U.S. Mine Safety and Health Administration can place a mine on pattern of violation status if the agency decides the mine has recurring health and safety problems that endanger miners. (www.kentucky.com August 20, 2014)

Energy secretary pushes for nuclear power

U.S. Energy Secretary Ernest Moniz championed the use of nuclear power and urged politicians and leaders in the energy industry to adapt and modernize energy production to help minimize the fallout from global warming. Moniz stopped to speak in Idaho Falls on Wednesday at the inaugural Intermountain Energy Summit as part of his weeklong tour throughout the West. Idaho's Republican congressmen Jim Risch, Mike Crapo and Mike Simpson also spoke during the conference. (www.kentucky.com August 20, 2014)

Can a Kentucky Politician Win By Being Candid About Coal's Decline?

Here's an essential Kentucky political truth: politics and the state's coal industry are intertwined. That's one of the reasons both of Kentucky's Senate candidates—Republican Mitch McConnell and Democrat Alison Lundergan Grimes—have been nearly indistinguishable on the subject. But coal's fortunes in Kentucky have been declining for decades. Even so, the state's leaders have been a bit myopic when it comes to coal's future—at least in public. Which is why the comments Agricultural Commissioner James Comer made to WFPL's Phillip Bailey last year came across as unusually honest. (<http://wkms.org> August 20, 2014)

U.S. crude oil production in July highest in 27 years: EIAment

U.S. crude oil production averaged an estimated 8.5 million barrels per day in July, the highest level since April 1987, the Energy Information Administration said on Tuesday. In its monthly short term energy outlook, the EIA also raised its crude production forecasts for this year to 8.5 million bpd from its previous estimate of 8.42 million bpd and for next year's output to 9.3 million bpd from 9.27 million bpd previously. The 2015 forecast represents the highest annual average level of oil production since 1972. (www.reuters.com August 12, 2014)

Reducing carbon with algae at local power plant

While algae might be a nuisance in your fish tank, researchers think it might be part of the answer to slowing greenhouse gas emissions at power plants, and ultimately climate change. As global carbon dioxide levels continue to go up, more mandates are likely to come down and power plants need solutions. About half of the electricity produced in the United States is done at coal fire plants like the Duke Energy East Bend Station in Boone County. That process releases gas into the air and now it's being trapped and used to grow algae. Then the algae can be turned into other important things. (www.local12.com August 15, 2014)

Kentucky Retail Fuel Prices (Dollars per gallon)

| Product | 8/21/2014 | 8/14/2014 | 8/7/2014 | 7/31/2014 | Year Ago |
|------------------------------|-----------|-----------|----------|-----------|----------|
| Gasoline (State avg.) | \$ 3.44 | \$ 3.47 | \$ 3.48 | \$ 3.52 | \$ 3.53 |
| Ashland | \$ 3.38 | \$ 3.47 | \$ 3.45 | \$ 3.55 | \$ 3.52 |
| Covington | \$ 3.60 | \$ 3.64 | \$ 3.60 | \$ 3.68 | \$ 3.56 |
| Lexington | \$ 3.33 | \$ 3.45 | \$ 3.42 | \$ 3.51 | \$ 3.47 |
| Louisville | \$ 3.64 | \$ 3.64 | \$ 3.52 | \$ 3.74 | \$ 3.60 |
| Owensboro | \$ 3.32 | \$ 3.31 | \$ 3.30 | \$ 3.33 | \$ 3.42 |
| Diesel (State avg.) | \$ 3.81 | \$ 3.82 | \$ 3.83 | \$ 3.84 | \$ 3.88 |
| Ashland | \$ 3.65 | \$ 3.70 | \$ 3.69 | \$ 3.71 | \$ 3.88 |
| Covington | \$ 3.81 | \$ 3.82 | \$ 3.82 | \$ 3.84 | \$ 3.87 |
| Lexington | \$ 3.74 | \$ 3.78 | \$ 3.79 | \$ 3.82 | \$ 3.90 |
| Louisville | \$ 3.78 | \$ 3.80 | \$ 3.81 | \$ 3.81 | \$ 3.84 |
| Owensboro | \$ 3.81 | \$ 3.79 | \$ 3.80 | \$ 3.82 | \$ 3.88 |

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 | 8/21/2014 | 8/11/2014 | 8/4/2014 | 7/28/2014 | Year Ago |
|---|-----------|-----------|----------|-----------|-----------|
| Crude Oil (Dollars per barrel) <i>West Texas Intermediate, job</i> | \$ 96.44 | \$ 98.09 | \$ 98.26 | \$ 105.68 | \$ 103.93 |
| Natural Gas (Dollars per MMBtu) <i>Henry-Hub</i> | \$ 3.89 | \$ 4.00 | \$ 3.87 | \$ 3.84 | \$ 3.47 |

Source: the Wall Street Journal

| Futures | | September 2014 | October 2014 | November 2014 |
|--|-----------|----------------|--------------|---------------|
| Crude Oil (Dollars per barrel) <i>Light Sweet Crude Oil</i> | 8/20/2014 | \$ 96.07 | \$ 93.45 | \$ 92.88 |
| | 8/13/2014 | \$ 97.59 | \$ 96.74 | \$ 96.28 |
| | 8/6/2014 | \$ 96.92 | \$ 96.24 | \$ 95.84 |
| Natural Gas (Dollars per MMBtu) <i>Henry-Hub</i> | 8/20/2014 | \$ 3.82 | \$ 3.86 | \$ 3.93 |
| | 8/13/2014 | \$ 3.83 | \$ 3.86 | \$ 3.94 |
| | 8/6/2014 | \$ 3.93 | \$ 3.96 | \$ 4.02 |
| Propane (Dollars per gallon) <i>Mt Belvieu (OPIS)</i> | 8/20/2014 | \$ 1.03 | \$ 1.03 | \$ 1.04 |
| | 8/13/2014 | \$ 1.04 | \$ 1.05 | \$ 1.06 |
| | 8/6/2014 | \$ 1.02 | \$ 1.03 | \$ 1.04 |
| Coal (Dollars per ton) <i>Central Appalachian</i> | 8/20/2014 | \$ 59.87 | \$ 59.71 | \$ 59.71 |
| | 8/13/2014 | \$ 59.95 | \$ 59.75 | \$ 59.75 |
| | 8/6/2014 | \$ 60.10 | \$ 59.65 | \$ 59.65 |

Source: CME Group



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