

Kentucky Department for Energy Development and Independence Energy Watch

A snapshot of state and national energy issues



Kentucky Coal Outlook Bleak, Regardless Of Clean Power Plan Status

After a few ebullient days in the wake of the Supreme Court's ruling to temporarily block the Obama Administration's carbon dioxide regulations, the plaintiff states and industry groups were dealt a blow with the death of Justice Antonin Scalia on Saturday. Scalia was the court's most vocally conservative justice, and he was part of the 5-4 majority that blocked the Clean Power Plan. (<http://wfpl.org> February 17, 2016)

University of Kentucky algal biofuels research hitting the ground in China

The University of Kentucky Center for Applied Energy Research (CAER) is partnering with Lianhenghui Investment Co. to construct a five-acre algae production facility in Zhengzhou, China. The facility will feature the centre's novel photobioreactor technology for growing algae, which will be used for the production of fuels, nutraceuticals, and bioplastics. Lianhenghui is also constructing a second, smaller facility in Zhengzhou, which will employ the same technology to grow algae for the production of nutraceuticals. (<http://biofuels-news.com> February 15, 2016)

Electric Vehicles Will Triumph Because They're Better, GM Veteran Says

Electric vehicle sales may be driven mostly by policy and preference right now, but they'll soon be powered by dominant economics—including a profitable symbiosis between electrical drive and autonomous control, according to a former researcher for General Motors. "What is going to happen here, I believe, is it's just going to become easier to build an electric car," said Lawrence Burns, until recently the director of the Program for Sustainable Mobility at Columbia University and a professor of engineering practice at the University of Michigan. He served as General Motors' corporate vice president of research & development and planning from 1998 to 2009. (www.forbes.com February 18, 2016)

Diesel fuel retail price falls below \$2.00 per gallon for first time since 2005

EIA's weekly survey of diesel prices shows that the U.S. average retail price for on-highway diesel fuel was \$1.98 per gallon (gal) on February 15, falling below \$2/gal for the first time since February 14, 2005. The U.S. average retail diesel price had last approached, but not gone below, the \$2.00 mark in early 2009. Falling diesel prices reflect both decreasing crude oil prices and increasing inventories of crude oil and refined products worldwide. U.S. average regular retail gasoline prices moved below the \$2/gal mark a little over a month ago (www.eig.gov (February 17, 2016)

Senate OKs coal tax credit extension with veto-proof margin

The push to extend Virginia's coal tax credit passed the Senate by a wide margin Monday. The Senate voted 33-7 to keep the industry tax credit alive for another five years. That is a veto-proof margin of support — a key consideration as Gov. Terry McAuliffe struck down similar bills last year. The coalfield employment tax credit, created to try to slow the decline of Virginia's coal industry, generated an estimated \$28.4 million in tax savings, refunds and economic development support for coal mine operators and the coalfield region last year. (www.roanoke.com February 15, 2016)



Kentucky Retail Fuel Prices (Dollars per gallon)

Product	2/19/2016	2/11/2016	2/4/2016	1/28/2016	Year Ago
Gasoline (State avg.)	\$ 1.72	\$ 1.70	\$ 1.77	\$ 1.82	\$ 2.27
Ashland	\$ 1.62	\$ 1.59	\$ 1.66	\$ 1.71	\$ 2.28
Covington	\$ 1.62	\$ 1.59	\$ 1.73	\$ 1.72	\$ 2.42
Lexington	\$ 1.59	\$ 1.53	\$ 1.64	\$ 1.66	\$ 2.32
Louisville	\$ 1.60	\$ 1.51	\$ 1.66	\$ 1.65	\$ 2.30
Owensboro	\$ 1.58	\$ 1.49	\$ 1.54	\$ 1.59	\$ 2.18
Diesel (State avg.)	\$ 1.99	\$ 2.01	\$ 2.04	\$ 2.07	\$ 2.85
Ashland	\$ 1.92	\$ 1.92	\$ 2.00	\$ 2.06	\$ 2.95
Covington	\$ 1.90	\$ 1.96	\$ 1.99	\$ 2.04	\$ 2.89
Lexington	\$ 1.98	\$ 2.01	\$ 2.03	\$ 2.06	\$ 2.92
Louisville	\$ 1.93	\$ 1.95	\$ 2.00	\$ 2.04	\$ 2.89
Owensboro	\$ 2.02	\$ 2.03	\$ 2.03	\$ 2.05	\$ 2.67

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	2/15/2016	2/8/2016	2/1/2016	1/25/2016	Year Ago
Heating Oil (dollars per gallon)	\$ 1.64	\$ 1.64	\$ 1.63	\$ 1.71	\$ 2.60
Propane (dollars per gallon)	\$ 1.86	\$ 1.84	\$ 1.83	\$ 1.84	\$ 2.13

http://www.eia.gov/dnav/pet/pet_pri_wfr_dcus_SKY_w.htm

Spot Prices	2/16/2016	2/8/2016	2/1/2016	1/25/2016	Year Ago
Crude Oil (Dollars per barrel) <i>West Texas Intermediate, fob</i>	\$ 29.05	\$ 29.71	\$ 31.62	\$ 30.31	\$ 53.56
Natural Gas (Dollars per MMBtu) <i>Henry-Hub</i>	\$ 1.95	\$ 2.28	\$ 2.26	\$ 2.16	\$ 2.75
Coal Price (dollars per short ton) <i>Central Appalachia</i>	\$ 43.50	\$ 43.50	\$ 43.50	\$ 43.50	\$ 53.06
Coal Price (dollars per short ton) <i>Illinois Basin</i>	\$ 32.60	\$ 32.60	\$ 32.60	\$ 32.60	\$ 42.32

Sources: <http://www.infomine.com/investment/metal-prices/coal/1-year> http://ycharts.com/indicators/natural_gas_spot_price
<https://www.quandl.com/data/DOE/COAL-US-Coal-Prices-by-Region> <http://markets.ft.com/research/Markets/Tearsheets/Summary?s=1069936>

Futures		March 2016	April 2016	May 2016
Crude Oil (Dollars per barrel) <i>Light Sweet Crude Oil</i>	2/18/2016	\$ 30.77	\$ 32.93	\$ 34.55
	2/10/2016	\$ 27.45	\$ 29.66	\$ 31.52
	2/3/2016	\$ 32.28	\$ 33.86	\$ 35.39
Natural Gas (Dollars per MMBtu) <i>Henry-Hub</i>	2/18/2016	\$ 1.85	\$ 1.93	\$ 2.00
	2/10/2016	\$ 2.05	\$ 2.11	\$ 2.17
	2/3/2016	\$ 2.04	\$ 2.12	\$ 2.18
Propane (Dollars per gallon) <i>Mt Belvieu (OPIS)</i>	2/18/2016	\$ 0.38	\$ 0.38	\$ 0.38
	2/10/2016	\$ 0.36	\$ 0.36	\$ 0.36
	2/3/2016	\$ 0.36	\$ 0.36	\$ 0.36

Source: http://www.cmegroup.com/daily_bulletin/current/Section61_Energy_Futures_Products.pdf

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