

Kentucky Department for Energy Development and Independence Energy Watch

A snapshot of state and national energy issues

Motor gasoline consumption expected to remain below 2007 peak despite increase in travel

Based on estimates in the most recent Short-Term Energy Outlook (STEO), vehicle travel in the United States in 2015 was almost 4% above its 2007 level, but motor gasoline consumption has not exceeded its previous peak in 2007. Improvements in light-duty vehicle fuel economy are largely responsible for this outcome. STEO forecasts motor gasoline consumption to average 9.23 million barrels per day (b/d) in both 2016 and 2017, about 0.6% below its 2007 level. (www.eia.gov February 23, 2016)

KY Coal Academy shows off new mine training facility

The Kentucky Coal Academy (KCA) will host an open house 4:00-7:00 p.m. Thursday, March 10, at its Southeast Kentucky Community and Technical College (SKCTC) Harlan Campus at 164 Ball Park Road, to mark the opening of its new Mine Training Facility. "The Kentucky Coal Academy is proud to have a home in Harlan, and is excited to continue providing innovative training to new and active miners in Kentucky and surrounding states by utilizing resources like our new Mine Training Facility," said Gary Whisman, executive director of the KCA. (www.wbko.com February 22, 2016)

University of Illinois research illustrates prime locations to grow bioenergy crops

New research conducted by the University of Illinois has identified regions in the United States that are ideal for growing bioenergy crops while still maintaining water quality and quantity. Using detailed models, they examined the impacts on water and soil if existing crops were replaced by crops that can be used to produce ethanol. (www.farms.com February 22, 2016)

Kentucky Republicans File Brief Against EPA's Carbon Plan

Nearly all of Kentucky's federal representatives have formally filed a document in support of a lawsuit challenging the Environmental Protection Agency's carbon dioxide regulations. The EPA finalized the Clean Power Plan last summer. It sets carbon reduction goals for each state, and is part of President Obama's overall goal of addressing climate change. (<http://wfpl.org> February 23, 2016)

Don't need new Supreme Court justice to decide 'war on coal'

With Washington locked in a fight over whether to wait until next year to fill the seat of the late Supreme Court Justice Antonin Scalia and the likelihood high that the next Justice will ultimately decide the fate of President Obama's climate-change plan, available evidence suggests that the economic cost of the transition away from coal-fired electricity is fairly modest. (www.cnn.com February 24, 2016)

Ky. officials ask for more coal severance money for coal counties

Several eastern Kentucky officials are asking for more coal severance money in coal producing counties. House Speaker Greg Stumbo and judge executives from several counties were in Frankfort this week in front of the House Appropriations and Revenue Committee. Stumbo told the committee that last month, coal generated less than \$9 million in severance tax revenue, the lowest return in two decades. (www.wsaz.com February 24, 2016)

Kentucky Power Making Equipment Upgrades to Improve Reliability

A transmission improvement project that will bolster reliability for customers in eastern Kentucky reached a major stage this month with the installation of the first of four new transformers near Louisa. Each of the 750 MVA transformers weighs in at about 700,000 pounds each and requires the use of special equipment to move into place at the Baker Substation. The transformers, made in Sweden, arrived in the U.S. via ship. (<http://tdworld.com> February 25, 2016)



Kentucky Retail Fuel Prices (Dollars per gallon)

Product	2/26/2016	2/19/2016	2/11/2016	2/4/2016	Year Ago
Gasoline (State avg.)	\$ 1.73	\$ 1.72	\$ 1.70	\$ 1.77	\$ 2.34
Ashland	\$ 1.75	\$ 1.62	\$ 1.59	\$ 1.66	\$ 2.25
Covington	\$ 1.78	\$ 1.62	\$ 1.59	\$ 1.73	\$ 2.41
Lexington	\$ 1.76	\$ 1.59	\$ 1.53	\$ 1.64	\$ 2.22
Louisville	\$ 1.65	\$ 1.60	\$ 1.51	\$ 1.66	\$ 2.37
Owensboro	\$ 1.59	\$ 1.58	\$ 1.49	\$ 1.54	\$ 2.18
Diesel (State avg.)	\$ 1.98	\$ 1.99	\$ 2.01	\$ 2.04	\$ 2.89
Ashland	\$ 1.91	\$ 1.92	\$ 1.92	\$ 2.00	\$ 2.95
Covington	\$ 1.92	\$ 1.90	\$ 1.96	\$ 1.99	\$ 2.89
Lexington	\$ 1.98	\$ 1.98	\$ 2.01	\$ 2.03	\$ 2.91
Louisville	\$ 1.92	\$ 1.93	\$ 1.95	\$ 2.00	\$ 2.90
Owensboro	\$ 1.99	\$ 2.02	\$ 2.03	\$ 2.03	\$ 2.75

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	2/22/2016	2/15/2016	2/8/2016	2/1/2016	Year Ago
Heating Oil (dollars per gallon)	\$ 1.64	\$ 1.64	\$ 1.64	\$ 1.63	\$ 2.62
Propane (dollars per gallon)	\$ 1.84	\$ 1.86	\$ 1.84	\$ 1.83	\$ 2.15

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

Spot Prices	2/22/2016	2/16/2016	2/8/2016	2/1/2016	Year Ago
Crude Oil (Dollars per barrel) <i>West Texas Intermediate, fob</i>	\$ 31.37	\$ 29.05	\$ 29.71	\$ 31.62	\$ 49.56
Natural Gas (Dollars per MMBtu) <i>Henry-Hub</i>	\$ 1.95	\$ 1.95	\$ 2.28	\$ 2.26	\$ 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	\$ 40.32

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		April 2016	May 2016	June 2016
Crude Oil (Dollars per barrel) <i>Light Sweet Crude Oil</i>	2/25/2016	\$ 33.07	\$ 34.83	\$ 36.12
Natural Gas (Dollars per MMBtu) <i>Henry-Hub</i>	2/25/2016	\$ 1.79	\$ 1.87	\$ 1.94
Propane (Dollars per gallon) <i>Mt Belvieu (OPIS)</i>	2/25/2016	\$ 0.41	\$ 0.41	\$ 0.42

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

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