

# Kentucky Department for Energy Development and Independence Energy Watch

*A snapshot of state and national energy issues*

## ***Global stocks slide, oil prices jump after Yemen air strikes***

Stock markets worldwide were knocked lower and oil prices jumped on Thursday after Saudi Arabia and its allies carried out air strikes in Yemen that fueled worries Middle East energy shipments may be put at risk, although Wall Street later recovered. Brent oil LCOc1 was last at \$59.32 a barrel, up 5 percent but off a session high of \$59.78. U.S. crude CLc1 was up 4.5 percent at \$51.41 a barrel after reaching \$52.48. ([www.reuters.com](http://www.reuters.com) March 26, 2015)

## ***Whitfield Plans Legislation to Postpone State Compliance With Clean Power Plan***

Rep. Ed Whitfield (R-Ky.) plans to introduce a bill that would delay implementation of the Environmental Protection Agency's Clean Power Plan and allow states to opt out of the carbon dioxide regulation if it would increase utility rates or jeopardize reliability. ([www.bna.com](http://www.bna.com) March 23, 2015)

## ***Lawrence County leads Ky. in oil, gas mining***

Hydraulic fracturing, a technique used to drill oil and natural gas wells, is making its way to Lawrence and Greenup counties in Kentucky and could be expanding to Johnson County and across the Levisa Fork into southern West Virginia. "Horizontal drilling in the Berea Sandstone is a game changer," said Andrew V. McNeill, executive director of the Kentucky Oil and Gas Association. ([www.herald-dispatch.com](http://www.herald-dispatch.com) March 29, 2015)

## ***TVA protects power grid from constant hacks and attacks***

Power grids are the backbone of electrical networks in the United States. They carry massive amounts of electricity from the largest power plants to millions of customers. They're the reason you can turn on the lights, charge phones, and watch the news. "For TVA, the power grid means the big towers and the big power lines you see coming over the mountain," said Scott Brooks, TVA spokesperson. ([www.wbir.com](http://www.wbir.com) March 25, 2015)

## ***Public Service Commission officials hear public comment on Kentucky Power rate increase***

Officials with the Kentucky Public Service Commission held the first of a series of public meetings Tuesday night in Hazard. The meetings are to receive comments on a 12.5 percent rate increase proposed by Kentucky Power, which would translate to an average increase of 22 dollars per month for residential customers. ([www.wkyt.com](http://www.wkyt.com) March 25, 2015)

## ***Kentucky freezes gas tax at 26 cents per gallon***

Kentucky drivers will not get a tax break at the gas pump on April 1. State lawmakers agreed to effectively halt a scheduled 5.1-cent-per-gallon decrease in the state gas tax because it would have meant a \$150 million cut to the state's road fund on top of a \$129 million cut from a similar decline in January. ([www.wkyt.com](http://www.wkyt.com) March 25, 2015)

## ***No Country for King Coal — the Changing U.S. Energy Mix***

As of late last year coal formed the backbone of U.S. electric generation capacity. At a share of roughly 39 percent, it still does. However, the U.S. energy mix is rapidly changing and coal is past its peak. In 2015, the U.S. is expected to retire nearly 13 gigawatts (GW) of coal-fired generation – three times more than last year. An additional 5.2 GW will be retired in 2016. (<http://time.com> March 24, 2015)

## ***China to shut down last Beijing coal power plant in 2016***

The Chinese authorities plan to shut the last coal-fired power plant in Beijing and replace it with gas-fired plants in 2016 in order to reduce the critical levels of pollution in the city. Beijing authorities intend to stop the China Huaneng Group 845-megawatt coal power plant in 2016, according to the city's economic planning agency. (<http://rt.com> March 24, 2015)

## ***In Ky., debate over coal's future 'really is about manufacturing'***

It's not hard to see how energy fits into Kevin Butt's business of assembling 2,000 cars a day. "When we make cars, we argue about pennies sometimes," he said. "Make it better, but don't spend the money." Butt is the regional environmental director at Toyota Motor Corp.'s assembly plant here, where time and precision are measured down to the final bolt. ([www.eenews.net](http://www.eenews.net) March 18, 2015)

## ***Ky. Municipal Power Agency Refinances \$211 Million in Bonds***

Paducah Power System and Princeton Electric will lessen some financial strain after refinancing \$211 million in bonds this week. The two utilities make up the Kentucky Municipal Power Agency, which owns 7.82 percent of the recently troubled Prairie State Energy Campus. Chief financial officer Heather Overby says KMPA officials planned to refinance just under \$180 million, but received a more favorable-than-expected reaction in the bond market as related to rate recovery efforts at Paducah Power. (<http://wkms.org> March 19, 2015)

Kentucky Retail Fuel Prices (Dollars per gallon)

Product	3/26/2015	3/19/2015	3/12/2015	3/4/2015	Year Ago
<b>Gasoline (State avg.)</b>	\$ 2.42	\$ 2.43	\$ 2.45	\$ 2.34	\$ 3.54
Ashland	\$ 2.42	\$ 2.28	\$ 2.32	\$ 2.37	\$ 3.50
Covington	\$ 2.48	\$ 2.45	\$ 2.41	\$ 2.47	\$ 3.68
Lexington	\$ 2.43	\$ 2.20	\$ 2.34	\$ 2.32	\$ 3.54
Louisville	\$ 2.68	\$ 2.46	\$ 2.38	\$ 2.39	\$ 3.63
Owensboro	\$ 2.23	\$ 2.18	\$ 2.26	\$ 2.28	\$ 3.45
<b>Diesel (State avg.)</b>	\$ 2.85	\$ 2.88	\$ 2.92	\$ 2.90	\$ 3.98
Ashland	\$ 2.86	\$ 2.92	\$ 2.94	\$ 2.95	\$ 4.06
Covington	\$ 2.88	\$ 2.89	\$ 2.91	\$ 2.92	\$ 4.14
Lexington	\$ 2.86	\$ 2.91	\$ 2.95	\$ 2.95	\$ 4.10
Louisville	\$ 2.83	\$ 2.88	\$ 2.90	\$ 2.92	\$ 4.06
Owensboro	\$ 2.75	\$ 2.75	\$ 2.79	\$ 2.78	\$ 4.11

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	3/23/2015	3/19/2015	3/12/2015	3/4/2015	Year Ago
Crude Oil (Dollars per barrel) <i>West Texas Intermediate, fob</i>	\$ 47.40	\$ 43.93	\$ 49.95	\$ 49.59	\$ 100.61
MMBtu <i>Henry-Hub</i>	\$ 2.68	\$ 2.75	\$ 2.79	\$ 3.22	\$ 4.40
Coal Price (dollars per short ton) <i>Central Appalachia</i>	\$ 53.06	\$ 63.06	\$ 53.06	\$ 53.06	\$ 59.06
Coal Price (dollars per short ton) <i>Illinois Basin</i>	\$ 40.32	\$ 40.32	\$ 40.32	\$ 40.32	\$ 47.06

Sources: <https://www.quandl.com/#/c/markets/coal> [http://www.eia.gov/dnav/pet/pet\\_pri\\_spt\\_s1\\_d.htm](http://www.eia.gov/dnav/pet/pet_pri_spt_s1_d.htm) [http://ycharts.com/indicators/natural\\_gas\\_spot\\_price](http://ycharts.com/indicators/natural_gas_spot_price)

Futures		May 2015	June 2015	July 2015
Crude Oil (Dollars per barrel) <i>Light Sweet Crude Oil</i>	3/25/2015	\$ 49.21	\$ 50.78	\$ 52.01
Natural Gas (Dollars per MMBtu) <i>Henry-Hub</i>	3/25/2015	\$ 2.74	\$ 2.79	\$ 2.85
Propane (Dollars per gallon) <i>Mt Belvieu (OPIS)</i>	3/25/2015	\$ 0.54	\$ 0.54	\$ 0.54

Source: CME Group



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