

Kentucky Department for Energy Development and Independence Energy Watch

A snapshot of state and national energy issues



Kentucky coal jobs drop again in 2014, reaching new low

In 2009, coal-industry employment in Eastern Kentucky averaged 14,100 people, who were busy digging and blasting 75.3 million tons of coal from the steep hills. In 2014, employment at the region's mines averaged 7,288, and production totaled just 37.5 million tons. The numbers show the sharp fall of the coal industry in a place where it was long the linchpin of the economy. (www.kentucky.com February 4, 2015)

Report: Wind and solar energy have tripled since 2008

We worry a lot about the problem of climate change. And we try to fix it — again, again and again — by changing how the country uses energy. What we don't stop and ponder enough, though, is that the country is changing how it uses energy. It's certainly not enough to silence all environmental concerns. But nonetheless, the progress, when you sample it, is really impressive. (www.washingtonpost.com February 4, 2015)

Falling ethanol prices concern producers, corn growers

A plunge in ethanol prices has added to the anxiety in the Corn Belt. The weekly spot price for ethanol in Iowa fell to \$1.27 a gallon in the middle of January, from \$2.42 at the end of November, according to Scott Irwin, an agricultural economist at the University of Illinois. "That was the lowest price I have seen since I started tracking ethanol prices in 2007," Irwin said. (www.chicagotribune.com February 3, 2015)

The Future of Electricity: High Level of Investment Needed Across the Board

The electricity sector and its incumbent electricity companies are undergoing an unprecedented, challenging but nevertheless critical transformation — a transition towards a more climate-resilient, less carbon-intensive power system which ends up "closer to the customer." (<http://theenergycollective.com> February 2, 2015)

Obama softens stance on selling TVA

The Obama administration has backed off its previous push to sell or transfer the Tennessee Valley Authority to other owners after the federal utility took steps over the past two years to trim its spending and cut its long-term debt. (www.timesfreepress.com February 2, 2015)

FutureGen 'clean-coal' plant is dead

The Obama administration has pulled the plug on the FutureGen 2.0 "clean-coal" power plant slated to be built in central Illinois. Ken Humphreys, CEO of the FutureGen Alliance developing the project, said in a statement today, "The U.S. Department of Energy has directed the suspension of FutureGen 2.0 project development activities." (www.chicagobusiness.com February 3, 2015)

Coal operator predicts current struggles will continue

The U.S. coal market has always been a boom or bust industry. During the past 100 years good times and hard times have gone hand-in-hand in coal towns across West Virginia, but the present hard times appear different for some operators. "I think it's different this time for central Appalachia," said Jim Bunn II, co-owner of Coal River Energy. (<http://wvmetronews.com> February 1, 2015)

US coal crisis deepens as gas prices fall

The latest sign of the deepening crisis hitting the US coal industry came on Friday, when Alpha Natural Resources announced that it planned to idle production at three mines in West Virginia and cut jobs at two more, affecting about 91 workers in total. Kevin Crutchfield, Alpha's chief executive, described the conditions facing the US coal industry as "unprecedented". (www.ft.com February 1, 2015)

Obama proposes \$1 billion lifeline for parts of Appalachia where coal jobs vanished

Eastern Kentucky and other areas of Appalachia hit hard by a sharp drop in coal jobs would share in a \$1 billion lifeline under the budget proposal put forth Monday by President Barack Obama, though the budget faces difficult prospects in Congress. (www.kentucky.com February 2, 2015)

Norton Commons says new heating plan will create country's largest geothermal community

Norton Commons, a 600-acre development in northeast Jefferson County with more than 850 single-family homes and 50 businesses, announced plans today to construct what it describes as the largest geothermal residential community in the country. The development plans to construct geothermal heating and cooling inside its North Village community, which eventually will have about 1,800 lots. (www.bizjournals.com January 27, 2015)

Kentucky Retail Fuel Prices (Dollars per gallon)

Product	2/5/2015	1/29/2015	1/22/2015	1/15/2015	Year Ago
Gasoline (State avg.)	\$ 2.15	\$ 2.04	\$ 2.04	\$ 2.09	\$ 3.27
Ashland	\$ 2.35	\$ 2.11	\$ 1.99	\$ 2.06	\$ 3.29
Covington	\$ 2.36	\$ 2.24	\$ 2.17	\$ 2.16	\$ 3.29
Lexington	\$ 2.35	\$ 2.17	\$ 2.05	\$ 2.20	\$ 3.28
Louisville	\$ 2.35	\$ 2.23	\$ 2.12	\$ 2.04	\$ 3.27
Owensboro	\$ 2.14	\$ 1.92	\$ 1.85	\$ 1.87	\$ 3.16
Diesel (State avg.)	\$ 2.80	\$ 2.82	\$ 2.87	\$ 2.96	\$ 3.92
Ashland	\$ 2.96	\$ 2.97	\$ 3.07	\$ 3.17	\$ 3.97
Covington	\$ 2.89	\$ 2.95	\$ 3.02	\$ 3.10	\$ 3.93
Lexington	\$ 2.93	\$ 2.97	\$ 3.08	\$ 3.16	\$ 3.93
Louisville	\$ 2.94	\$ 2.97	\$ 3.02	\$ 3.09	\$ 3.90
Owensboro	\$ 2.60	\$ 2.60	\$ 2.63	\$ 2.74	\$ 3.89

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	2/2/2015	1/26/2015	1/19/2015	1/12/2015	Year Ago
Heating Oil (dollars per gallon)	\$ 2.39	\$ 2.38	\$ 2.47	\$ 2.49	\$ 3.65
Propane (dollars per gallon)	\$ 2.18	\$ 2.17	\$ 2.16	\$ 2.15	\$ 3.85

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

Spot Prices	2/4/2015	1/29/2015	1/22/2015	1/12/2015	Year Ago
Crude Oil (Dollars per barrel) <i>West Texas Intermediate, fob</i>	\$ 49.25	\$ 44.80	\$ 46.79	\$ 46.06	\$ 97.84
Natural Gas (Dollars per MMBtu) <i>Henry-Hub</i>	\$ 2.88	\$ 2.92	\$ 2.94	\$ 2.90	\$ 5.04
Coal Price (dollars per short ton) <i>Central Appalachia</i>	\$ 53.06	\$ 53.06	\$ 53.06	\$ 53.06	\$ 62.18
Coal Price (dollars per short ton) <i>Illinois Basin</i>	\$ 45.32	\$ 45.32	\$ 45.32	\$ 45.32	\$ 46.40

Sources: <https://www.quandl.com/#/c/markets/coal> http://www.eia.gov/dnav/pet/pet_pri_spt_s1_d.htm http://ycharts.com/indicators/natural_gas_spot_price

Futures		March 2015	April 2015	May 2015
Crude Oil (Dollars per barrel) <i>Light Sweet Crude Oil</i>	2/4/2015	\$ 48.45	\$ 49.30	\$ 50.58
	1/28/2015	\$ 44.45	\$ 45.23	\$ 46.36
	1/21/2015	\$ 47.78	\$ 48.43	\$ 49.22
Natural Gas (Dollars per MMBtu) <i>Henry-Hub</i>	2/4/2015	\$ 2.66	\$ 2.67	\$ 2.70
	1/28/2015	\$ 2.84	\$ 2.83	\$ 2.86
	1/21/2015	\$ 2.94	\$ 2.91	\$ 2.93
Propane (Dollars per gallon) <i>Mt Belvieu (OPIS)</i>	2/4/2015	\$ 0.52	\$ 0.52	\$ 0.52
	1/28/2015	\$ 0.48	\$ 0.48	\$ 0.48
	1/21/2015	\$ 0.52	\$ 0.52	\$ 0.53

Source: CME Group

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