ENERGY

OFFICE OF ENERGY POLICY

SEPTEMBER, 2021

OEP Staff Notes: The Best of What We're Reading

Gov. Beshear, Ford Motor Company, SK Innovation Announce Single Largest Economic Development Project in Kentucky History, Cementing Commonwealth's Status as Global Automotive Leader. Ford and partner SK Innovation will build two electric battery plants, creating 5,000 Kentucky jobs, investing \$5.8 billion (September 27, 2021)

Gov. Andy Beshear, Ford Motor Company and SK Innovation announced Sept. 27 the single largest economic development project in the history of the commonwealth on celebrating a transformative \$5.8 billion investment that will create 5,000 jobs and places Kentucky at the forefront of the automotive industry's future. Ford Motor Co. and SK Innovation will build two electric battery plants in the BlueOvalSK Battery Park in Hardin County, investing a record \$5.8 billion. With this announcement, Kentucky shatters every annual economic development record in the books for yearly investment totals and is on pace for its best job-creating year in history. The plants will be built on the 1,551-acre economic development site near Interstate Highway 65 in Glendale and will generate 86 gigawatt-hours, which commonwealth officials believe will make Kentucky the nation's largest producer of electric automotive batteries. Read the full press release here.

Berea unveils hydroelectric generating plant on Ky. River (apnews.com) Sept. 22, 2021

Kentucky Manufacturers Helping U.S. Reach Zero-Emission Vehicle 'Vision of the Future' (WKU NPR) Sept. 13, 2021

Aging solar panels present an opportunity for a circular economy (PV Magazine) Sept. 16, 2021

About Us



The OEP staff are committed to our mission to utilize Kentucky's energy resources for the betterment of the Commonwealth while protecting and improving our environment. Visit our <u>Energy Website</u> to learn about our programs, access publications, maps, and interactive dashboards.



Partner Spotlight

Kentucky Clean Fuels Coalition

Viz of the Month

U.S. Energy Information Administration
NATURAL GAS STORAGE
DASHBOARD

KENTICKY CLEAN

Underground working natural gas storage summary as of September 17, 2021





OEP Updates & News

Registration is Open 45th Annual Governor's Conference on Energy & the Environment Oct. 20 & 21, 2021

The 45th Annual Governor's Conference on Energy and the Environment will be held virtually on October 20th and 21st via two half-day sessions. This year's **free** event will highlight a wide variety of topics including emerging industries in the Commonwealth, environmental justice, infrastructure, and regulatory and policy updates from EEC leadership to name a few. Businesses, citizens, non-profits, and academic institutions are encouraged to attend. Learn more and register for one or both days of this free conference below.

Register Here

Diageo opens its first carbon-neutral whiskey distillery in North America

LEBANON, Ky -- Diageo beverage brands has opened its first carbon-neutral distillery in Lebanon, Kentucky. The site will support the local community with 30 full-time jobs while also sourcing 100% non-GMO corn locally. The 72,000 square-foot facility has the capacity to produce up to 10 million proof gallons per year and has begun distilling Bulleit Bourbon using electrode boilers that are powered by 100% renewable electricity throughout the cooking, distillation, and dry house processes. Bulleit is the first and lead brand being produced at the Diageo Lebanon Distillery –and supplements existing production at the nearby Bulleit Distilling Co. in Shelbyville, Kentucky.

Designed with sustainability at its core, the distillery is built to ensure that fossil fuels are not used during production. By partnering with Inter-County Energy and East Kentucky Power Cooperative (EKPC), Diageo is sourcing a mix of wind and solar energy to power the electrode boilers, onsite electric vehicles, internal and external lighting, and equipment-making the facility one of the largest of its kind in North America. Read the full story here. The Lane Report (Sept. 28, 2021)

PSC Issues LGE/KU Net Metering Order

On September 25, 20201, the Kentucky Public Service Commission issued an Order that, among other items, establishes a rate at which customers would be compensated for energy transferred back to Louisville Gas and Electric and Kentucky Utilities (LG&E/KU) through net metering. This rate would be for eligible facilities that will be placed into service on or after September 25, 2021. On June 30, 2021, the Commission entered an Order on LG&E/KU's rate adjustments and other matters. The Commission, however, deferred decisions on the companies' proposed Net Metering and Qualifying Facility (QF) tariff changes pending additional review. LG&E/KU proposed a revised net metering tariff (NMS 2) for new customer-generators, as authorized by the General Assembly's 2019 amendments to Kentucky's net metering statutes. This impacts customers who may be considering the installation of solar panels at their property. Read the full press release here.

"I'm as happy as I can be," First resident moves into Allais area

subdivision

Story and video courtesy of WYMT Mountain News



By Zak Hawke, Sep. 23, 2019

HAZARD, Ky. (WYMT) - A few years ago the Housing Development Alliance (HDA), working with the City of Hazard, began work where a strip mall used to be. The neighborhood is called Gurney's Bend. Officials were determined to turn the neglected land into a low-income



housing development for families. On Thursday, that determination paid off when Alfred Fugate became the first resident to move in. "I'm just glad to get a place, man," said Fugate. "I'm happy as I can be. They've helped me 100 percent, these guys here." To learn more about the HDA Allais subdivision project, click here

The home is also part of the Office of Energy Policy, HDA*Energy Efficient Housing Project*, an initiative funded through Kentucky's State Energy Program to support HDA's mission to use the power of housing to transform lives and build a brighter future for our communities. The Energy Efficient Housing Project provided energy efficiency training to the regional workforce and trainers of the HDA Hope Building Training Program and paid for costs associated with inspections and ENERGY STAR certification. Funding also provided rebates to cover the additional costs associated with the required heat pump upgrades to earn ENERGY STAR certification.

LG&E and KU, UK CAER Collaborate to Create Net-Negative CO2 Emissions

September 8, 2021, by David Melanson UK CAER

Louisville Gas and Electric Company and Kentucky Utilities Company (LG&E and KU) and the University of Kentucky Center for Applied Energy Research (CAER) have launched an innovative partnership to study capture of carbon dioxide (CO2) emissions at natural gas combined cycle power plants. LG&E and KU and CAER researchers endeavor to develop a flexible, net negative CO2 emissions technology that will be directly applicable to natural gas combined cycle power generation while minimizing the associated capital costs of installing this technology. In addition to capturing CO2, the system will produce two value-added streams, hydrogen (H2) and oxygen (O2,) which can be sold to offset the cost of CO2 capture. This study will explore extending equipment life and maximizing fuel efficiency by keeping the plant at a constant electricity generation rate by producing H2/O2 during periods of low power demand. Successful development of this research will lead to negative CO2 emission at natural gas combined cycle plants at an affordable cost. Read the complete story here.

Out and About

9.8.2021 Kenya Stump and Amanda LeMaster presented to the Kentucky Petroleum Marketers Association on energy emergency response operations

9.14.2021 Amanda LeMaster participated in a call with the Energy Security Committee

9.15.2021 Kenya Stump and Secretary Goodman presented on Solar and Land Use at the Interim Joint Committee on Energy and Agriculture

9.15.2021 OEP staff participated in a SEP grant start-up webinar

Kenya Stump attend the Kentucky Farm Bureau meeting of the Energy and Transportation Committee on Sept. 16 and presented 9.21.2021 at the SolSmart Virtual roundtable for development organizations in Kentucky on

9.29.2021 virtually presented on EPAD in Kentucky for a virtual webinar series on PACE Financing with the Council of Development Finance Agencies; and on 9.29.2021, presented on the Solar Site Suitability Tool and Mine Lands at the KAMP Conference https://kampro.org/

Amanda LeMaster presented on 9.22.2021 to the Kentucky Association of Mitigation Managers KAMM Conference and participated in the 9.24.2021 NASEO DOE/CESER Defense Critical Electric Infrastructure monthly call.

Resources





High global demand, low global supply contribute to rising U.S. propane spot prices

Since mid-September 2020, wholesale propane prices at Mont Belvieu, Texas, the main U.S. hydrocarbon gas liquids (HGL) hub, increased to an average of \$1.33 per gallon (gal) during the week ending September 24, 2021, the highest weekly average since February 2014. Wholesale propane prices have increased because of high international demand and low global propane supply. The United States exported an average of 1.3 million barrels per day (b/d) of propane in the first half of 2021, 100,000 b/d more than in the first half of 2020, despite relatively flat production and domestic consumption. See graph and read more...

Energy in Education

K-12 EDUCATION SPOTLIGHT

Junior Nature Explorers

<u>Bluegrass Greensource</u> has a few spots open for preschool classrooms to participate in our Junior Nature Explorers program! The program engages students to investigate local ecosystems and animals through hands-on, interactive learning experiences led by one of our environmental educators. Whether students are creating a camouflage bobwhite quail mask, painting their own salamander puppet with mud, or watching quail hatch, there is always excitement and learning happening in this program! All classroom and student materials are provided, thanks to funding from PNC and the National Fish and Wildlife Foundation. Classrooms can participate in person or via Zoom. For more information or to schedule with us, please email Rachel at <u>rachel@bggreensource.org</u>.

To learn more about BGGS programs for kindergarten through 12th grade and meet our environmental educators, check out this video.

Upcoming Action Team Meetings

Waste Reduction Action Team: 10/5 @ 6:00pm - 7:00pm, location: <u>https://zoom.us/j/97809467601</u> Sustainable Agriculture & Local Food Action Team: 10/6 @ 4:00 - 5:30pm, location: <u>https://zoom.us/j/97465531249</u> Water Action Team: 10/11@ 4:30pm - 5:30pm, location: <u>https://zoom.us/j/99878365527</u> Energy Efficiency & Climate Change Action Team: 10/11 @ 6:00-7:30pm, location: <u>https://zoom.us/j/94343045438</u>

Distance Learning with NEED National Energy Education Development Project

As more and more schools are now choosing distance learning for the rest of the academic year, NEED recognizes that with these changes, teachers and families...







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