



Issue 41, 2018

● [The U.S. Supreme Court Slows Children's Climate Lawsuit - For Now](#)

"In the latest step of a fascinating bit of constitutional law called Atmospheric Trust Litigation, the Chief Justice halted the District Court trial proceedings until lawyers for the young people provide a response to specific issues."

Why this is important: The Supreme Court of the United States took the rare step of staying lower court litigation while it considers the government's claim that the cost of litigation is an undue burden. The plaintiffs are arguing the federal government must actively protect the atmosphere under the "public trust doctrine," while the government is arguing the plaintiffs are attempting to use a single lawsuit to improperly dictate the entire nation's energy and climate policy in violation of the separation of powers doctrine. The rare stay issued by the Supreme Court appears to be a signal it is uncomfortable with the plaintiffs' underlying legal theory. --- [Nicholas S. Preservati](#)

● [FirstEnergy West Virginia Coal Plant Staves Off 2019 Deactivation](#)

"In a reversal of recent trends, a large coal plant in West Virginia has gotten a new lease on life - though the extension has more to do with complicated bankruptcy proceedings than a sign of the fuel's resurgence."

Why this is important: Due to its bankruptcy, First Energy has announced it will not immediately close its 1,300 MW Pleasants Run Power Station in West Virginia. The coal-fired plant will be transferred to creditors who will decide its fate and operate the plant into 2022. Earlier this year, Mon Power was unsuccessful in trying to buy the plant. This is one of the first coal-fired plants to see a reversal of a closing decision. It will continue to compete with gas-fired plants in U.S. power markets. --- [Mark E. Heath](#)

● [A Great Lakes Pipeline Dispute Points to a Broader Energy Dilemma](#)

"A deal involving an aging oil pipeline in Michigan reflects the complex decisions communities across the country need to make to balance the needs for energy and safety with efforts to deal with climate change."

Why this is important: Major new interstate pipeline systems are constructed due to the production of large amounts of oil and natural gas from unconventional shale sources instead of more traditional reserves. This phenomenon should be distinguished from the aging of residential, industrial and intrastate pipeline systems that have been in place for decades and perhaps have not been maintained properly by their owners. Transporting oil and gas by pipeline is clearly the safest method of sending these commodities to market. The more recent developments in interstate pipelines and their associated interconnectors is facilitating this safe and reliable means of transportation. The burden of upgrading or sealing antiquated residential, industrial and intrastate pipelines should fall on the local utilities and the public entities that regulate them, and not be a foil to attack the oil and gas industry. --- [William M. Herlhy](#)

● [Russia has No Plan to Boost Oil Output to 12 Million bpd by End of 2018](#)

"Russia's oil output reached a post-Soviet record high of 11.36 million bpd last September, surpassing the previous peak of 11.247 million bpd hit in October 2016."

Why this is important: Following up on their recent statements earlier this month it is "not really interested in incredibly high oil prices," Russia apparently sees no current need to increase production supply to bring pricing down. Russia has stated price stabilization is a goal. Its decision to not increase production may be driven by an assessment that current pricing is acceptable given that as early as October Brent and WTI contracts have increased approximately 20 percent and 17 percent respectively since mid-August. --- [John C. \(Max\) Wilkinson](#)

● [How the Bank Bailout Hobbled the Climate Fight](#)

"The bailout was one of the most significant turning points in America's role in the global climate crisis and perhaps its most important piece of environmental legislation, ushering in a decade of fossil fuel investment that has set the fight to curb carbon emissions globally back decades."

Why this is important: There is not a consensus that the bank bailout hindered the climate fight by encouraging hydraulic fracturing. This article overlooks that fracturing has created an abundance of natural gas that has, in turn, been used to replace large amounts of coal-fired electric generation. Even many environmental groups support the change from coal to natural gas electric generation because it lowers carbon dioxide emissions. Therefore, it appears the converse of this article may be true, the bank bailout lowered carbon dioxide emissions by financing fracturing technology. --- [Nicholas S. Preservati](#)

● [U.S. Shale has a Glaring Problem](#)

"A new report from the Institute for Energy Economics and Financial Analysis and the Sightline Institute detail the 'alarming volumes of red ink' within the shale industry."

Why this is important: A new source of attack on the shale industry is questioning the long-term economics of this evolving form of oil and gas production. Clearly, the cost of the drilling and completion of a shale well is substantial. The productivity of shale wells also has kept the price of these commodities low to the benefit of our domestic economy. Financial issues with the shale revolution largely are caused by a lack of direct transportation of production to major domestic markets and the failure of our federal government to accelerate the export of production to foreign markets. If environmental opposition to interstate pipelines and the export of oil and gas to foreign markets is moderated, then a modest increase in the price of these commodities will remove the volumes of red ink in the industry. This is an historic opportunity to maintain tens of thousands of U.S. jobs resulting from this revolution and to continue a reduction on our cost of energy. Don't let overzealous environmental threats kill this economic juggernaut before renewable energy sources are ready to fill the gap in our domestic demand. --- [William M. Herlihy](#)

● [German Steel Sector Warns Against Abrupt Halt to Coal-Fired Power](#)

"Hans Juergen Kerkhoff said he expects rising power prices from a hasty withdrawal from coal to lead to additional electricity costs of between 140 million euros and 220 million euros (193.7 million pounds) a year for the steel industry."

Why this is important: German steel mills are wary of closing coal-fired electrical generation plants in Germany. Eliminating coal-fired plants will cost steel makers between 140 to 220 million euros a year. That will hurt the German steel plants' ability to compete in world markets. Strong steel making worldwide is helping U.S. metallurgical producers as met export coal prices remain high, but German cutbacks could dampen the demand for metallurgical coal. --- [Mark E. Heath](#)

● [Saudi Aramco in Talks with Russia's Novatek on Large LNG Project](#)

"Saudi Aramco Chief Executive Amin Nasser is negotiating with Russia's Novatek to invest in a large liquefied natural gas project."

Why this is important: Dovetailing with their cooperation in oil production, Russia and the Saudis appear to further their collaboration, announced last February by memorandum of understanding, in the natural gas arena as well. Although Nasser's Tuesday statement was short on specifics, Saudi Aramco investment may well be aimed to help capitalize Novatek's recent

expansions at its gas and condensate facilities in Russia's Yamal-Nenets Autonomous Region. Last December, Novatek initiated the first of three planned LNG trains, with capacities of 5.5 million tons per year each, at its Yamal LNG plant in the Russian Arctic. --- [John C. \(Max\) Wilkinson](#)

● [Two 'Unstable' OPEC Nations May Decide Whether Oil Takes Another Run at \\$100 a Barrel](#)

"That's why many analysts are paying close attention to Nigeria and Libya, two nations heading into high stakes elections and where output has swung wildly in recent years."

Why this is important: Two nations with domestic civil conflicts--Nigeria and Libya--control up to 1 million barrels of oil per day of the world supply. Because of civil unrest, oil supplies in those countries frequently have been disrupted. Upcoming elections in those countries have the capacity to further disrupt their supplies. This comes on the heels of increased U.S. sanctions against Iran's oil supplies. Significant restrictions on production in multiple countries may push oil prices skyward. --- [Bryan S. Neft](#)

● [Indian Thermal Power Demand Outstrips Projections, Coal Production](#)

"According to the National Power Portal, 121 out of 123 power plants have less than five days of coal stock."

Why this is important: Thermal demand in India continues to outstrip coal supplies and electrical demand projections. Currently, 121 of 123 generating plants have only a five-day supply of coal to burn. And, electrical demand is growing at 7 percent a year. This means India will have to import more coal and that will help U.S. exports, which continue to grow. --- [Mark E. Heath](#)

● [EIA Energy Statistics](#)

Here is a round-up of the latest statistics concerning the energy industry.

[PETROLEUM](#)

[This Week in Petroleum](#)

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[Natural Gas Weekly Update](#)

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[Weekly Coal Production](#)

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[Monthly Biodiesel Production Report](#)

Monthly Densified Biomass Fuel Report

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