

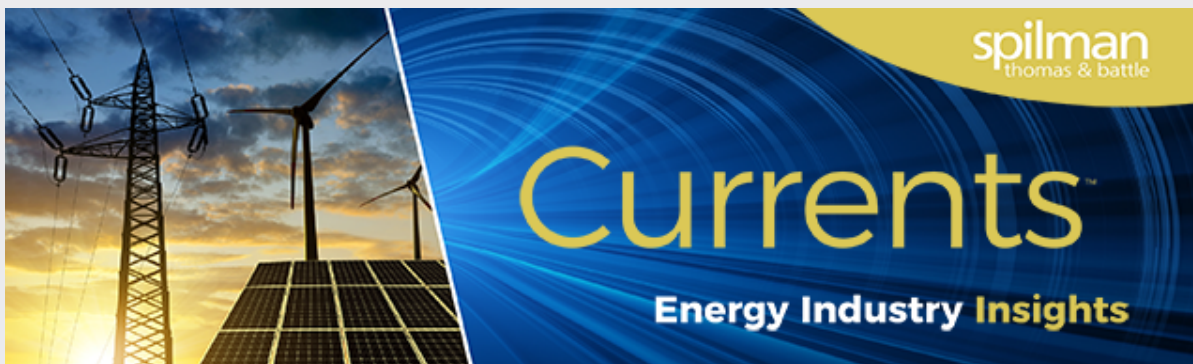
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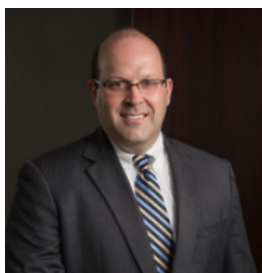


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## Volume 5, Issue 3

### ● [Welcome](#)



Welcome to Volume 5, Issue 3 of *Currents*. As always, please [contact us](#) if you have topics you would like us to cover. And, if you would like to add someone to our distribution list, please [email us](#) with their contact information and CURRENTS in the subject line.

We hope you enjoy reading.

[Nicholas S. Preservati](#)

Co-Chair, Energy Practice Group

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### ● [In a Rare Rebuke, FERC Fails to Approve Mountain Valley Pipeline's Proposal](#)

*"The Federal Energy Regulatory Commission deadlocked 2-2 on Mountain Valley's request to bore under streams and wetlands along the pipeline's first 77 miles in West Virginia."*

**Why this is important:** FERC's Chair placed the matter on the agenda without realizing that the tie-breaking vote of Commissioner Christie would not be available, as Commissioner Christie recused himself from the vote due to his previous role with the Virginia SCC. As a result, the matter likely may not get back on the FERC agenda under the Biden administration. This leaves MVP with no real solution for constructing the 77-mile segment of the pipeline in West Virginia and threatens to further increase the cost of the project, which already has increased by \$2.3 billion from its original cost estimate. --- [Nicholas S. Preservati](#)

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## ● 'Dispatchable Power Through Commercial Fusion'

*"The goal of economic power generation from fusion has been elusive, but that hasn't deterred researchers from exploring ways to develop the technology in a way that would support commercial electricity production."*

**Why this is important:** Although the world has yet to see a nuclear fusion generator that produces more energy than it consumes, some nuclear experts are confident that we will only be waiting years—not decades—for commercial applications of fusion energy. Some of the hurdles to commercialization are an outdated power grid, finding the right balance between private investment and government support for fusion technology, and easing public fears over anything broadly categorized as "nuclear energy." Nuclear fusion is a promising clean energy technology because it generates zero emissions, produces no long-lived nuclear waste, and poses no risk of meltdown. --- [Joseph C. Unger](#)

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## ● Chinese Steel Mills Hit by High and Rising Costs

*"Chinese steel mills are paying exorbitant prices for coking coal, an essential ingredient in the steel making process, but there could be worse to come with a looming disruption to Australian shipments of iron ore, another critical steel-making material."*

**Why this is important:** China's trade war with Australia over the origins of the coronavirus is continuing to increase what China is paying for steelmaking commodities. China continues to refuse to buy Australian products, and now the price of metallurgical coal being used in China is \$135 a ton over what Australia is exporting (\$250 vs. \$115). The price of iron ore is also rising to \$160 a ton. As China's economy recovers faster than the U.S., these developments are helping U.S. and Canadian producers with increased metallurgical coal export prices at a time when steam coal markets remain relatively weak. --- [Mark E. Heath](#)

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## ● Michigan Solar Ruling Could Expand the Role of Residential Energy Storage

*"State regulators dealt a setback to solar developers last month, but some think it could become a blessing in disguise."*

**Why this is important:** One of the key factors governing growth of home solar installations is the price that utilities pay to receive electricity from home arrays. The more that is paid, the faster the cost of the solar panels is paid back to the homeowner. Michigan recently reduced that amount, causing some complaints that the extended period for cost recovery will make solar arrays uneconomical. Others see a silver lining, believing it will result in an increase in battery and other power storage purchases, helping to spur development of another renewable energy industry. --- [David L. Yaussy](#)

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## ● Court Strikes Down Trump Coal Power Plant Rule

*"A federal appeals court in Washington, D.C. vacated the Trump administration's Affordable Clean Energy Rule, which gave states more time and authority to decide how to implement the best new technology to ease emissions from coal plants."*

**Why this is important:** There was little doubt that the ACE Rule was going to be rescinded by the Biden administration. Thus, the court's rejection of the ACE Rule in general is not significant. The significance of the court's ruling is why the rule was struck down. The court rejected the EPA's belief that

it could only regulate emissions directly at the source, and not across the sector as a whole. By expressly rejecting this position, the court has now opened up additional types of emission regulation such as cap and trade regulations or a carbon tax. --- [Nicholas S. Preservati](#)

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## ● [Beijing Sees Significant Drop in Coal Consumption](#)

*"Coal consumption in Beijing decreased from 11.65 million tonnes in 2015 to 1.73 million tonnes in 2020."*

**Why this is important:** Beijing's efforts to clean up air pollution by burning less coal continues and are resulting in dramatic drops in coal consumption. It did so by closing 2.7 million KW of coal-fired electric generation and replacing it with 7.2 million KW of natural gas generation. The province also has refueled 30,000 coal-fired boilers in the area with cleaner burning coal. Coal's share of energy production in Beijing declined from 13.7 percent in 2015 to 1.9 percent in 2020. As a nation, China continues to pledge to reduce its greenhouse gas emissions, but Beijing's changes appear to be driven by a need to control air pollution. --- [Mark E. Heath](#)

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## ● [Keeping Afloat in a Minefield of Cybersecurity Threats](#)

*"In fact, one of the greatest threats to the energy industry is its lagging cyber resilience performance."*

**Why this is important:** This article explains some of the unintended consequences of what it describes as the oil and gas industry deploying Internet of Things technology "at an unprecedented rate." There are sensors at every stop along the chain, and, while the deployment of this technology has added benefits, the article focuses on the increase in "the attack surface to potentially vulnerable industrial environments in distributed upstream, midstream, and downstream assets." The effect is the characterization of "oil and gas players [being] nearly four times worse at stopping targeted cyberattacks, four times slower at finding breaches, three times slower when fixing them, and half as effective at reducing their impact" as those in other industries. These problems are not escaping focus. A recent survey reported that 61 percent of oil and gas companies advised that cybersecurity would be their leading investment in digital technologies in the near future. --- [Nicholas P. Mooney II](#)

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## ● [U.S. Supreme Court Hears Arguments in Baltimore's Climate Change Lawsuit Against Fossil Fuel Companies](#)

*"It argues that the companies should pay damages for the impacts of climate change on the city — everything from coastal flooding in Baltimore to health impacts for citizens associated with rising temperatures — in part because they downplayed and concealed information about the dangers of fossil fuel emissions."*

**Why this is important:** The specific issue before the Supreme Court was whether the City of Baltimore's climate change lawsuit should be heard in state court or federal court. There are significant legal and policy justifications for the case being heard in state court as well as in federal court. The lawsuit alleges violations of state law, and issues of comity suggest that they should be addressed by the state court. However, the overarching issue of climate change is not a localized issue and allowing identical suits to be filed in different state court systems opens up the potential for inconsistent judgments. Thus, while the issue before the Supreme Court is procedural in nature, the Court's decision will dictate where the substantive challenge will take place. --- [Nicholas S. Preservati](#)

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## ● [Coal Mine Go-Ahead 'Undermines Climate Summit'](#)

*"The Woodhouse mine was approved by Cumbria County Council because it will create jobs in an area of high unemployment."*

**Why this is important:** Environmentalists continue to push the United Kingdom to eliminate fossil fuels by 2050 or sooner, and the nation is hosting a United Nations climate summit in November. UK plans to push other nations to eliminate fossil fuels, but high unemployment in the country has led to the approval of a new coal mine in Cumbria County. The Woodhouse Mine has received local government approval to go forward. It would be one of the first new coal mines in the UK in many years, but those opposing it believe it will undercut UK's position in the upcoming UN conference. --- [Mark E. Heath](#)

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## ● [How U.S. Research Damning Electric Cars is Funded by Saudi Oil Interests](#)

*"There is little transparency around private companies' financial or other involvement in the U.S. Department of Energy's research, including research produced at ORNL."*

**Why this is important:** The article questions the impartiality of research into the economics of electric vehicles funded by Saudi oil interests, and it is certainly a fair question. It's a question that can be asked about a large amount of research, including studies funded by green organizations that present the same possibility of bias. But, there is legitimate work being done by all manner of interested parties (vaccine trials come to mind) and no reason to throw all of it out. Rather than disregard all such research, it makes more sense to evaluate it on a case-by-case basis, fairly evaluating the controls on how data is generated, and closely scrutinizing the conclusions that are drawn. --- [David L. Yaussy](#)

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## ● [Energy Question of the Week](#)

### Last Issue's Question and Results

How willing are you to use residential solar panels?

Very Willing/Already Use - 17.5%  
Moderately Willing - 21.1%  
Moderately Unwilling - 16.7%  
Absolutely Will Not Use - 14.9%  
Unable to Use - 16.7%  
Other - 13.2%

What type of residential heat do you use?

#### Electric

Select

---

#### Natural Gas

Select

---

#### Wood

Select

---

#### Geothermal

Select

---

Other

Select

Do Not Know

Select

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## ● **EIA Energy Statistics**

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

### **PETROLEUM**

#### **This Week in Petroleum**

#### **Weekly Petroleum Status Report**

### **NATURAL GAS**

#### **Short-Term Energy Outlook - Natural Gas**

#### **Natural Gas Weekly Update**

#### **Natural Gas Futures Prices**

### **COAL**

#### **Short-Term Energy Outlook - Coal**

#### **Coal Markets**

#### **Weekly Coal Production**

### **RENEWABLES**

#### **Short-Term Energy Outlook**

#### **Monthly Biodiesel Production Report**

#### **Monthly Densified Biomass Fuel Report**

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**What are your areas of interest? If there are particular industries or issues that you would like to hear about, [email us](#)! We have a large number of attorneys willing to weigh in on the issues that impact you and your business.**

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