



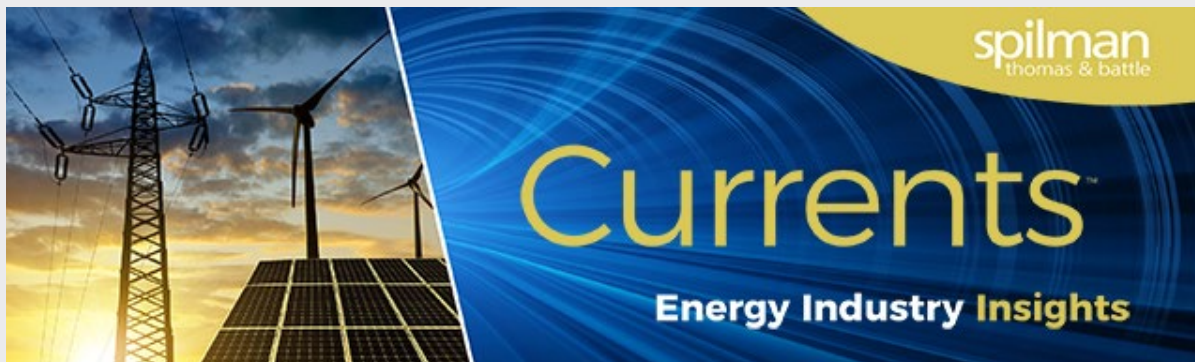
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## Issue 8, 2020

### ● [Cancelled Teck Oil Sands Project Underscores Global Climate-Energy Policy Tension](#)

*"The Frontier project became the latest casualty in oil-producing countries with robust environmental movements agitating to cut fossil-fuel development due to global warming."*

**Why this is important:** This article is important for two reasons. First, it highlights the real and significant economic ramifications associated with transitioning the energy sector away from fossil fuels. In this single instance, Alberta lost a \$20 billion project whose lifetime economic benefit to that area would have far exceeded the capital cost of the project. The second important factor is why the project was cancelled. The supporters of the project abandoned it due to significant delays in the pipeline construction process due to court challenges and rail delays associated with activist protests. Such delay is an ever increasing problem in both the U.S. and Canada. This is evidenced by the continued court challenge to the Atlantic Coast Pipeline and the Williams Company's recent announcement it will be abandoning its Constitution pipeline project in the U.S. --- [Nicholas S. Preservati](#)

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### ● [New England's Largest Coal Plant Clears Capacity Auction, Will Run Until 2024](#)

*"Clean energy advocates had hoped the ISO New England's new two-step capacity market construct would allow state-subsidized clean energy resources to purchase capacity supply obligations from older fossil fuel-fired generators like the Merrimack station that are willing to retire."*

**Why this is important:** The 439 MW Merrimack coal-fired generation plant in Bow, NH, operated only 14 percent of the time in 2018. That made it a peaking plant only needed in times of high electrical demand. Environmentalists hoped a new power grid auction system would result in its closure. Instead, the New England Forward Capacity Auction 14 resulted in sales to keep it open to 2024. The grid will now purchase \$8.1 million in power in 2023 and 2024. The Forward Auction is designed to help guide utilities on closure decisions and make sure there will be enough electrical generation capacity in future years. --- [Mark E. Heath](#)

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### ● [No Reason to Panic but Federal Energy Commissioner Says Cyberattacks a 'Real Threat'](#)

*"The prospect of a cyberattack on utilities that could lead to widespread paralysis of the nation's electric*

*grid is a serious concern, one of the commissioners at the Federal Energy Regulatory Commission."*

**Why this is important:** Last week, one of the commissioners at the Federal Energy Regulatory Commission provided some sobering information about the frequency and sophistication of cyberattacks that target the nation's electric grid. While cautioning the public not to succumb to panic, he characterized the attacks and countermeasures as a type of race in which power companies try to keep their security measures ahead of the attacks. The frequency of these attacks may be beyond what the average person understands. The California Independent System Operator, which oversees about 80 percent of California's electricity consumers stated, it "fends off 'several millions' of hacking attempts each month." Sometimes, these attacks succeed. Particularly concerning is the 2017 attack on U.S. utilities in which North Korea-linked hackers launched a phishing attack as part of what was described as an "early-stage reconnaissance" mission. Though the commissioner cautioned the public not to worry, he was clear ratepayers must remain vigilant against the continued threats of these attacks. --- [Nicholas P. Mooney II](#)

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## ● [Japan to Tighten Export Policy on Coal-Fired Power Plants](#)

*"The move follows global criticism over the Japanese government's support for building coal-fired plants in countries like Indonesia and Vietnam, as well as the roll-out of new plants in Japan."*

**Why this is important:** Japan has just announced it will start a review of its export of coal-fired electrical generation plants to other countries. In recent years, Japan has helped finance and build coal-fired plants in Indonesia and Vietnam. Last December, the UN Secretary General in climate talks urged all countries to not build coal-fired generation plants after 2020 to meet the goals of the 2015 Paris Climate Agreement. --- [Mark E. Heath](#)

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## ● [Global LNG Demand to Double by 2040](#)

*"According to the forecast by Shell, LNG demand was expected to double by 2040 to 700 million tons, with natural gas set to play 'a growing role in shaping a lower-carbon energy system.'"*

**Why this is important:** This forecast for increased worldwide demand for LNG could be part of a solution for depressed U.S. natural gas prices. But, an acceleration in the pace of permitting LNG export facilities on the East and West coasts is key for domestic producers to capture a significant share of the emerging international market. Unless new terminals are quickly developed, U.S. participation in this market will likely be displaced by Russian and Middle Eastern sources. --- [William M. Herlihy](#)

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## ● [Tech's Green Pose Gets Less and Less Convincing](#)

*"While nations subsidize renewable energy sources and demand fuel economy from aircraft and motor vehicles, few, it seems, recognize the increasingly burdensome hydrocarbon demands of the digital world."*

**Why this is important:** This article highlights technology's significant contribution to energy use and increased emissions. Transportation and industry are the two sectors that produce the most emissions from fossil fuels in the United States (1,805 MMT CO2 and 1,315 MMT CO2 respectively). Considering the energy used by the entire network of cell towers and servers, a cell phone consumes on average as much energy per day as does a household refrigerator. The energy use from freight traffic and manufacturing of additional packaging related to home delivery from internet sales far exceeds what is necessary for delivery to brick and mortar retail stores. This article points out that while it is a positive technology companies have green initiatives, those initiatives most likely do not offset the tremendous increase in energy use and emissions created by the technology companies. --- [Nicholas S. Preservati](#)

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## ● [Final EPA Coal Ash Proposal Could Allow Some Ponds to Go Unlined, Despite DC Circuit Ruling](#)

*"The proposed changes would exempt some facilities from lining their basins with plastic if they met certain protective standards, despite a D.C. Circuit Court of Appeals ruling in August 2018 that the Obama Administration's rules were not strict enough on liners."*

**Why this is important:** A new proposal by the Environmental Protection Agency would allow some utility coal ash ponds to remain in use and be unlined. The plants would have to meet an alternative liner standard, which could save between \$41 million to \$138 million a year for utilities. But, the proposed rule is contrary to a 2018 DC Court of Appeals ruling. Environmentalists continue to oppose using coal ash ponds as they believe they are a groundwater pollution hazard and want them all closed. --- [Mark E. Heath](#)

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## ● [Natural Gas Ransomware Attack Offers Critical Lessons for Electric Utilities, Analysts Say](#)

*"A ransomware attack shut down a natural gas compressor station for two days causing a 'loss of productivity and revenue,' according to an alert from the U.S. Cybersecurity and Infrastructure Security Agency."*

**Why this is important:** A recent ransomware attack on a natural gas compressor station showed how severely these attacks may disrupt operations, even when they target a company's information technology side and not its operations side. The attack, which should "serve as a warning for electric utilities," caused pipeline operations to stop for two days while the station worked to restore operational data. Although the attack started on the station's information technology side, it was able to "pivot" and spread to its operational side because of the station's "lack of system segmentation." One cybersecurity consultant warned that facilities need to establish hard boundaries between their information technology and operations. However, many are not doing that. This leaves them in a situation where the question is not if they will experience similar attacks, but when. --- [Nicholas P. Mooney II](#)

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## ● [EIA Energy Statistics](#)

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

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

### **NATURAL GAS**

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

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### **COAL**

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

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#### **Weekly Coal Production**

## **RENEWABLES**

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### **Monthly Biodiesel Production Report**

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

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