



Issue 44, 2018

● [Impact of U.S. Court Ruling on Keystone XL Timing Unclear: TransCanada](#)

"TransCanada Corp is reviewing a decision by a Montana judge blocking construction of the Keystone XL pipeline, but the impact on project timing remains unclear, the company's top crude pipeline executive said."

Why this is important: It is estimated the construction of the \$8 billion Keystone Pipeline will create 42,000 jobs over a two-year construction period. It also is projected the pipeline will carry more than 800,000 barrels of oil sands petroleum per day from Canada to Gulf Coast refineries in the U.S. This is important because it offers U.S. refineries a more reliable and sustainable supply chain than the one currently being provided by Mexico and Venezuela. The Court's ruling delays the realization of these significant economic impacts in both the U.S. and Canada. --- [Nicholas S. Preservati](#)

● ['OPEC is Not Effective,' Says Malaysia's Prime Minister](#)

"The Organization of the Petroleum Exporting Countries hasn't been effective in stabilizing oil prices, which have been more dependent on U.S. shale production than the actions of the intergovernmental group, said Malaysian Prime Minister Mahathir Mohamad."

Why this is important: The leader of OPEC-member country Malaysia has conceded that OPEC no longer has the ability to stabilize prices in the global oil markets. Rather, the Malaysian Prime Minister believes the United States has the ability by regulating the production of shale oil. Although the opinion is of one member only, recent trends have proved OPEC has been unable to stabilize long-term prices for oil. If true, the United States would be able to ensure a relatively inexpensive price for its oil consumption. --- [Bryan S. Neft](#)

● [New BC Coking Coal Mine On the Cards](#)

"Publically traded Colonial Coal has announced the outcomes of a preliminary economic assessment for a new coking coal mine, near Tumbler Ridge, in northeastern British Columbia."

Why this is important: The red hot metallurgical coal market continues to encourage new mines to be developed. Colonial Coal just announced a preliminary economic assessment for a coke mine in British Columbia. The mine will require a \$300 million investment that has the potential to produce 57.4 million tons of metallurgical coal over 30 years. Colonial believes the mine can break even with coking coal selling for \$91 to \$103 a ton. Coke prices currently exceed those numbers. --- [Mark E. Heath](#)

● [What Next for U.S. Climate and Energy Policies?](#)

"On the global stage, despite Herculean efforts by the Intergovernmental Panel on Climate Change and activist groups to redefine 'climate change' and conjure up scary hobgoblins, the obsession over global warming, 'green' energy and the Paris climate treaty

has hit the rocky shoals of reality."

Why this is important: Despite being blamed for every natural disaster that occurs, climate change is not a great fear of most Americans, as witnessed by the failures of a carbon tax in Washington State and a renewables mandate in Arizona. Internationally, few countries have even identified concrete actions to reduce greenhouse gas emissions, much less implemented them. Many economies, such as China and Japan, are turning to more coal power. Climate change has become a concern that many express, but few want to do anything concrete about it. --- [David L. Yaussy](#)

● [Kudlow Says White House Looking at Infrastructure Plan, Including Energy Pipelines, LNG Terminals](#)

"As the U.S. continues trade talks with Europe, the Trump administration has continued to push its European allies to import more LNG."

Why this is important: Maintaining and expanding the nation's energy infrastructure will be critical to continued economic growth. The World Bank recently has recognized a lack of sufficient energy infrastructure causes decreases in economic growth and significant decreases in business productivity. By increasing its infrastructure, the United States will be able to leverage its vast energy resources into increased global economic power and political power. --- [Nicholas S. Preservati](#)

● [Higher Severance Tax Could Cripple Shale Growth](#)

"Thanks to shale development, the Northern Panhandle and Upper Ohio Valley is undergoing an economic revolution not seen since the birth of the steel industry."

Why this is important: The tri-state area of Pennsylvania, Ohio and West Virginia is experiencing significant growth due to natural gas and oil extraction. Pennsylvania assesses an impact fee against oil and gas producers, while Ohio maintains a 1.25 percent severance tax on the extraction of oil and gas. West Virginia's severance tax is 5 percent. Some are calling for an increased severance tax, which, if raised, would make West Virginia competitively less attractive for oil and gas production. Producers could conceivably shift production to Pennsylvania and Ohio at the expense of West Virginia. --- [Bryan Neft](#)

● [WVU Receives Grants to Further Develop Mine Safety Research in WV](#)

"West Virginia University's ongoing research into mine safety, both in technology and physical training, has gotten a boost via grant funding from the government and a private foundation."

Why this is important: West Virginia University has received two grants to help improve mine safety. A grant from MSHA will help train up to 600 miners on how to fight explosions and mine fires underground. A second grant from the Alpha Foundation will further develop a Dust and Gas Explosion Model to better predict the hazards from gas explosions and mine fires underground. Both grants will help lessen the danger underground miners face from methane explosions and fires. --- [Mark E. Heath](#)

● [Rocket Fuel: Australia Targets Hydrogen as Next Big Energy Export](#)

"Australia, the world's biggest coal exporter and second-biggest liquefied natural gas exporter, wants to build its next big energy industry around exploiting solar and wind power along with brown coal to produce hydrogen."

Why this is important: Hydrogen can be burned, like other fossil fuels, to produce power, or it can be routed through fuel cells to produce power without combustion. Australia thinks hydrogen is a promising future fuel and is trying to come up with a cost effective manner of producing it by gasifying brown coal. Oz hasn't been able to do it yet, but if it can, it will have a huge leg up on others contemplating a hydrogen-powered future. --- [David L. Yaussy](#)

● [Climate Contrarian Uncovers Scientific Error, Upends Major Ocean Warming](#)

Study

"Researchers with UC San Diego's Scripps Institution of Oceanography and Princeton University recently walked back scientific findings published last month that showed oceans have been heating up dramatically faster than previously thought as a result of climate change."

Why this is important: The discovery of this error is important for two reasons. First, it further shows the ability to predict and measure climate change is not an exact science. Second, and more important, it exposes significant flaws in the peer review process. The findings of the Resplandy paper were peer reviewed and published in the world's premier scientific journal and given wide coverage in the media. However, a simple review of the first page of the paper revealed significant errors affecting the accuracy of the paper's findings, errors acknowledged by the author. The fact such an easily recognized error was not discovered in the peer review process raises the practical question of whether the once hallowed scientific process is now just a rubber stamp. --- [Nicholas S. Preservati](#)

Uniper Urges Caution in Germany's Exit From Coal

"Germany should take care in closing coal-fired power plants to avoid disruption and spread risks evenly, power utility Uniper said."

Why this is important: Companies and utilities continue to worry about Germany's plans to close its nuclear and coal-fired electrical generation plants. The Uniper utility wants to keep 2.7 gigawatts of brown coal electrical generation plants as a back-up as nuclear plants close by 2022 and as a reserve through 2030 for the gas-fired generation plants that Germany wants to move toward. Germany, with other countries, continues to find it is very difficult to completely move away from coal-fired electrical generation plants. --- [Mark E. Heath](#)

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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