



Issue 14, 2019

● [Trump Said to Seek Limits on State Power in Pipeline Approvals](#)

"Trump's order comes as the president continues to chafe at regulatory barriers he says throttle the full potential of American 'energy dominance,' while keeping the nation hooked on foreign gas imports."

Why this is important: Over the past several years, administrative and legal challenges to natural gas transmission pipelines have stalled the completion of the Constitution Pipeline to the Northeast region, the Mountain Valley Pipeline to Southwestern Virginia, and the Atlantic Coast Pipeline terminating in North Carolina. These repeated efforts by environmental advocates and state governments have dramatically increased the cost of these pipeline projects, as well as deprived residential and commercial consumers of the benefit of affordable and clean-burning shale gas from Appalachia. Now it appears the Trump administration will attempt to promote energy infrastructure, including these gas pipeline projects, through a series of executive orders. Although such executive orders may not be a totally effective means to complete these much needed projects, they will at least provide momentum toward completing infrastructure necessary to assure energy independence for our country. --- [William M. Herlihy](#)

● [Wyoming Coal is Likely Declining Faster than Expected](#)

"The degradation of the basin is accelerating and we never thought that would happen," said Sen. Michael Von Flatern, R-Gillette. "We didn't see that happening."

Why this is important: The coal mines in the Powder River Basin of Wyoming and Montana are the largest U.S. coal mines in operation and many believed they would mine coal far into the future. However, recent events show that market is struggling due to closures of power plants and difficulties in building coal export docks on the West Coast. One study predicts coal production could drop to 176 million tons in 10 years. With increased natural gas prices, that reduced number could be 224 million tons. Both are extreme drops. One mine alone in the Basin produces more than 90 million tons a year. Since 2015, the region has lost 1,000 mining jobs. While six mines in the basin send coal to nine of the largest coal-fired generating plants in the U.S., the region has found the closing of one such plant has a significant impact on many producers in the Basin and can make a mine uneconomical. --- [Mark E. Heath](#)

● [Congress Approves Seven-State Colorado River Deal Addressing Drought Conditions](#)

"The House and Senate both approved a seven-state agreement designed to reduce use of water from the parched Colorado River by drought-stricken Western states."

Why this is important: Years of negotiations have resulted in a significant agreement among seven states to assertively address drought conditions in the Western U.S. and protect water supply levels. As climate change continues to adversely affect water supplies across the U.S., this agreement may become the example to be followed by other states and cities facing crisis situations with decreasing water supplies. --- [Susan J. Riggs](#)

● [Pipelines Bring Economic Boost to Region](#)

"The second phase of oil industry development within the Appalachian Basin has seen construction of pipelines to move natural gas from well fields to processing centers, according to a study by Energy In Depth."

Why this is important: Natural gas transmission pipelines being constructed to transport inexpensive Marcellus and Utica shale gas provide a winning scenario for local and regional economies. During the initial phase, pipeline construction generates thousands of jobs for construction contractors and secondary businesses on a local level. After completing construction, these pipelines will require hundreds of local jobs for maintenance and testing services over decades. In addition, such pipelines will promote local manufacturing jobs created by shale gas and its associated liquids. On a regional level, new pipelines will furnish an affordable source of energy for residential and commercial consumers, while renewable energy generation evolves into a viable energy supplier for these regions. --- [William M. Herlihy](#)

● [China to Cap 2019 Coal Imports at 2018 Levels](#)

"However, domestic output has also increased, and is set to rise by an extra 100 million tonnes this year, said an official."

Why this is important: China has set a goal to limit 2019 imports to 2018 levels. The world's largest producer of coal imported 281.23 million tons of coal last year. China will offset the 2018 levels with an increased production of 100 million tons. However, even with that increase, China's need for coal continues to dramatically grow. --- [Mark E. Heath](#)

● [America is Losing the World's Biggest Manufacturing and Climate Race: Electric Vehicles](#)

"Leading experts predict that electric vehicles will overwhelmingly drive global auto industry growth over the next decade-from only about 1.1 million EVs produced worldwide last year to a staggering 30 million annually by 2030."

Why this is important: The coal, natural gas and utility industries should make electric cars their primary legislative focus for two reasons. First, electric cars run on electricity generated primarily from coal and natural gas. A significant increase in the number of electric cars in the U.S. would cause coal and natural gas to displace petroleum as the fuel of choice for transportation. Second, gas-fired vehicles are the single largest source of CO2 emissions in the U.S. Studies show electric cars cause less CO2 emissions than do their gasoline counterparts, even if the electricity fueling the electric car is generated entirely from coal. Ironically, using electric cars will allow the U.S. to lower its CO2 emissions by increasing its coal and natural gas-fired power production. --- [Nicholas S. Preservati](#)

● [Weaker Latin American Steel Outlook Could Hit Brazil Coking Coal Demand](#)

"Latin American steel association Alacero has cautioned that slower economic growth in the region could affect the industry."

Why this is important: There is some concern that an economic slowdown in Latin America could eventually affect U.S. exports of metallurgical coal. Last year, Brazil imported 7.6 million tons of metallurgical coal from the U.S., while Argentina imported 625,000 million tons. Those 2018 import numbers were 1.1 million tons above 2017 levels, due to the strength of the need for steel in those countries and steel exports. While imports are down the first two months of 2019, they have not affected export prices to date. --- [Mark E. Heath](#)

● [U.S. Coking Coal Growth Capped by Capital, Equity Investor Trends: Eurocoke](#)

"U.S. coking coal output growth is constrained by limited financing appetite for coal projects, despite higher coal prices in the past two years, according to mining and trading sources."

Why this is important: The coal industry is generally enjoying good times around the world, but still faces significant challenges. Coal usage continues to grow in India and China, but in the U.S., coal continues to lose ground to low cost natural gas and renewables for electric generation. Also, significant banks are announcing plans to not finance any new coal-fired electrical generation plants. That change is more likely to affect the export market as there are almost no new coal-fired electrical plants planned for the U.S. --- [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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