



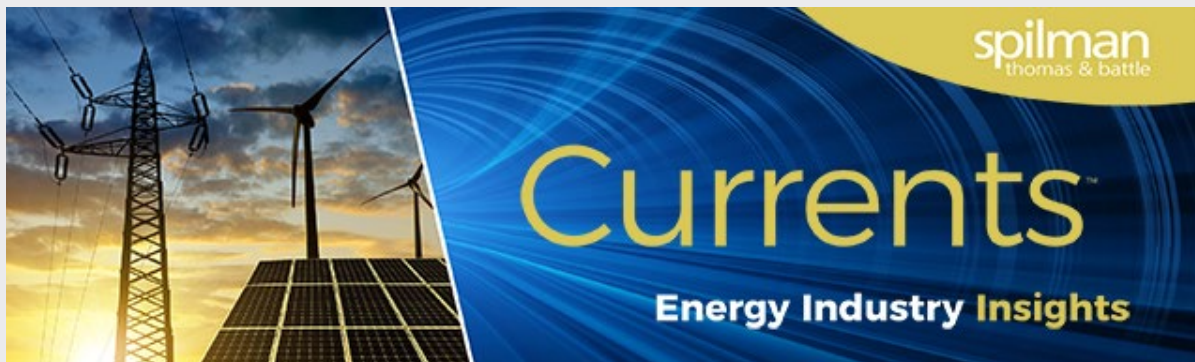
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Issue 12, 2020

● [FERC: No Rehearing on Potomac Pipeline](#)

"A federal commission this week turned down a request to rehear its approval for a proposed natural-gas pipeline under the Potomac River."

Why this is important: In 2018, the Federal Energy Regulatory Commission ("FERC") approved Columbia Gas's plan to construct a 3.37-mile, 8-inch pipeline under the Potomac River. Last week, FERC denied a request to rehear approval of the project. The line would connect existing lines in Pennsylvania to the Mountaineer Eastern Panhandle Expansion Project, feeding the eastern West Virginia panhandle. The line would be Columbia's 13th line under the Potomac. However, the project remains on hold. Maryland has refused to grant Columbia an easement to drill under the Potomac despite the dozen other lines. While FERC's denial of a rehearing request is a step towards final resolution of the battle over this line, there is still plenty of litigation remaining. --- [Matthew P. Heiskell](#)

● [Coronavirus Lockdowns Cause Dramatic Drop in Air Pollution](#)

"The dramatic slowdown in economic activity across Europe as a result of Coronavirus lockdowns can already be seen from space."

Why this is important: Satellite images published by the European Space Agency showed a dramatic decline in nitrogen dioxide concentrations over cities such as Paris, Madrid, and Rome, which already can be seen from space. The reductions coincided with the lockdown measures taken by almost all of the European Union and were more pronounced in countries with the strictest and earliest lockdowns, i.e. France and southern Europe. "This pollution, normally caused by heavy industry and cars, has noticeably declined as factories are shut down and people work from home." --- [Dennise R. Smith](#)

● [Cash-Strapped Coal Giant Murray Energy Faces Liquidation](#)

"Bankrupt coal miner Murray Energy Corp. could be forced to liquidate unless a federal judge lets it cut health-care payments to retirees."

Why this is important: Murray Energy Corp has told a bankruptcy court it must end retiree healthcare obligations or face liquidation. The company has told the court it spends \$200,000 per day, \$6 million a month on the benefits, and it does not have enough cash to continue to do so. The filing states the retiree benefits would be backstopped by the U.S. government, and if it does not get relief from the

payment, the largest private coal company in the U.S. faces liquidation. The company already has laid off 542 miners in its bankruptcy. A recent bankruptcy auction resulted in no bids. This development means if the company can emerge from bankruptcy, it will be controlled by its largest lenders – Silver Point Capital LP, Bain Capital Credit LP, and Eaton Vance Management. The U.S. coal industry continues to face strong economic headwinds with the COVID-19 slowdown and as natural gas and renewables displace coal for electric generation. --- [Mark E. Heath](#)

● [Exxon May Crush Bailout Hopes for Suffering Fracking Companies](#)

"That marks two failed efforts to bail out shale companies while the oil and gas industry's top trade group continued saying the industry didn't want a bailout."

Why this is important: Despite some efforts, America's shale production oil companies have not been authorized to participate in the recent stimulus package passed in the wake of the Coronavirus pandemic. Although there have been discussions for the government to purchase shale oil to fill the country's strategic reserve, such action alone won't prop up the shale-producing markets. One hidden factor in the opposition to bailouts is coming domestically from Exxon, which has a huge stake in Texas shale production. Exxon, along with other major oil producers, would stand to gain by the failure of shale oil companies from recent market upheavals by cutting the number of independent oil producers in competition with the major companies significantly. --- [Bryan S. Neft](#)

● [Covid-19 Pandemic Hits Troubled U.S. Coal Industry](#)

"The coronavirus pandemic may increase the burden for the already struggling coal miners in the U.S., as three companies announce suspension of operations in the country to contain the spread of the virus."

Why this is important: This article also discusses recent decisions to temporarily cease production by Coronado Global Resources, Consol, and Alliance Resource Partners. While Australia's Coronado Global Resources will continue to deliver on its global commitments, it "has suspended its US thermal and metallurgical coal mines due to global economic downturn induced by coronavirus." Alliance Resource Partners also plans to temporarily stop the production at its Illinois basin mines "as global measures to contain the spread of the virus" and as part of an effort to "substantially offset lower revenues, allowing us to maintain ample liquidity and protect our strong balance sheet." --- [Dennise R. Smith](#)

● [Virginia's Leading Coal Mine Halts Production Amid COVID-19 Pandemic](#)

"Coronado Global Resources notified state regulators Monday that it was halting operations at its Buchanan County mine, which produced more coal and employed more people than any other mining operation in Virginia last year."

Why this is important: Two Virginia coal producers have announced they are idling production due to the COVID-19 outbreak and its resulting economic slowdown. Coronado Global Resources has announced it is idling its Buchanan County Mine, which has 543 employees. The mine employs one-fifth of Virginia's coal miners and its 4.94 million tons of production was 41 percent of the coal mined in Virginia in 2019. The Virginia Department of Mines reports the Coronado mine has 750,000 tons of coal in its stockpiles to ship and will continue to employ 50 employees to do so and also maintain the largest coal mine in Virginia during the shutdown. Also, INMET Mining announced it is closing four small Virginia mines that employ 96 miners. Eight to 10 employees will continue to maintain the mine during the shutdown. These idlings join the list of several mines that have closed due to the economic slowdown caused by the pandemic and likely will not be the last. --- [Mark E. Heath](#)

● [Wisconsin Regulators Launch Investigation into COVID-19 Related Costs for Utilities](#)

"The investigation is in response to an order issued by Democratic Gov. Tony Evers in response to a request by Public Service Commission Chair Rebecca Cameron Valcq that allows regulators to order utilities to waive late fees and refrain from nonemergency power shutoffs, among other measures."

Why this is important: State governments, regulators, and utilities took swift action in response to COVID-19 to protect utility customers from disconnections due to inability to pay. Now, regulators in a number of states are taking steps to evaluate what impact COVID-19 has on utilities by requiring utilities to track COVID-19 related expenditures and costs. These regulatory investigations will ultimately consider whether utilities can recover such expenses from customers. --- [Carrie H. Grundmann](#)

● [Cheap Oil Doesn't Mean Much When No One's Going Anywhere: Coronavirus Will Reshape the Oil Industry](#)

"The spiraling drop in demand for oil because of the novel coronavirus — as airlines cancel flights, commuters work from home or lose their jobs, and ships ride at their moorings — has far outstripped this month's Saudi-Russian oil war as a factor in the price collapse, analysts now believe."

Why this is important: Experts believe the sharp decrease in demand for oil caused by the Coronavirus pandemic, followed by a sharp drop in price (67 percent), with prices set to drop even more substantially in May, will cause a restructuring in the oil markets. The restructuring is anticipated to be felt most in the shale fracturing areas of the Great Plains, which have greater costs of production than the fields in Texas and the Middle East. Some fracturing companies have even called upon the Trump administration to impose tariffs on imported oil and to set a fixed price of \$62 per barrel of oil. The markets can expect a large shakeup in the oil industry as a result of these market disruptions. --- [Bryan S. Neft](#)

● [Consol to Idle U.S. Bailey Coal Mine for Two Weeks After Coronavirus Exposure](#)

"Both miners have been asked to self-quarantine for 14 days, the company said, adding it will 'perform a precautionary deep cleaning of the facilities while attempting to determine if any other employees were at risk from exposure.'"

Why this is important: The western Pennsylvania thermal coal mine is the largest mine in northern Appalachia coal region, producing 12.2 million st in 2019. Consol's Enlow Fork and Harvey mines will continue production, as well as the central preparation plant. While the coal industry is fighting hard to be deemed an essential business as more and more states shut down due to the coronavirus pandemic, the virus is proving to be both an economic and literal threat even where mines are allowed to continue production. Two other U.S. coal companies also announced Monday their intent to idle production, Alliance Resource Partners and Coronado Global Resources, as Mark Heath discusses above. These suspensions come as India, one of the largest coal exporters, announced a complete three-week lockdown and sales volumes continue to fall below 2020 projections. --- [Dennise R. Smith](#)

● [Energy Question of the Week](#)

We want to hear from you!

It's important to us that our clients and friends let us know what they are thinking. That's why we have introduced this survey

Should public utilities be allowed to disconnect service for lack of payment during CV-19?

Yes

feature.

Please take a moment to answer and results will be published in the next issue.

If you have a question you would like featured, [let us know!](#)

Issue 11 Question and Results

How has the amount of energy you use (daily) changed as a result of the Coronavirus pandemic?

- Has not changed - 40.9%
- Slightly increased - 22.7%
- Significantly decreased - 13.6%
- Significantly increased - 9.1%
- Slightly decreased - 9.1%
- Do not know/unsure - 4.5%

Select

No

Select

Uncertain

Select

● 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

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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Responsible Attorney: Michael J. Basile, 800-967-8251