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Issue 38, 2020

● [Noble Energy Shareholders OK \\$4.1B Sale to Chevron](#)

"The addition of Noble will boost Chevron's U.S. shale oil holdings, making it the No. 2 producer behind EOG Resources, according to data from Rystad Energy."

Why this is important: Noble Energy shareholders approved a deal to sell the company to Chevron Corp. late last week. The deal moves Chevron up the rungs to No. 2 in U.S. shale oil production, as well as provides significant reserves in expanding markets. This is the first major deal to close since the coronavirus severely diminished global demand. And pandemic driven hurdles certainly continue to exist. It will be interesting to see if Chevron can reduce/catch the post-pandemic positive pricing wave toward making this deal worthwhile for shareholders during the short-to-mid-term. --- [Michael J. Basile](#)

● [UK's First New Deep Coal Mine in Three Decades Approved](#)

"A meeting of Cumbria County Council in the northwest of England voted by 12 votes to three in favor of the Woodhouse Colliery, which will extract as much as 3.1-million tons of metallurgical coal each year to use in steelmaking."

Why this is important: For the first time in many years, a new coal mine is scheduled to start production in England in the second half of 2021. The Woodhouse Colliery Mine in northwest England would produce 3.1 million tons of metallurgical coal for 28 years and close in 2049. The mine is expected to create 500 jobs. This is one of the first significant new mines in England since the 1980s. --- [Mark E. Heath](#)

● [Hydrogen-Powered Trains Get the Green Light as Siemens Energy and Mobility Sign Joint Agreement](#)

"In addition, the idea is that the products of the partnership will be offered to external customers in order to 'promote the hydrogen economy in Germany and Europe and support decarbonization in the mobility sector.'"

Why this is important: The hydrogen economy -- using hydrogen for combustion or in fuel cells to power transportation and the electrical grid -- has been moving forward slowly as researchers figure out how to cost-effectively produce the gas through electrolysis, and how to store and manage the notoriously elusive and flammable gas. Finding large non-consumer uses for hydrogen, such as powering trains and in other large projects that can better maintain and transport the gas, will provide important

lessons and will be crucial to its ultimate adoption by the general public. --- [David L. Yaussy](#)

● [Wind and Solar Producer Tops Exxon as Most Valuable U.S. Energy Company](#)

"NextEra Energy, based in Juno Beach, Florida, temporarily eclipsed Exxon when its value hit \$138.3 billion, edging out the fossil-fuel giant."

Why this is important: Last Friday marked an important milestone for renewable energy here in the U.S., as NextEra -- albeit briefly -- nosed-out ExxonMobil as America's most valuable energy company. Although Monday returned ExxonMobile to the top of this particular list, NextEra's tremendous growth -- and that of the renewable segment generally -- clearly indicates a shift toward clean energy. Any doubt? Just look at TAN -- a mainstay solar etf -- which is up 120+ percent in the last year. --- [Michael J. Basile](#)

● [What China's Plan for Net-Zero Emissions by 2060 Means for the Climate](#)

"Though the country is a huge polluter, it leads the world in the clean technologies that could make this feasible."

Why this is important: This is good news for attempting to control climate change if China actually performs. China is currently the largest source of carbon dioxide emissions in the world. In order to keep pace with the demands of its emerging middle class, China is currently commissioning about one new coal-fired plant each month. In order to meet the stated goal of carbon neutrality by 2060, China will have to quickly reverse this trend toward greater dependence on fossil fuel. --- [William M. Herlihy](#)

● [Why China Can't Quit Its Coal Addiction](#)

"Problematically for the country's climate goals, its coal-fired power fleet is still quite young, and China is still adding capacity and has hundreds of more coal-fired plants that are already in the planning phase."

Why this is important: China has committed to being carbon free by 2060. But while Beijing is adding new renewables and nuclear plants to meet that goal, it continues to rely heavily on coal for power generation and economic security. China added 11.4 GWs of coal-fired electric generation the first six months of 2020 and is spending \$25 billion on new power plants and mines to rebuild its economy after this year's worldwide slowdown. Also, many still view coal as providing energy stability and economic benefits, which will challenge efforts to be carbon free by 2060. --- [Mark E. Heath](#)

● [China's Electric Vehicle Promises are Just That—Promises](#)

"China is posturing to win them over by setting a 2025 goal to make 20 percent of its auto sales plug-in hybrids or battery-powered electric vehicles."

Why this is important: China's aggressive push toward electric vehicles is widely heralded. But as much of its electric power is generated from coal, the emissions reduction benefits of EV adoption are not huge. They may not be any greater than the emissions reduction expected from greater fuel efficiency in gasoline-powered cars. --- [David L. Yaussy](#)

● Legislation Passed to Turn Former Coalfields Into Solar Farms

"The southern coalfields present a lot of opportunity. There are tens, if not, thousands of acres that can potentially host these solar facilities."

Why this is important: "Coal is King!" has been a longstanding refrain here in West Virginia since the industrial age began to unfold in the United States early in the last century. The West Virginia Legislature -- via the passage of 583 -- recognized and paid homage to the growing demand for "green power," which is being driven aggressively by the quickly expanding information technology segment of the world economy. It will be interesting to see if such modern market drivers can effectively facilitate a bridge from traditional mineral-based efforts to a more diverse portfolio of energy production throughout Appalachia. --- [Michael J. Basile](#)

● India May Close Some of Its Coal Plants as Focus Shifts to Climate Change

"The plan under consideration by the power ministry would cap plants' so-called heat rate, which is a measure of how much coal energy is needed to produce each unit of electricity, according to people with knowledge of the issue."

Why this is important: India, the world's second largest user of coal, is considering a plan to close some of its coal-fired electric generation plants. India currently has 200 GW of coal-fired generation, running at 48 percent capacity and producing 64 percent of the country's electricity. The plan under consideration would close 10 GW of the least efficient plants based on heat rate, which is 5 percent of the country's coal-fired plants. Another 5 percent is closing by 2022 for not installing pollution controls mandated by the government. Coal plant closures and reduced electrical demand worldwide continue to stress steam coal markets everywhere. --- [Mark E. Heath](#)

● U.S. Cybersecurity Agency Urges Utilities to Increase Protections, Warns of Potential Attacks from China

"The agency warned that attacks could target industries considered critical to U.S. national and economic interests, including: new energy vehicles, power equipment, next generation information technology, biotechnology, robotics, financial services, defense and other sectors."

Why this is important: Are you familiar with CISA—the U.S. Cybersecurity and Infrastructure Security Agency? Even if your answer is no, as the agency that developed the critical infrastructure list relied upon by many state governments for their business closure orders, it has probably profoundly affected your life over the past seven months of the COVID-19 pandemic. Now CISA is out with a warning to utilities that China and other malevolent actors may use cyberattacks to disrupt utility infrastructure, with the consequences of a successful attack being even more severe given the distributed nature of the workforce in the current work-from-home environment. CISA offers utilities some best practices to reduce the risk, ranging from keeping software systems up-to-date to locking down access. But, the report should prompt utilities to perform a broader audit of their cybersecurity defenses to ensure that they don't find themselves falling victim to an outside attack. --- [Joseph V. Schaeffer](#)

● California Sees Zinc as Likely Successor to Lithium-Ion in Energy Storage

"California recently invested \$16.8 million in energy-storage technologies beyond lithium-ion, many of which employ zinc."

Why this is important: California is pushing ahead on work to find alternatives to lithium ion batteries.

Zinc appears to be one of the metals that it is supporting as a possible energy storage source. The competition among many storage options, while inherently wasteful as some fall by the wayside, is most likely to produce the best candidates for reliable and cost-effective batteries to level out the power produced by renewables. --- [David L. Yaussy](#)

● Energy Question of the Week

Last Week's Question and Results

How important are energy issues in this year's Presidential election?

They are the most important issues: 8.1%
Very important: 29.7%
Moderately important: 35.1%
Neutral: 5.4%
Not very important: 5.4%
Not important at all: 10.8%
Do not know: 5.4%

Should the U.S. rejoin the Paris Accord?

Yes, strongly support

Select

Yes, moderately support

Select

Neutral

Select

No, moderately oppose

Select

No, strongly oppose

Select

Do not know

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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