



Issue 44, 2019

● [Court Ruling Vindicates ExxonMobil in New York 'Climate Change' Fraud Case](#)

"The Office of the Attorney General failed to prove, by a preponderance of the evidence, that ExxonMobil made any material misstatements or omissions about its practices and procedures that misled any reasonable investor," Ostrager wrote."

Why this is important: The most important aspect of this case is not what it represents, but instead, what it does not represent. This case has been reported as the first-of-its-kind climate change lawsuit. However, this was a securities litigation case and not a case involving the science of climate change. Thus, while Exxon can claim victory in the court's finding it did not commit fraud against its investors, the non-judicial claim against Exxon that it has contributed to climate change has yet to be resolved. --- [Nicholas S. Preservati](#)

● [West Virginia, 17 Other States Challenging U.S. Circuit Court's Ruling on Atlantic Coast Pipeline](#)

"The three-judge panel ruled the U.S. Forest Service acted irresponsibly when it granted the related permit given 'serious environmental concerns' with the pipeline's development."

Why this is important: On Monday, West Virginia and 17 other states filed an amicus curiae brief with the Supreme Court of the United States asking it to overturn a 2018 decision by the U.S. Court of Appeals for the Fourth Circuit that stopped construction of the Atlantic Coast Pipeline ("ACP"). The appellate court decision held that the U.S. Forest Service improperly permitted the pipeline to cross under the Appalachian Trail. The ACP, the Trump administration, other pipeline developers, and manufacturing and industry trade groups have all filed briefs with the Supreme Court seeking reversal of the decision. More than 50 other pipelines presently cross the trail. The Fourth Circuit's unique interpretation of federal law effectively makes the trail an impenetrable barrier to energy and other infrastructure development, harming energy markets and economies of states served by the ACP and other future infrastructure development. The Supreme Court granted certiorari to hear the appeal, which bodes well for proponents of reversal. Oral arguments are set for February 2020. --- [Matthew P. Heiskell](#)

● [Indianapolis Power & Light Announces Early Retirement for 2 Coal Units, but NGOs Eye Bigger Target](#)

"The plan would continue IPL's shift away from coal, which made up nearly 80% of the utility's generation mix in 2007, but only 43% today."

Why this is important: The battle against coal continues to be waged at the local level. Indianapolis Power & Light plans to close two coal-fired units by 2023 that produce 630 MW of electricity. Coal-

fired generation for the utility totaled 80 percent of power production in 2007 and is 43 percent now. It would drop to 30 percent by 2023 with the closure of the two units. However, the Sierra Club and other environmentalists want the utility to close two more units at the Petersburg, Indiana plant with a 1,078 MW capacity. The Sierra Club wants those remaining units, which have a useful life to 2042, closed by 2028 to eliminate all coal usage for electrical generation by the utility. --- [Mark E. Heath](#)

● [First U.S. Steel Plants Powered by Wind, Solar Energy are Coming for Industry with Big Carbon Footprint](#)

"The \$250 million plant, which is expected to open by the end of the year, is a partnership between the steel company and local utility Evergy, which will power the plant after a 75 megawatt power purchase agreement between the companies."

Why this is important: Steel manufacturing has historically been a large source of carbon emissions, with coke a key ingredient of most iron reduction and steel production. Nucor Steel is expecting to change that, constructing a plant in Missouri that will power its electric arc furnaces ("EAFs") in part from wind. EAFs do not require coke or other carbon sources other than those used to supply the electricity for melting scrap metal and are natural customers for electricity generated by wind power. -- [David L. Yaussy](#)

● [Move Over, Coal: Gas Now Emits More CO2 in U.S.](#)

"Those findings, reported in a study by the Global Carbon Project, add more fuel to an already smoldering debate about the role of natural gas in a carbon-constrained world."

Why this is important: The argument that using natural gas as a bridge fuel has increased CO2 emissions is a myopic view that completely ignores the realities of worldwide energy consumption. The demand for energy in the economies of developing countries such as India and China is growing rapidly. Renewable sources and the technology for storing and distributing renewable energy for those countries cannot currently keep pace with their expanding demand. Using gas for power generation in these countries at least limits the emission of CO2 when compared to oil and coal-fired generation. Reality is this is a population issue rather than a fossil fuel issue. Unless these developing economies address uncontrolled population growth and the associated increase in demand for cheap and reliable sources of energy, then satisfying that demand with renewables is not possible for the foreseeable future. --- [William M. Herlihy](#)

● [Bearish U.S. Thermal Coal Export Market Driven by Unsupportive Pricing](#)

"Expectations for U.S. thermal coal exports are bearish, with further declines forecast, Platts Analytics said in a report."

Why this is important: U.S. thermal coal exports are in a sharp decline and are expected to remain so in 2020. October exports were down 2 million tons. The declining prices will hurt Illinois Basin and Northern Appalachian coal as few producers can sell at these prices. In 2018, the U.S. exported 49 million tons of thermal coal. This year will see a 13 million ton decline to 36 million tons. In 2020, experts see a drop to 30 million tons. The U.S. will have lost 19 million tons of exports in two years. Also hurting exports are the efforts of Richmond, California to stop all coal exports. The port shipped 3.6 million tons last year. These declines continue to stress many U.S. producers. --- [Mark E. Heath](#)

● [GM Launching \\$2.3 Billion Battery Joint Venture in Ohio with LG Chem Ahead of Its Big EV Push](#)

"The new facility will supply batteries for several upcoming GM battery electric vehicles, including a pickup truck that goes into production in late 2021."

Why this is important: To sell electric vehicles, you need significant battery manufacturing capacity. GM has announced plans to start manufacturing batteries in 2023 in Ohio, near a plant it recently shut down, to provide power for its planned EV offerings. As CEO Mary Barra said, the key to driving EV adoption is affordability. EVs have several advantages over internal combustion cars, but so far sticker price is not one. The new battery facility may help change that. --- [David L. Yaussy](#)

● [LNG Displaces Atlantic Basin Pipe Gas, but Meets Resistance in Asia](#)

"Higher LNG spot market activity has helped unleash some of the commodity's inherent flexibility."

Why this is important: Increased international demand for LNG exports is good news for Appalachian natural gas. This could be a positive factor in sustaining domestic shale gas prices. However, barriers need to be lifted for planned pipelines that could transport gas to LNG facilities along the eastern coast of the U.S. These pipelines will facilitate the export of LNG produced in the Appalachian basin. --- [William M. Herlihy](#)

● [China's Jan-Nov Coal Imports Rise 10 Percent on Year to 299 Mil MT; Exceed 2018 Total](#)

"China imported 299.3 million mt of coal, including thermal and coking coal, over January-November, up 10.2% year on year, exceeding its 2018 full year import volume of 281 million mt."

Why this is important: This year, China has imported more coal than in 2018. Through November, despite state efforts to reduce coal imports, China has imported 299 million tons, an increase of 10 percent from last year's 12 month total of 281 million tons. However, there are some signs of a slowdown. On a month to month comparison, China actually imported 19 percent less coal in November than October. --- [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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