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● [Dominion Energy and Duke Energy Cancel Construction of Atlantic Coast Pipeline](#)

"Despite a recent win for the project in the US Supreme Court, ongoing delays, litigation and an expected increase in costs threatened the economic viability of the project, the companies said."

Why this is important: Challenging every aspect of gas infrastructure permit approvals has proven to be an effective strategy for environmental groups. The Atlantic Coast Pipeline was projected to cost around \$5 billion when it was first announced in 2014, but persistent lawsuits increased the cost to as much as \$8 billion according to Duke Energy and Dominion Energy, the pipeline's partners. Despite a big win in the Supreme Court of the United States and the backing of the Trump administration, developers of large-scale energy projects in the U.S. will continue to face financial uncertainty. --- [Joseph C. Unger](#)

● [Berkshire Hathaway Will Buy Natural Gas Assets from Dominion Energy in \\$10 Billion Deal](#)

"In its first deal since the economic downturn caused by coronavirus, Berkshire Hathaway is purchasing natural gas transmission and storage assets from Dominion Energy in a deal worth nearly \$10 billion."

Why this is important: Berkshire Hathaway is taking advantage of the economic downturn and its stable of \$137 billion in cash to purchase Dominion's natural gas business. The deal allows Dominion to move away from the gas transmission business to become solely a clean energy utility. It also provides Berkshire Hathaway with significant transmission pipelines and storage to serve its 12 million customers worldwide. --- [Bryan S. Neft](#)

● [Germany Approves Coal Phaseout by 2038](#)

"Reuters says the 'bill entails over €50bn (\$56bn) for mining and power plant operators, affected regions and employees to cushion the impact of the transformation from coal to renewables'."

Why this is important: Germany has put its plans to exit coal for power generation into law. The German parliament passed a statute last week to mandate the phase out of all coal-fired electrical generation by 2038 and establish a 50 billion euro fund to help mining and coal plant operators make the transition. These developments follow European Union efforts to reduce carbon emissions. The EU just set up a \$1 billion innovation fund to support such projects as power storage, floating wind farms, and carbon capture. --- [Mark E. Heath](#)

● [Interior Department to Streamline Offshore Wind Permitting, Nix Unsolicited Leasing](#)

"The timing would coincide with a highly anticipated final decision from BOEM on the first large-scale offshore wind project in federal waters: Vineyard Wind."

Why this is important: The Interior Department is looking at issuing rules to streamline permitting for offshore wind projects. Atlantic states have ambitious targets for electricity supplied by ocean winds, but one stumbling block has been getting the necessary leases from the federal government. These rules should make that easier. --- [David L. Yaussy](#)

● [Oil Down as U.S. Virus Spike Stokes Demand Worries](#)

"Oil prices fell amid concerns that a surge in new coronavirus cases, especially in the United States, will hamper any recovery in fuel demand."

Why this is important: Despite falling oil prices, the U.S. Energy Information Administration ("EIA") forecasts that global oil demand will recover by 2021, faster than previously estimated. Saudi Arabia's significant output cuts and recent increase of August's official selling prices supports the notion of higher market differentials for some in the industry. However, record-setting new COVID-19 cases in the U.S. and resurgences in other parts of the world lead one to question whether the EIA's forecast will bear out. Also, for the U.S. crude market, there are additional uncertainties following a recent court decision ordering closure of the Dakota Access Pipeline due to environmental issues. --- [Dennise R. Smith](#)

● [Pennsylvania Gas Industry, Environmentalists Clash Over Grand Jury Report on Drilling Oversight](#)

"The Marcellus Shale Coalition said that the grand jury report, released by Attorney General Josh Shapiro's office June 25, ignores more than a decade of escalating regulations on the state's oil and gas industry and 'exhibits a jarring lack of reality as to how shale gas development occurs in Pennsylvania.'"

Why this is important: Pennsylvania Attorney General Josh Shapiro empaneled a grand jury to review the practices of the shale gas industry in Pennsylvania. That panel found that the shale industry engaged in practices that threatened injury to individuals living near shale gas operations and property and lambasted regulators for failing to take action against the industry. The industry challenged the findings of the grand jury, claiming that they were one-sided and failed to include relevant evidence of industry safety. And while the report seemingly highlights the opposing viewpoints of the industry and the anti-fracturing movement, the focus of the grand jury was really upon the failure of state regulators to control the industry. --- [Bryan S. Neft](#)

● [Storing Heat Energy Offers \\$300bn Opportunity to Cut Carbon Emissions](#)

"As the global energy system becomes increasingly electric – not just in power but transportation and heat, too – storing energy is going to play an ever more important role in ensuring that clean energy can be used when it is most needed."

Why this is important: Development of battery technology, in general, is crucial for the future of the renewable energy industry. From completely solar powered vehicles, to industrial facilities that produce heat as a by-product, the energy we need is abundant; it is just a matter of storing that energy to use when we need it. Avoiding costly environmental regulatory intervention by cutting emissions through

waste heat recovery will only increase the market for heat storage, which is currently estimated to be about \$300 billion. --- [Joseph C. Unger](#)

● [China Coal Group Halts Demand Index Used as Economic Indicator](#)

"Now the China Coal Transportation & Distribution Association has stopped publishing its daily coal burn index after a port company cut off access to the data."

Why this is important: A Chinese coal industry group has stopped producing a daily coal consumption index for China that was used by many to gauge the relative strength of the Chinese economy. The index tracked the coal burn at a number of key coal-fired electric generation plants and the ports that supplied coal to the plants to determine the strength or weakness of the Chinese economy based on electrical demand. That information also allowed a view into the economic health of the Chinese economy outside of official government sources. This index also helped predict the need for imported coal in the world's most populous country. --- [Mark E. Heath](#)

● [Energy Company EDP Confirms Cyberattack, Ragnar Locker Ransomware Blamed](#)

"The firm delivers energy to over 11 million customers and operates in 19 countries."

Why this is important: In prior issues of *Currents*, we've discussed how the incidents of cyberattacks on electricity grid participants and the energy industry, in general, have become more frequent and sophisticated. This article is important because it reports on one of those attacks. In April, a ransomware attack hit EDP Renewables North America, a wind farm and solar park company that provides energy to more than 11 million customers and operates in 19 countries. The attackers claimed to have compromised 10TB of information, including customer information that may have included customers' names and social security numbers. The attackers demanded payment of 1,580 Bitcoin (worth approximately \$10,000,000) in order to decrypt the affected information. There's no indication that EDP paid the ransom, which is consistent with most advice to companies hit by cyberattacks. Instead, EDP reports that it has been working to determine the extent of the compromised information and is providing affected customers one year of Experian identity protection at no cost. --- [Nicholas P. Mooney II](#)

● [Quidnet Leverages Drilling Tech to Provide Pumped Hydro Type Storage at Half the Price](#)

"Houston-based Quidnet Energy is combining conventional pumped hydroelectric storage technology with existing drilling technology to provide long-duration energy storage for utilities and renewable energy developers."

Why this is important: Pumped storage is a "battery" that uses cheap off-peak power to move water from a lower elevation to a higher elevation, then running that water through turbines at times when demand is high to produce electricity. The pumped storage is a sort of battery that allows utilities to respond to fluctuating demand from consumers. Unfortunately, there aren't many sites with the geographical potential to operate such a system. Quidnet is proposing turning that approach on its head -- pumping water down under pressure to store it underground for later use, then using the resulting pressure to drive the water back to the surface, through turbines, to provide power during peak demand. Such a system is not constrained by geographical limitations, if geological formations are right. The concept soon will be tested to see if it will work on a commercial basis. --- [David L. Yaussy](#)

● U.S. Dominance in the Natural Gas Sector is Growing

"Looking ahead, natural gas is projected to be the only fossil fuel that will see substantial demand growth over the next two decades."

Why this is important: According to the BP Statistical Review of World Energy 2020, natural gas is the fastest-growing and cleanest fossil fuel, with a global 2.6 percent average annual growth rate over the past decade compared to oil's growth rate of 1.3 percent and coal's growth rate of 0.8 percent. Over the past decade, the U.S. has become the global leader among natural gas producers, holding a 23.1 percent share of global natural gas production in 2019. This level is well ahead of Russia (17 percent) and the entire Middle East (17.4 percent). As to natural gas liquids ("NGL") production, the U.S. is also in first place with a 40 percent global share of NGL production. However, because natural gas is not easily transported and the U.S. consumes most of the natural gas it produces, it lags Qatar and Australia in the export of liquefied natural gas. --- [Dennise R. Smith](#)

● India's Coal Import Drops 30% to 48.84 MT in April-June

"The drop in imports assumes significance in the wake of government mandating state-owned Coal India to replace at least 100 million tonne of imports with domestically-produced coal in 2020-21."

Why this is important: India continues to strive to limit imports and produce more coal domestically. For the April to June 2020 period, imports were down 30 percent, dropping from 69.5 MT to 48.8 MT. These changes continue to limit the world export market. India has directed its state-owned coal company, Coal India Ltd., to produce an additional 100 MT of coal domestically to further limit imports and is auctioning off coal blocks for Indian coal companies to mine. Like the rest of the world, India also has experienced significant drops in electricity demand, lessening the need for coal-fired electric generation during the COVID-19 outbreak. --- [Mark E. Heath](#)

● Energy Question of the Week

Last Week's Question and Results

How important to you is it that the U.S. produce all of its own energy?

Very Important - 66.7%
Somewhat Important - 33.3%
Not Very Important - 0%
Not Important at All - 0%
No Answer/Unsure - 0%

The recent halting of which of the following pipeline projects is the most significant:

Atlantic Coast Pipeline

Select

Dakota Access Pipeline

Select

Keystone XL Pipeline

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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