



Issue 23, 2019

## ● [Trump Admin Submits Final Rule to Kill Obama Clean Power Plan](#)

*"The new replacement rule to the Clean Power Plan, deemed the Affordable Clean Energy rule, aims to give states more time and authority to decide how to implement the best new technology to ease net emissions from coal-fired plants."*

**Why this is important:** The ACE Rule replaces the Clean Power Plan, which was suspended by the Supreme Court of the United States after being challenged by 28 states. The Trump administration believes the new rule increases regulatory certainty by giving states the authority to control emissions within their own borders. While the new rule instructs states to reduce emissions, it does not set any targets. The new rule is expected to take effect in 30 days and will most certainly face court challenges from environmental groups that oppose the rule. --- [Nicholas S. Preservati](#)

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## ● [Justice: Pinnacle Mine Could Become Fully Operational Within a Year](#)

*"Following the recent purchase of the Pinnacle Mine's preparation plant in Wyoming County by one of his companies, Gov. Jim Justice said the mine could resume operations within 12 months, after coal extraction and processing at the site ceased in 2018."*

**Why this is important:** The Pinnacle Mine property, which closed in 2018, near Welch, West Virginia could have some new life. West Virginia Governor Jim Justice announced his family coal business has purchased the Pinnacle Preparation Plant and reserves out of bankruptcy. Governor Justice this week stated plans are underway to reopen the reserve in about a year. Although Pinnacle produced around 2 million tons a year in its last few years of mining, Justice talked of increasing production to as much as 7 million tons a year. Justice concedes the mine would have to find sales in a declining low vol metallurgical coal market. This project is one of several new metallurgical coal mines that may open in southern West Virginia in the next few years. --- [Mark E. Heath](#)

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## ● [Delaware River Basin Commission Confirms Plan to Build LNG Export Terminal at New South Jersey Port](#)

*"LNG would be shipped to the Gibbstown port via truck from a new liquefaction plant being built in Bradford County, Pennsylvania, amid the abundant natural gas supplies of the Marcellus Shale, according to a Securities and Exchange filing by the plant's developer, New Fortress Energy."*

**Why this is important:** The use of this Gibbstown port to export LNG and natural gas liquids would provide a much needed boost to shale gas operations in the Appalachian Basin. Both produced gas and liquids have been stranded in this region due to pipeline construction projects that have been unreasonably delayed by permitting requirements and the litigation of fossil fuel opponents. The construction of this and other export facilities on our eastern coast is necessary to promote regional economic welfare and prevent the waste of a valuable natural resource. --- [William M. Herlihy](#)

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## ● [Australia Approves Coal Mine Near Great Barrier Reef](#)

*"Australia approved the construction of a controversial coal mine near the Great Barrier Reef, paving the way for a dramatic and unfashionable increase in coal exports."*

**Why this is important:** The last state plan needed to begin the Adani Carmichael Mine in Queensland was approved late last week in Australia. The new mine will produce 60 million tons of coal for export and will boost Australia's exports to India and China by 20 percent. A railroad being built for the mine also will open up the Basin with 700 million tons of coal for development. The mine is opposed by environmentalists, who believe the Basin's coal will add to global warming. --- [Mark E. Heath](#)

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## ● [\\$1.2 Billion Project Proposed for Mason County, West Virginia](#)

*"A major, economic development announcement for the area was made from a company that wishes to place a coal to liquids facility, a reported first of its kind in the United States, in Mason County, W.Va."*

**Why this is important:** The development of the synthetic fuel facility in Mason County will be a great economic boost for the region and could spark additional industry for Point Pleasant, West Virginia and the surrounding areas. --- [H. Dill Battle III](#)

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## ● [West Virginia's Supreme Court Sends Mixed Messages in Cases Pitting Landowners Against Natural Gas Companies](#)

*"The court has upheld a ruling preventing gas companies from prospecting on people's land without permission, but threw out a series of lawsuits complaining of the nuisance created by their operations."*

**Why this is important:** The decision by the Supreme Court of Appeals of West Virginia in its *Crowder* case determined the operator of a drilling pad that extends horizontal well bores into adjacent mineral properties not owned by the surface owner would violate the rights of the owner of the surface on which the pad is located unless a lease or other agreement contemplates such wells. The *Crowder* decision upsets the reliance of multiple operators for many years on their implied mineral or leasehold rights to use drilling pads for the development of horizontal wells on other properties. In its *Andrews* decision, the Supreme Court held that before a surface estate owner is entitled to assert a nuisance claim against a mineral estate for the surface impacts of horizontal drilling activities, the surface owner has the burden to demonstrate that: (1) the mineral estate's activities were not reasonably necessary to develop the mineral estate; and (2) such activities substantially damaged the surface estate. West Virginia case law has long established that inconvenience to a surface estate alone is not enough to eclipse the dominant mineral estate's implied and express development rights. The *Crowder* and *Andrews* decisions reflect the shock associated with the introduction of horizontal drilling techniques in a region where the case law and statutory requirements have focused on traditional vertical operations for more than 100 years. The upshot of this sort of jurisprudence is that the state legislators in the Appalachian Basin need to update laws and regulations governing the oil and gas industry in a manner that acknowledges horizontal drilling operations, which would give both land owners and operators certainty in their relationships. --- [William M. Herlihy](#)

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## ● ['Coal Will Remain the Dominant Source'](#)

*"We are chasing a 660-million tonne target this fiscal, says Coal India chairman."*

**Why this is important:** The president of Coal India is seeing progress toward a goal to mine 660 million tons of steam coal this year as part of Coal India's plan to produce one billion tons of coal domestically. The increased production has reduced coal shortages at India's coal-fired electrical generation plants, but could also hurt the world export market for steam coal in the long-term. --- [Mark E. Heath](#)

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## ● [India's Coal Import Rises 15 Percent to 24 MT in May](#)

*"The report comes at a time when the government is looking at relaxing the timeline for the one billion tonne coal production target it had set earlier for Coal India, which accounts for over 80 percent of the domestic coal output."*

**Why this is important:** Despite increases in domestic production, imports of coal to India jumped 24 percent in May 2019 over the previous year. Even with efforts to increase domestic production, India has had to increase exports to meet electrical generation needs. --- [Mark E. Heath](#)

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## EIA Energy Statistics

*Here is a round-up of the latest statistics concerning the energy industry.*

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### **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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