



Issue 13, 2019

● [Trump to Sign Order Seeking to Clear Gas Pipeline Hurdles](#)

"The administration, which is pushing a policy it calls energy dominance, has been considering an order that would push back against states, including New York, that have blocked interstate natural gas pipelines."

Why this is important: The recent executive order by the Trump administration approving the routing for the Keystone XL Pipeline may help focus public attention on the disconnect between our nation's economic needs and the unrealistic goals of conservation groups and politicians seeking to garner the favor of their small constituencies. These contrarian forces have unnecessarily delayed and increased the cost of pipeline projects such as the Mariner East pipeline and the Mountain Valley Pipeline, both of which would reduce the cost of heating and manufacturing services to residential and industrial consumers. Renewables are not currently able to fill the gap in energy demand at a price that consumers want to pay. Why not allow natural gas to provide an economic and environmentally friendly energy source while the technology for renewables catches up to the market? --- [William M. Herlihy](#)

● [First Non-European Insurer Restricts Coal Insurance](#)

"According to reports, insurance giant QBE will stop insuring new thermal coal mines, power plants and transport networks from 1 July this year, and will shut down its thermal coal underwriting business by 2030."

Why this is important: Australia's largest insurer, QBE, has announced plans to stop insuring coal mines, power plants and transportation networks. It will stop writing policies for any new coal mines, power plants and transportation systems on July 1, 2019 and plans to end all current insurance policies by 2030. The insurer also plans to stop investing in any company that draws 30 percent of its revenues from coal. Worldwide, environmentalists have pressured 20 major insurers that control 20 percent of the world insurance markets to stop providing insurance to coal companies in an effort to reduce global warming. Despite these efforts, global coal consumption continues to increase. --- [Mark E. Heath](#)

● [Manchin Again Urges EPA to Give Minden Superfund Access](#)

"The addition of Minden to the National Priorities List would provide local residents with access to the EPA's Superfund, including possible eligibility for specialized medical care and other federal aid."

Why this is important: Senator Manchin has asked that EPA designate the town of Minden, WV as a Superfund site. That would bring with it the possibility of specialized medical care and other aid. But it will also impose bureaucratic restrictions on how the area is managed in the future, which may not be to the satisfaction of local residents. --- [David L. Yaussy](#)

● [A Key to the Arctic's Oil Riches Lies Hidden in Ohio](#)

"For more than three decades, the findings from the \$40 million exploratory well have been one of the oil industry's most closely guarded secrets."

Why this is important: In 1986, BP Oil and Standard Oil of Oil participated in a test well boring in Northeast Alaska thought to have oil. The results of the boring were held secretly. But, there is a renewed interest in the findings given the Trump administration's plans to open the Arctic National Wildlife Refuge to drilling. The boring was done as part of a due diligence in the merger of the two companies. BP reported, at the time, the test well was not likely to uncover any meaningful oil. A shareholder derivative attorney sued, believing shareholders were being cheated through the merger. In the court proceedings, the attorney learned in sealed proceedings there was either no gas or oil there or that it couldn't be produced at an economic value. However, the results have never been disclosed. The significance of these test results may prove critical in an analysis of whether it is advisable to open up this refuge for drilling. On the other hand, if the results show that oil is abundant in these areas, those companies that participated in the test well may have a competitive advantage in bidding for licenses to drill. --- [Bryan S. Neft](#)

● [NextDecade Says It is First to Sign U.S. Long-Term, Brent-Linked LNG Contract](#)

"It signed a 20-year binding sales and purchase agreement with Royal Dutch Shell for the supply of two million tonnes per annum of LNG from NextDecade's Rio Grande LNG export project in Brownsville, Texas, with full destination flexibility."

Why this is important: The NextDecade LNG export contract shows the potential for expanding the demand for shale gas through foreign markets. This contract is particularly attractive since its pricing is indexed to oil prices rather than domestic prices for dry natural gas. More export terminals need to be permitted and constructed on our Eastern coast to allow Appalachian shale gas to share this market before it becomes saturated. --- [William M. Herlihy](#)

● [Coal India Annual Output Crosses Record 600 Million Tons on Rising Power Demand](#)

"The output narrowly missed the company's target of producing 610 million tons of coal in the fiscal year ended 31 March."

Why this is important: India's state-run coal company, Coal India, produced 607 million tons in its last fiscal year. The company, which produces three-quarters of all coal in India, has a goal to increase that production to one billion tons. The increase also is meant to slow imports of coal into India. The numbers from India mirror increases in coal consumption around the world and show the difficulties of trying to reduce greenhouses gases in coming years. --- [Mark E. Heath](#)

● [FPL to Replace Aging Gas Power Plants with World's Largest Battery](#)

"Florida Power & Light Company is going to build the world's largest energy storage system to replace two natural gas power plants."

Why this is important: Florida Power and Light is installing a huge battery, over 400 MW, that will be charged from a solar power facility. What we don't learn from the article is how long the battery can supply the grid. Apparently, it can only provide power as a peaking device, when demand spikes. It is still not capable of providing steady power over longer periods. However, it's a first step in developing large reserve capacity, and its operation will be watched with interest. --- [David L. Yaussy](#)

● [Trump, Saudi Arabia at Odds Over Oil Price](#)

"However, when prices have moved above that level, Trump has sharpened his criticism, singling out Saudi Arabia and other Gulf states, and noting that they benefit from an expensive U.S. security umbrella."

Why this is important: The President, eyeing his reelection campaign next year, is trying to keep oil prices below \$70 per barrel, the effect of which, he envisions, puts more money into the pockets of his likely voters. Saudi Arabia on the other hand, is seeking oil prices above \$75 per barrel to maintain and enhance its existing capital reserves. Trump is calling out Saudi Arabia when it takes action seeking to increase the price of oil. For now, the tension between these two goals has been manageable, but

the tension may increase if the supply of oil diminishes. --- [Bryan S. Neft](#)

● [German Power Lobby Sees Shortfalls Due to Coal, Nuclear Phase-Out](#)

"German power companies warned of a potential gap between conventional electricity capacity and demand by 2023 due to a phasing out of nuclear energy and highly polluting coal, and urged policymakers to help investors by rewarding new capacity."

Why this is important: Germany is leading the European Union in moving to renewable energy sources. The difficulty is getting rid of reliable energy sources, such as nuclear and coal, before there are the means to fully integrate renewables through energy storage or long range power transmission. The mismatch could result in power shortages, which would be felt by industry, who depends on regular power to conduct operations. --- [David L. Yaussy](#)

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