



Issue 30, 2019

● [Trump's EPA Grants 31 Small Refinery Waivers from Biofuel Laws, Angering Corn Lobby](#)

"The U.S. Environmental Protection Agency has granted 31 small refinery biofuel waivers for 2018, infuriating the ethanol and corn producers who blamed the Trump administration for bailing out the oil industry when U.S. farmers were suffering due to trade tariffs and low prices."

Why this is important: The EPA has approved over four times the number of biofuel waivers since President Trump took office, angering one of his core constituencies--American farmers. The waivers grant small U.S. refineries an exemption from the Renewable Fuel Standard's requirement they must blend biofuels like ethanol into the gasoline or purchase credits from other refineries that do. While these waivers save the oil industry hundreds of millions of dollars, American corn farmers argue they are undercutting ethanol demand by over a billion gallons. American corn growers rely heavily upon the biofuel market, particularly as their industry has become one of the hardest hit by the administration's trade war with China. --- [Dennise R. Smith](#)

● [Pakistan's Milewide Open Air Mine Shows Why Coal Won't Go Away](#)

"Pakistan now has nine, supplying 15 percent of the nation's electricity, with another four under construction."

Why this is important: Recent events in Pakistan show how much new coal-fired generation is being built worldwide and how difficult it will be to reduce global greenhouse gas emissions. Prior to 2017, Pakistan had one coal-fired plant. It now has nine coal-fired plants generating 15 percent of its electricity. Four more coal-fired plants are being built. One new completed project is a \$3.5 billion lignite coal-fired generation plant. The scale of the project is enormous with a mine that has now developed a 500-foot deep pit a mile wide. In 2018, these new plants increased worldwide carbon emissions by 2.9 percent--the highest increase in seven years. In South and Southeast Asia, coal use is expected to grow by 3.5 percent a year over the next 20 years. All will continue to increase worldwide greenhouse gases--despite the developed nations' efforts to decrease them. --- [Mark E. Heath](#)

● [Sierra Club, Others Oppose Mason Coal-to-Liquids Plant](#)

"The Sierra Club, in particular, wants the DEP to withdraw its draft air quality permit and send the developer, Domestic Synthetic Fuels, back to the drawing board to produce what it believes would be more accurate emissions data."

Why this is important: The Sierra Club, which unsuccessfully challenged a coal-to-liquids fuel plant in Mingo County, West Virginia more than 10 years ago, is opposed to a similar facility proposed for Mason County, West Virginia. At the heart of the objections is its belief a large plant processing hundreds of thousands of tons of coal per year cannot be a minor source. However, it can because of the way emissions are measured. An industrial plant like the proposed fuel plant is permitted for its potential to emit which, if unrestricted, would be the amount of emissions it would produce if it ran all out, 24/7 every day of the year. However, its potential to emit can be reduced, usually drastically, by accepting enforceable limits on how it operates and what emissions it generates. This often can result in a plant, that otherwise would be a major source subject to air modeling and other

requirements, qualifying as a minor source because of the restrictions it has accepted voluntarily. Permitting in this fashion encourages facilities to accept significant limitations on their operations where that is feasible resulting in a benefit to the public and the environment. --- [David. L. Yaussy](#)

● [All Major Chinese Cities Capable of Generating Solar Power More Cheaply than Grid](#)

"In their paper published in the journal Nature Energy, the group describes how they estimated solar energy costs for all the major Chinese cities, and what they found when they compared them to costs associated with the grid."

Why this is important: In recent years, China has become the world's largest producer of solar cells and biggest installer of solar panels. This growth has been due, in large part, to government subsidies. However, China has been slowly withdrawing those subsidies leading many to question whether the industry could be a viable source of energy on its own. The answer appears to be yes, according to a team of researchers from KTH Royal Institute of Technology, MÅrardalen University and Tsinghua University. Their study concluded that all 344 of China's major cities currently can generate electricity at costs lower than the grid supply without government subsidies. Twenty-two percent of those cities were determined to be capable of producing solar electricity at a lesser cost than with coal. China is achieving grid parity far sooner than predicted by most analysts due to advances in technology and low installation costs. This will allow China to increase the proportion of solar energy in its power mix, decreasing its level of energy dependence on fossil fuels. --- [Dennise R. Smith](#)

● [Another Major Kentucky Coal Producer Will Put Its Mines Up for Auction](#)

"Cambrian's proposed sale would mark the second major auction of Kentucky mines this summer."

Why this is important: Cambrian Coal LLC, in bankruptcy, plans to auction all of its property in September. The company has properties in Kentucky and Virginia employing 660 workers. The steam coal producer lost money the past four years due to debt payments from previous purchases. With declining steam coal prices due to declines in export prices and closures of coal-fired electrical generation plants, Cambrian is the second eastern producer to be sold in a bankruptcy auction in the past two months. -- [Mark E. Heath](#)

● [UK Firm Bags Multi-Million Dollar Contract for the 'World's Most Powerful' Tidal Turbine](#)

"The Orbital O2 will use a 73-meter-long 'floating superstructure' to support two 1 megawatt turbines on each side and will have rotor diameters of 20 meters. It's scheduled to commence operations in 2020."

Why this is important: Tidal power has been an energy unicorn--full of enormous potential always a few years away from practical development. Talked about for years, it hasn't moved much beyond initial conceptual design due to the difficulty of working in harsh marine environments, the need to avoid navigational issues and finding qualifying sites. In that regard, the 20 meter rotor diameters in this project effectively require the generator apparatus must be in over 60 feet of water, yet still be in a spot that experiences sufficient tidal flow to produce power. We hope these problems can be surmounted because tidal power is reliable and predictable and could be good way of balancing out other renewables on the grid. --- [David L. Yaussy](#)

● [China's Two-Headed Energy Policy](#)

"Yet China remains one of the leading global supporters of coal plants around the world with commitment or proposals worth about \$36 billion in financing for 102 GW of coal-fired capacity in 23 countries, as found in a study published by IEEFA."

Why this is important: Until 2017, China followed a policy to reduce coal-fired electric plants and focus on renewables. But now, China is a major investor in new coal-fired electric generation plants in 23 countries around the world. China is helping build 102 GW of coal-fired plants at a cost of \$36 billion. Many of those plants, which are 25 percent of the new coal-fired plants being built worldwide, are financed by China's state-owned financial agencies. These new plants and financings give China significant control and influence in these countries as China continues to flex its economic and political power around the globe. --- [Mark E.](#)

● [U.S. LPG Exports Grow by 22 Percent](#)

"U.S. liquefied petroleum gas exports have grown year-over-year by 22 percent to 22.5 million tons year-to-date and Middle East exports have grown on the same basis 3.5 percent to 22.6 million tons, said Dorian LPG."

Why this is important: U.S. exports of LNG continue to grow for the benefit of our domestic economy and trade deficit. More permitted export terminals are necessary to achieve dominance over competitive LNG sources from United Emirates and Australia.
--- [William M. Herlihy](#)

● [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.

If you would like to subscribe to this weekly e-blast or know someone who would, please [email us](#) with contact information and CURRENTS in the subject line. We will add you or your acquaintance to the email list.

If you have any energy questions, please feel free to [contact us](#).

This is an attorney advertisement. Your receipt and/ or use of this material does not constitute or create an attorney-client relationship between you and Spilman Thomas & Battle, PLLC or any attorney associated with the firm. This e-mail publication is distributed with the understanding that the author, publisher and distributor are not rendering legal or other professional advice on specific facts or matters and, accordingly, assume no liability whatsoever in connection with its use.

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