

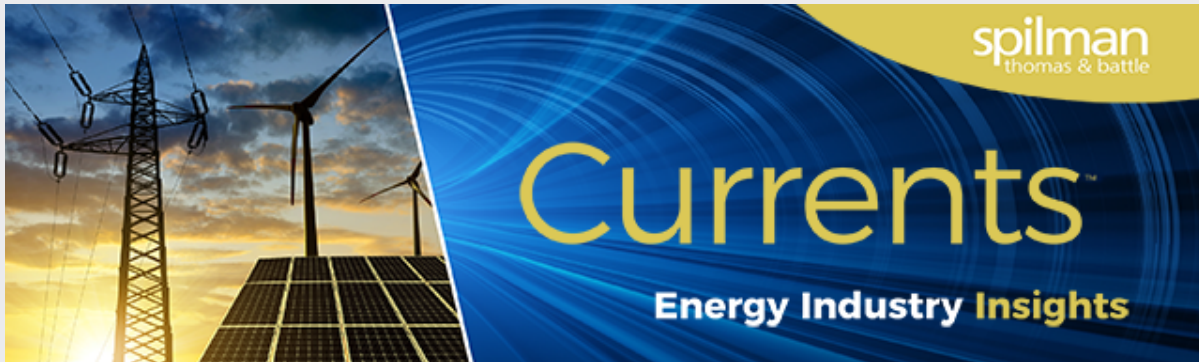
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## Volume 5, Issue 25

### ● [Welcome](#)



Welcome to Volume 5, Issue 25 of *Currents*. In each issue, our authors give their insights on the articles and hot topics that interest them the most. But we'd like to know -- are our interests the same as yours? What energy or environmental topics would you like us to write more about? We appreciate your [feedback](#) and your continued readership of *Currents*.

[Nicholas S. Preservati](#)

Co-Chair, Spilman's [Energy Practice Group](#)

### ● [Appeals Court Rules Louisiana Oil-and-Gas Lawsuits Must be Heard in Federal Court](#)

*"The state and six coastal parishes have filed 42 lawsuits against 200 fossil fuel companies since 2013 over coastal erosion and wetland loss, with some allegations dating back as far as World War II."*

**Why this is important:** Trial lawyers tend to prefer state courts because of the dynamics involved in electing judges, so having these lawsuits heard in federal court will result in fewer variables for the O&G defendants to have to deal with. Right now, Louisiana ranks as the fourth largest producer of oil and electricity in the nation, with rates 28 percent below the national average. If successful, these high-stakes lawsuits could cost the company billions and cost the state a portion of that production market share. --- [Joseph C. Unger](#)

## ● [2021 Finally Brings Short Uptick for Thermal Coal](#)

*"But as the nation's economy continues to emerge from the COVID-19 pandemic that's lingered for nearly 18 months, it's a welcome reprieve from the 22.5% decline thermal coal saw last year."*

**Why this is important:** The Powder River Basin ("PRB") continues to be the largest coal producing region in the U.S., and 2021 has seen an increased demand for its coal. The Basin produced 6 percent more coal in the first half of 2021 – an increase from 101.8 million tons in the first six months of 2020 to 107.9 million tons in 2021. That is positive news for a Basin that dropped 22.5 percent in 2020. Currently, an increase in natural gas prices to \$4 is driving the rebound in the use of coal to produce electricity nationwide, but strong headwinds are still present. There are now 551 coal mines in the U.S., the lowest number since 2008, and 151 mines closed in 2020. In fact, the number of mines has declined 62 percent since 2008. While the PRB produces 43 percent of all coal mined in the U.S., its tonnages are down 46 percent from 381.8 million tons in 2014 to 206.9 million tons last year. The Energy Information Agency sees coal production this year rising 15 percent over last year's numbers, but utilities continue to move away from burning coal to produce electricity. In 2020, 40 percent of U.S. electricity came from natural gas generation, 21 from renewables like wind and solar, 20 percent nuclear and 19 percent from coal-fired generation. Coal likely will move past nuclear power this year, but still only will produce a little more than one-fifth of U.S. electricity. --- [Mark E. Heath](#)

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## ● ['Devastating': World Leaders Respond to Climate Report with Calls for Urgency — and Anger Toward Rich Countries](#)

*"Officials around the world sounded the alarm over a harrowing new report from the United Nations Intergovernmental Panel on Climate Change urging immediate action to limit global heating."*

**Why this is important:** The United Nations Intergovernmental Panel on Climate Change issued another in its series of reports on the effects of climate change, presenting a harrowing and bleak view of the future. Not much political change is likely to come from it, as poorer nations rightly point to the historical contributions of greenhouse gases from rich nations, while developing countries are using huge amounts of fossil fuels as they attempt to bring their people's standard of living up to first world standards. The climate change conference set for Glasgow in November is unlikely to result in any enforceable agreement that will change this dichotomy or reduce the inexorable rise in greenhouse gases. --- [David L. Yaussy](#)

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## ● ['Game Changer'? Deal on Orphaned Wells Sparks Debate](#)

*"Democratic lawmakers have pushed for increased bonding on federal oil and gas development and for pressure on states to shore up their bonding regulations in return for federal dollars."*

**Why this is important:** Federal legislation that combines grants for plugging orphaned wells with some requirements for the reform of state bonding programs could provide a welcome boost to the oil and gas industry if responsibly implemented. The bonding requirements enforced by many states have lagged behind rapid advances in drilling and production technology. Upgrades to state bonding programs combined with funds to plug abandoned wells could prevent future orphaned wells while starting the cleanup of a threat to our air and water resources that has developed over many decades without being addressed. --- [William M. Herlihy](#)

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## ● [Manchin Clean Energy Manufacturing Priority Left Out of Bipartisan Infrastructure Bill](#)

"The \$8 billion expansion of the 48C tax credit was included in a summary of the legislation, and also was a part of Manchin's clean energy infrastructure bill that he marshalled through the Energy Committee he chairs."

**Why this is important:** A clean energy tax credit supported by West Virginia Senator Joe Manchin (D), was removed from the Infrastructure Bill passed by the U.S. Senate this week. The bill would have provided up to \$8 billion in credits to build or retrofit manufacturing or industrial facilities with clean energy technology. The provision was struck over Republican efforts to remove prevailing wage requirements for the projects. The tax credit would have helped West Virginia as half (\$4 billion) was targeted to areas where coal mines or coal-fired electrical generation plants have closed. But, the credit may still have life as it is likely to be added into the \$3.5 trillion budget reconciliation bill beginning to work through the Senate this week. --- [Mark E. Heath](#)

## ● [Biden Seeks to Make Half of New U.S. Auto Fleet Electric by 2030](#)

"The administration also proposed new vehicle emissions standards that would cut pollution through 2026, starting with a 10% stringency increase in the 2023 model year."

**Why this is important:** Auto companies have to love the Biden directive that half of all vehicles sold in 2030 be electric. It's not enforceable, but to the extent that it encourages a more rapid switch of vehicles from gasoline to electric, it certainly encourages a quicker turnover of the U.S. auto fleet, meaning greater sales of new vehicles. However, getting to 50 percent will be tough. Right now, global sales of EVs are about 2 percent of the total, and getting enough raw materials to construct all those batteries and establishing a sufficient national charging network may prove difficult. --- [David L. Yaussy](#)

## ● [Energy Question of the Week](#)

### Last Issue's Question and Results

*How long since the windows in your house have been replaced?*

Less than 5 years ago - 19.1%  
6-15 years ago - 20%  
16-25 years ago - 19.1%  
More than 25 years ago - 21.8%  
Do not know - 20%

Which part of the U.S. Senate's Infrastructure Bill is the most important?

**\$73 billion – electric grid**

Select

**\$66 billion – rail**

Select

**\$65 billion – broadband**

Select

**\$55 billion – water projects**

Select

\$39 billion – public transit

Select

Other

Select

Do not know

Select

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## ● 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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**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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