



Issue 2, 2019

## ● [WV Supreme Court Mulls Marcellus Shale Mass Litigation Case from Harrison, WV](#)

*"While the case centers on Harrison County, where the surface owners live and the Marcellus Shale operations are underway, the case could have a much wider impact, depending on how the justices rule."*

**Why this is important:** The Supreme Court of Appeals of West Virginia heard oral arguments in the Cherry Camp Mass Tort Litigation appeal on January 15. The appeal stems from a lower court decision dismissing surface owners' nuisance complaints related to Antero's horizontal drilling activity in the Cherry Camp area in Harrison County. While the lawsuit centered on the impact of drilling activities on nearby surface owners (noise, dust and traffic complaints), the Supreme Court decision could affect larger issues such as the right to engage in reasonably necessary activity to develop minerals, the right to utilize technological advances not contemplated at the time minerals rights were conveyed, and the relationship between surface and mineral property owners. It is anticipated the Supreme Court will issue its decision by the end of its term in June. --- [Matthew P. Heiskell](#)

## ● [The Shale Oil Revolution Actually Reflects a Nation in Decline](#)

*"Which is why we predict that in the not-too-distant future, this failure to plan will attack like a hungry wolfpack to bite down hard on the US economy's hamstrings and drag it to the ground."*

**Why this is important:** Are America's shale resources less bountiful than we thought? Some believe they are substantially smaller than industry projections, and their development represents a misguided attempt to stretch out fossil fuel reliance instead of developing a national energy plan. The difficulty is that national plans are quickly rendered outdated by changes that are unforeseen--the massive drop in solar photovoltaic prices, the rise of wind generation, and even shale development which, even if overestimated, is huge, and much greater than could have been foreseen 15 years ago. Leaving energy planning to the market may seem chaotic, but it eventually leads to the proper resource allocation. --- [David L. Yaussy](#)

## ● [Some in U.S. Coal Boost 2018 Capex as Supply Remains Tight on Limited Investments](#)

*"While many remain cautious, some U.S. coal producers increased planned capital expenditures in 2018 as higher, sustained prices follow a trend of limited investment in volume growth that has tightened U.S. thermal and metallurgical coal supply."*

**Why this is important:** U.S. coal producers remain careful in capital expenditures following the number of bankruptcies and downturns in coal markets over the past few years. Planned capital expenditures for 2018 were up from 2017, but producers are exercising restraint in their plans. This restraint likely will help keep metallurgical coal prices steady this year. With the limited investment in new mines or expansions, there is no replacement for the metallurgical tonnage lost from the recently closed Pinnacle Mine in West Virginia. Also, a comparison of planned capital expenditures from 2012 shows how careful coal companies are being in planning expansions and upgrades. In 2018, the top 12 publicly traded companies planned \$2.84 billion in capital

spending. In 2012, the top three publicly traded companies spent \$2.11 billion alone. --- [Mark E. Heath](#)

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## ● ['Wrong Side of History': Barclays' Fossil Fuels Policy Shift Garner Mixed Reviews](#)

*"Barclays has unveiled new stricter standards for coal, oil and gas investments, but the new strategy has left climate campaigners clamouring for bolder action."*

**Why this is important:** Barclays recognizes carbon based fuels will continue to be the main source of global energy for decades to come. By adopting stringent policies that still allow it to invest in coal and natural gas companies that operate in environmentally and socially responsible ways, Barclays is attempting to limit the threat of climate change, while still ensuring the world's energy needs are met. More importantly, Barclays does not accept the false dichotomy financial institutions must have policies that are either 100 percent in favor of fossil fuels or 100 percent opposed to fossil fuels. Responsible policymakers recognize their choices are not binary and extreme positions in either direction are usually not the most effective means to solve problems. --- [Nicholas S. Preservati](#)

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## ● [Canada Plans Its First Geothermal Power Plant](#)

*"The Canadian government announced it will provide \$25.6 million Canadian dollars (\$19.28 million) in funding for the country's first geothermal power facility."*

**Why this is important:** Canada, already a leader in hydropower, is pushing the development of geothermal generation. Geothermal power generation presents real technical challenges, ranging from down well cooling, pipe scaling, lack of suitable locations and other issues, but as solutions to these problems are developed, geothermal holds real promise as a significant source of reliable utility-scale energy. --- [David L. Yaussy](#)

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## ● [Kentucky Coal Mining Deaths at Record Low in 2018](#)

*"The U.S. Mine Safety and Health Administration says coal-mining related deaths have reached a record low in Kentucky where a single miner died last year."*

**Why this is important:** Increased safety measures and a reduction in the number of mines and miners continue to cause drops in mining fatality numbers. Last year, 12 miners in the U.S. died in coal mining accidents. Further, Kentucky experienced its lowest total ever with one fatality in March 2018. Overall mining fatalities, which include all mines--coal and metal and non-metal mines like quarries--were at 27 last year, the second lowest number ever recorded. --- [Mark E. Heath](#)

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## ● [Ford CEO Says a 'Big Surprise' Coming Next Year with Electric Vehicles](#)

*"Ford Motor is gearing up to launch new electric cars as soon as next year, CEO Jim Hackett told CNBC."*

**Why this is important:** By investing \$11 billion into the market and creating 16 new models of electric vehicles ("EV's"), Ford is attempting to make EV's a more enticing choice for Americans. EV's are cheaper to operate due to an approximate 60 percent reduction in fuel costs. They are cheaper to maintain as they have fewer moving parts such as fuel injectors and starter motors. They create less pollution than do their gasoline counterparts. Finally, EV's are recharged by electricity generated predominantly from coal and natural gas, both of which are abundant in the United States. By making such a substantial investment in EV's, Ford is benefiting the consumer, protecting the environment and furthering our nation's energy security. --- [Nicholas S. Preservati](#)

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## ● [It's Decision Time for Southeast Asia as Power Demand Soars](#)

*"Southeast Asia's energy demand is expected to grow by two-thirds by 2040, requiring massive investment in new energy generation and transmission."*

**Why this is important:** Southeast Asia is in need of huge amounts of power and is turning to coal and LNG to supply it. While the author argues the large drops in the cost of renewables should make them an attractive alternative, that is only part of the equation. Much baseload power is needed, and that will necessarily be fossil fuels for the immediate future, due to their mature technologies and reliable functioning. It is hard enough for mature grids, such as those in developed countries, to incorporate an influx of intermittent power, but it is especially hard for grids in developing countries.

--- [David L. Yaussy](#)

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## ● [China's 2018 Coal Imports at Four-Year High Despite Curbs](#)

*"China's coal imports rose to 281.5 million tonnes in 2018, the highest annual figure in four years, customs data showed on Monday, despite a government push to cap shipments at last year's level."*

**Why this is important:** Further proof of the strong global coal market is shown in the final coal import numbers from China for 2018. Despite attempts to reduce imports, China imported 281.5 million tons of coal last year, its highest number in four years and up 3.4 percent from 2017. The increase was despite Chinese government efforts to reduce coal imports. For example, for this winter, the country switched another 3.29 million homes from heating with coal to natural gas. Efforts to reduce imports also have focused on China's higher than normal stockpiles at some power plants. Analysts are predicting reduced imports the first month of 2019 due the ongoing efforts by China to curb imports and increase domestic prices. --- [Mark E. Heath](#)

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## ● [Cory Dennison: Tri-State Shale Coalition Helping Region Compete](#)

*"One cooperative effort that is establishing a strong place in our world is the Tri-State Shale Coalition, which has brought together West Virginia, Ohio and Pennsylvania to maximize the downstream manufacturing opportunities from the extraction of shale gas in the region."*

**Why this is important:** The Tri-State Shale Coalition among Ohio, Pennsylvania and West Virginia is a very valuable initiative for attracting downstream manufacturing companies to the Appalachian Basin. The highest and best use for the abundant natural gas liquids produced from the Marcellus and Utica Shales is in manufacturing rather than being burned in electric power generation as an unrefined component of natural gas. Creating a cooperative tri-state regulatory and tax environment for such industries will be a big help in bringing new investment to the Appalachian Basin. --- [William M. Herlihy](#)

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## ● [EIA Energy Statistics](#)

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

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### Short-Term Energy Outlook

### Monthly Biodiesel Production Report

### Monthly Densified Biomass Fuel Report

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