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## Issue 35, 2020

### ● [U.S. Shale Producers Race for Federal Permits Ahead of Presidential Election](#)

*"Federal permitting in the largest U.S. oilfield in the Permian Basin, located in Texas and New Mexico, is up 80 percent in about the last three months, which analysts attribute to a hedge against a win by Biden, who currently leads US President Donald Trump by several points in national polling."*

**Why this is important:** It appears that oil and gas producers in the top-producing U.S. shale fields are stockpiling drilling permits on federal land at a record pace and -- notably -- just ahead of the upcoming presidential election. Vice President Biden has publicly stated that he does not intend an outright ban on fracturing, but his current climate plan includes banning new oil and gas permits on public lands, which will no doubt impact production. His current dynamism may be driving the hedging rush to permit despite the weak outlook for oil and gas pricing during the ongoing coronavirus pandemic. --- [Michael J. Basile](#)

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### ● [Pipeline Infrastructure Delays Costing Us \\$14 Billion in Economic Recovery](#)

*"Delays, obstruction or cancellation of pipeline infrastructure projects are threatening at least \$13.6 billion in economic activity, over 66,000 jobs and more than \$280 million a year in state and local tax revenue at a time when America's financial recovery from COVID-19 requires more investment and tax revenue, a new Consumer Energy Alliance report finds."*

**Why is this important:** This report highlights the economic consequences of environmental groups' strategy of challenging pipeline infrastructure projects at every step of the permitting process. These permit challenges played a large part in the cancelation of the Atlantic Coast Pipeline in early July, when it was reported that the costs of the project increased from \$4.5 billion to as much as \$8 billion. This report sheds light on pipeline infrastructure as a whole. And with \$13.6 billion in threatened economic activity, it does not look good, especially when the need for financial recovery from COVID-19 is considered. --- [Joseph C. Unger](#)

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### ● [Coal's Rebound on Hold in Europe as Bearish Headwinds Persist](#)

*"Coal prices in Europe show little sign of getting the usual uplift into the winter heating season thanks to a groundswell of rising pollution costs, cheap natural gas and high renewables output."*

**Why this is important:** As the U.S. steam coal export market continues to suffer lower prices, it does

not appear the European steam coal market will help lift prices. Normally, increased winter demand this fall would raise steam prices in Europe. But with COVID-19 decreasing electric demand in Europe, coal-fired electric generation is down 44 percent in the seven largest utilities in Europe. Coal's decline this year has been the result of cheap natural gas and high renewable outputs that are up 38 percent. Coal prices in 2020 are one-half of 2018 prices. All these factors are unlikely to help U.S. export steam prices in the coming year. --- [Mark E. Heath](#)

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## ● [Taking Aim at ExxonMobil, Connecticut Joins 'Fast-Growing Wave of Climate Lawsuits' Targeting Fossil Fuel Giants](#)

*"This avalanche of climate litigation is Exxon's worst nightmare."*

**Why this is important:** Connecticut has joined the list of states and cities suing Exxon and other energy companies for selling fossil fuels while hiding knowledge of their climate change culpability. These suits have not gone very far yet, having failed in California and New York, but the sheer number is likely to weigh on the targeted corporations. It will be interesting to see what approach the courts will take, given that the public, including the states and cities suing Exxon, are using the products they claim are causing them damage, and show no real prospect of stopping their use anytime soon. --- [David L. Yaussy](#)

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## ● [Exxon Used to Be America's Most Valuable Company. What Happened?](#)

*"Analysts estimate Exxon will lose more than \$1 billion this year, compared with profits of \$46 billion in 2008, then a record by an American corporation."*

**Why this is important:** Not so long ago, Exxon was the largest U.S. domiciled company; its market capitalization has decreased circa 60 percent since 2013, and analysts predict that the company will lose more than \$1 billion in 2020 -- largely due to the impact of the pandemic on demand. This spiral has led to Exxon's recent removal from the Dow Jones Industrial Average. It appears that the market is reacting to Exxon upping its focus on oil and gas at the wrong time, while its rivals shifted toward diversifying renewable energy portfolios. It will be interesting to see if Exxon's bet that the world's growing population will need fossil fuels for generations. If so, the company's primary focus on additional production may yield profits long-term; if not, the doom loop may gain velocity. --- [Michael J. Basile](#)

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## ● [20 States Sue Over Trump Rollback of Methane Regulations](#)

*"The states argue a new policy amendment arbitrarily eliminates pollution controls on the transmission and storage of oil and natural gas, while abandoning methane regulation entirely."*

**Why this is important:** The Trump administration continues to keep states' attorneys general busy with the latest rollback of environmental regulations. In this case, the state coalition argue that the EPA has arbitrarily eliminated the methane standards imposed for the first time in 2016 -- a move that the states claim violates the Clean Air Act and will result in methane emissions increasing by 850,000 tons by 2030. EPA, however, claims that the methane regulations were improperly promulgated in 2016 and therefore must be removed. --- [Joseph C. Unger](#)

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## ● [Indian Coal Import Drops 35% in Aug on Low Demand from Power, Cement Sector](#)

"Of the total imports in August, non-coking coal's shipment was at 8.87 MT and coking coal at 2.18 MT."

**Why this is important:** Coal imports to India continue to decline, particularly in cement and power generation. In August, imports dropped 34.9 percent, from 19.14 MT million tons to 12.4 million tons. India imported 8.87 MT of steam coal and 2.18 MT of coking coal. In the first five months of the fiscal year, imports have declined from 108 MT to 73 MT. India is aggressively working to use domestic production to replace imports. --- [Mark E. Heath](#)

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## ● Energy Question of the Week

### Last Week's Question and Results

How close is the nearest electric vehicle charging station to your place of employment?

There is one at work - 14.3%  
Less than 1 mile away - 25%  
1 to 5 miles away - 14.3%  
More than 5 miles away - 21.4%  
Do not know - 25%

How has your energy consumption changed during COVID-19?

#### Increased significantly

Select

---

#### Increased slightly

Select

---

#### No change

Select

---

#### Decreased slightly

Select

---

#### Decreased significantly

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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