



Issue 11, 2019

● [The U.S. is Set to Become the World's Biggest Oil Exporter Thanks to the Fracking Revolution](#)

"The U.S. shale revolution has made it to one of the world's largest energy producers and potentially the largest oil exporter globally within five years."

Why this is important: According to the analysts, by 2021 the U.S. is expected to become a net energy exporter for the first time in approximately 70 years. Geopolitically, this should help minimize OPEC members' influence over U.S. domestic and foreign policy. Perhaps more important, it should thwart Russia's ongoing policy of using energy as a controlling influence over its European neighbors by providing an alternative source for Europe's energy requirements. --- [Gerald E. \(Gee\) Lofstead III](#)

● [The Shale Revolution Rolls Over Its Skeptics with New Natural Gas Record](#)

"The data is simply overwhelming; the shale revolution has made the U.S. energy dominant, bringing life to rural communities, inexpensive energy to cities and lowering emissions everywhere it's substituted for coal and heavy oil."

Why this is important: The natural gas shale revolution in the Appalachian Basin has helped push the U.S. from a net importer to a net exporter of natural gas and its related liquids. This dramatic increase in production not only provides an incredible boost to the economic viability of the region, but also contributes to the reduction of our trade deficits with other countries. The completion of the construction of regional pipeline systems to efficiently transport this production, as well as storage facilities for NGLs in the Appalachian Basin, would perpetuate this economic success story for both the natural gas industry and downstream manufacturing. --- [William M. Herlihy](#)

● [West Virginia Export Growth Exceeds National Average](#)

"According to a report from the West Virginia Department of Commerce, exports increased for the second year in a row in 2018, reaching \$8.1 billion."

Why this is important: West Virginia continues to thrive in the export market. In 2018, West Virginia exported \$8.1 billion in materials and finished goods around the world. That was a 14.2 percent increase from 2017 and almost double the U.S. increase in exports. Leading the way was coal; the state exported \$4.3 billion in coal to 35 countries last year. The coal exports were fueled by a worldwide demand for metallurgical coal for steel making. Those exports also continue to help rebuild the state's coal industry and show the ever-growing importance of exports as U.S. coal usage declines. --- [Mark E. Heath](#)

● [GST Favours Coal Power Over Solar Generation](#)

"The introduction of Goods & Services Tax (GST) has thrown a spanner in India's clean energy transition, implicitly favouring coal-

fired power over solar photo voltaic generation and incentivising greater take up of coal based sources, a study shows."

Why this is important: This article is interesting for its comparison of LCOE (Levelized Cost of Energy) between coal and solar. The costs of coal power are the cost of the plant and the cost of fuel, compared to just the cost of the photovoltaic panels for solar. You would think solar would come out far ahead, with no fuel costs, but the power generated is much lower for solar. The result is that, on a cost basis per kilowatt hour, coal is competitive. -- [David L. Yaussy](#)

● [Virginia Offshore Wind: A Strong Foundation](#)

"Virginia officials have established a well-planned, extensive strategy to build out an offshore wind industry, including wind towers for electricity generation and the supply chain to support that extensive infrastructure and operations."

Why this is important: There has been a coordinated effort by local and state governments to fight climate change by engaging in litigation against fossil fuel companies and by issuing non-binding CO2 emission targets. While these efforts make for good headlines, they are short on results. True progress to lower CO2 emissions must be made through sound public policy and not politics. The Virginia Legislature has taken a step in the right direction by expressly encouraging renewable energy projects and by creating a strategy to develop a multi-state wind industry and supply chain. --- [Nicholas S. Preservati](#)

● [Germany's Coal Phase-Out Goal "Seems Completely Unrealistic"](#)

"Despite the largely increased share in intermittent energy sources, the power grid remains stable but progress is 'slower than Germany was hoping for', especially when it comes to reducing greenhouse gas emissions, the report states."

Why this is important: JP Morgan Energy finds Germany's increase in renewables is dramatic, but the European nation is finding its greenhouse gas reductions are coming at a slower rate. To reach the country's goal of 65 percent of its power coming from renewables, it will require significant cost increases in electricity. In addition, the study finds the goal to eliminate coal from power generation by 2038 will not be met. Germany also is finding reductions in greenhouse gases are being offset by transportation increases and increasing needs for new electrical generation. --- [Mark E. Heath](#)

● [Increasing Crude Oil Demand from Industries Including Refineries in Developing Countries Will Drive Global Hydraulic Fracturing Market Growth](#)

"Natural gas is expected to witness the considerable growth owing to wide applications across industries and power plants."

Why this is important: In what appears to be very good news for domestic shale producers, the world's embrace of natural gas bodes well for strong future markets. The analysts expect worldwide growth in industrial and manufacturing uses for shale gas products, as well as fuel for new power plants. The continued research and development of efficient production techniques hopefully will continue to spur new production. --- [Gerald E. \(Gee\) Lofstead III](#)

● [After Missing Emissions Targets, Germany Creates Climate Watchdog](#)

"The German government has announced it will set up a 'climate cabinet' to coordinate emissions reduction efforts and ensure politicians keep their promises."

Why this is important: This article highlights the problem of setting climate change goals not supported by sound policy. Germany set its emissions goals before developing a comprehensive and effective environmental policy capable of implementation. As a result, it has failed to meet its emissions targets and has been forced to create a new government group to develop a viable policy after the fact. Other governmental entities should learn from Germany's mistake and realize emissions goals and sound policy go hand in hand. --- [Nicholas S. Preservati](#)

● [SEC Stunned that Musk Failed to Get Pre-Approval of Tweets](#)

"The U.S. Securities and Exchange Commission said it's 'stunning' that Elon Musk didn't seek pre-approval of any of his tweets about Tesla Inc. in the months since he was ordered by a judge to do so."

Why this is important: Elon Musk is the epitome of a loose cannon rolling on deck, firing in all directions. A gifted entrepreneur and risk-taker who has built several large companies from scratch, he has trouble controlling his urge to comment on the world around him. That's not a problem, except when he makes statements that affect stock prices. Having failed to pre-screen his tweets, as required by a settlement with the SEC, he stands a real chance of losing his ability to run Tesla, or any other company. --- [David L. Yaussy](#)

● [What are the Largest Remaining Coal Mines in the U.S.?](#)

"Coal continues to be a major source of energy in the US, which is home to multiple mines dedicated to harvesting the mineral despite the rise of many alternative sources of energy."

Why this is important: The U.S. produced 774 million tons of coal last year, principally from five states--Wyoming, West Virginia, Illinois, Kentucky and Pennsylvania. The six largest U.S. mines are in Wyoming. The North Antelope Rochelle Mine, owned by Peabody, produced 101 million tons last in 2018--almost one-seventh of U.S. total production. Last year, Black Thunder in Wyoming produced 71 million tons and became the first U.S. mine to produce and ship one billion tons since it began production. While these mines have much more production than eastern mines, it is steam coal with a lower BTU that sells at reduced pricing. That lower pricing is offset by very large, thick coal seams that lower production costs. --- [Mark E. Heath](#)

● [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](#)

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[Monthly Biodiesel Production Report](#)

[Monthly Densified Biomass Fuel Report](#)

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