



Issue 25, 2019

## ● [Toby Rice Wins Control of EQT After Proxy Battle](#)

*"Toby Rice has taken control of EQT Corp., nine months after launching a fast-moving campaign to replace the oil and gas company's leadership and less than two years after selling his company Rice Energy Corp. to EQT."*

**Why this is important:** Toby Rice and his brother Daniel have won a proxy battle for EQT Corp., the largest natural gas producer in the United States. After a favorable board was installed, the Board voted to appoint Toby Rice as CEO, displacing Rob McNally who held the position for only six months. EQT previously purchased Rice Energy in 2017, but has floundered ever since. Dissident shareholders grew impatient with the previous management's turnaround plans. The proxy fight began when EQT announced 2018 third quarter results well below expectations. Toby Rice's 100-day plan is to reduce the cost of well production from more than \$900 per foot to \$732 per foot. Significant reductions in costs, if achieved, likely will propel EQT natural gas production and, as a result, share price. --- [Bryan S. Neft](#)

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## ● [Coal Union Invites Democratic 2020 Hopefuls, at Least Half Say 'Yes'](#)

*"The invitation could heap pressure on the nearly two dozen Democrats vying for the White House to explain how their plans to combat climate change - most of which call for an end to fossil fuels use - will impact mining jobs."*

**Why this is important:** The United Mine Workers of America have invited all Democratic Party presidential candidates to meet with union members on climate change and how their plans affect union miners. The union reports at least half of the candidates want go into underground mines and meet with union miners to discuss pensions, black lung compensation and healthcare. However, 16 of the 20 current candidates voted for the Green New Deal to end the use of fossil fuels in 10 years. The UMWA endorsed no candidate for President in either 2012 or 2016. --- [Mark E. Heath](#)

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## ● [White House Won't Review Climate Science Before Election](#)

*"The proposed White House panel that would conduct an 'adversarial' review of climate science is dead for now, as President Trump grapples with negative perceptions of his environmental record at the outset of his reelection campaign."*

**Why this is important:** Global warming skeptics had been hoping the Trump administration would take a hard look at some of the questionable assumptions, data and conclusions that characterized previous federal climate change reports. That re-evaluation effort appears dead, at least for now, as Trump looks ahead to the 2020 election and the need to burnish his environmental reputation. Trump's decision to deep six the re-appraisal may be a clear sign that he believes the public, and even the Republican base, are concerned about global warming to at least some degree. --- [David L. Yaussy](#)

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## ● [Bearish U.S. Utility Coal Market Sentiment Unlikely to Lift Before End of](#)

## 2020

*"The utility coal 'market started the year in good shape, but has gotten materially worse ever since,' driven by a low front-month gas futures price, Mark Levin, senior analyst, and Nathan Martin, senior associate analyst, wrote in the Seaport note."*

**Why this is important:** Prices for U.S. steam coal continue to decline and are expected to continue to decline for the rest of 2019 and 2020. Since January 1 of this year, steam coal prices have dropped \$26.70 to \$59 a metric ton due to mild weather, cheap natural gas, higher prices for carbon allowances and Russian coal competition in the export market. These conditions have resulted in steam coal price declines of 27 percent in northern Appalachia and 19 percent in the Illinois Basin. The one bright spot for U.S. producers is while metallurgical coal prices have declined some, they are not expected to crash to 2015-2016 levels. ---

[Mark E. Heath](#)

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## ● [Sanders and Ocasio-Cortez Team Up on Climate Change Resolution](#)

*"The lawmakers demand 'a national, social, industrial, and economic mobilization of the resources and labor of the United States at a massive-scale to halt, reverse, mitigate, and prepare for the consequences of the climate emergency and to restore the climate for future generations.'"*

**Why this is important:** Sen. Bernie Sanders and Rep. Alexandria Ocasio-Cortez want Congress to declare a climate emergency and call for massive federal spending to reverse the effects of global warming. While this plays to the Democratic left, an important constituency for both of them, it is unclear how many moderate Democrats will come along. Although opinion polls reveal general support for addressing climate change, public willingness to redirect significant funds to that cause, at the expense of other programs, is more in question. --- [David L. Yaussy](#)

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## ● [Plains Eyes Rockies Expansion as Oil Shippers Seek More Pipeline Space from Canada](#)

*"Plains All American Pipeline launched an open season to gauge demand for an expansion of its Western Corridor pipeline system to move more oil from Canada, Montana and Wyoming toward refining and export markets on the Texas Gulf Coast."*

**Why this is important:** Plain All American is seeking to increase capacity in its Western Corridor Pipeline to allow for an additional 70,000 barrels/day to flow from Canada, Montana and Wyoming to the Texas Gulf Coast. Canadian crude oil is facing pricing constraints because of the lack of capacity to move more crude to Texas for refining. Plain All American is seeking to alleviate some constraints with additional capacity on its own lines. The market appears anxious to tap into additional capacity. Newly proposed lines are failing to gain approval because of delays and litigation. --- [Bryan S. Neft](#)

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## ● [Australia's Gladstone Coal Exports Hit 5-Month High as Volumes to China Spike](#)

*"A total of 6.43 million mt were exported from Gladstone, up 2% year on year and 8% month on month, and the highest monthly volume since the 6.45 million mt seen in January, GPC figures showed."*

**Why this is important:** Exports from Australia's Gladstone Port rose in June based on Chinese imports of metallurgical coal. However, forecasts call for slight increases in metallurgical coal imports to most Asian countries this year and slight declines next year. The one exception is India, where imports of 64 million tons in 2019 are forecast to grow to 70 million tons in 2021. --- [Mark E. Heath](#)

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## ● [Atlantic Offshore Wind: Favorable Winds for Maritime](#)

*"Now that the United States finally can envision steady winds blowing from the Atlantic Seaboard due to a pipeline of offshore wind farms on the horizon, the maritime industry can finally step up and earn some of the benefits."*

**Why this is important:** Electricity generation from offshore wind is coming into its own as developers learn to deal with the

complex legal and technical issues that arise from building structures in a sometimes hostile ocean environment. Steady winds offshore allow for higher capacity factors and states are encouraging turbine placement in state waters in order to meet renewable portfolio goals. Some residents and vacationers may object to the visual effects of the turbines rising above their favorite beaches, but beyond-the-horizon construction could allay those concerns. --- [David L. Yaussy](#)

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## ● [Australian Coal Industry Recommends Canadian Carbon Capture Technology](#)

*"Australia's coal industry research and development fund COAL21 is recommending authorities to support the adoption of a carbon sponge technology that offers cheaper emissions reductions."*

**Why this is important:** An Australian coal industry research group is recommending the adoption of a Canadian CO2 carbon capture technology system for carbon capture in industrial plants and power production. The system, developed by CO2 Solutions, uses a carbonic anhydrase enzyme in a salt solution with heat to significantly increase the capture of carbon dioxide at reduced costs. Australia has committed to significant CO2 reductions in coming years. --- [Mark E. Heath](#)

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## ● [EIA Energy Statistics](#)

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

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