

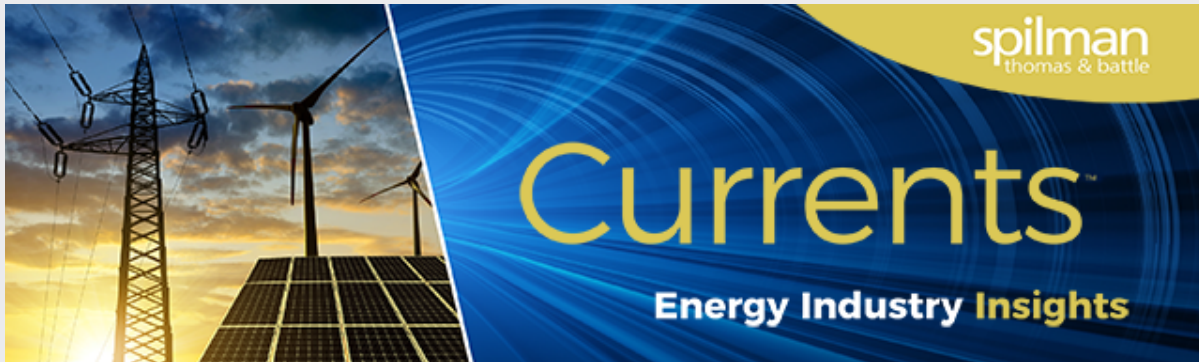
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Volume 5, Issue 29

● [Welcome](#)

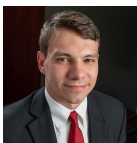
Welcome to Volume 5, Issue 29 of *Currents*. Will current market factors continue coal's recent resurgence? Or will the transition to renewables continue, especially as storage solutions are developed? We'd love to hear your thoughts after you read our take on trending topics this week.



[Nicholas S. Preservati](#)

Co-Editor, *Currents*

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



[Joseph C. Unger](#)

Co-Editor, *Currents*

● [Ford Building Massive Electric Vehicle and Battery Plants with \\$11.4 Billion Investment](#)

"Automaker says production hubs will bring 11,000 jobs to Tennessee and Kentucky."

Why this is important: Ford Motor Company and Korean battery manufacturer SK Innovation are making a massive investment in electric vehicles and the batteries that will power the future of transportation. The two are investing \$11.4 billion in factories in Kentucky and Tennessee. The Kentucky facility, called Blue Oval SK, near Glendale about 70 miles south of Louisville, will employ 5,000 workers

on a 1,500 acre site that will contain two battery manufacturing facilities in a joint venture with Ford and SK. The Tennessee complex, called Blue Oval City, outside Memphis, is six square miles and will employ 6,000 to make batteries and manufacture electric vehicles, like trucks. Ford now says by 2030, 100 percent of its vehicles sold in Europe will be battery powered and 40 percent of its vehicles sold in the U.S. will be electric. It is providing \$7 billion of the \$11.4 billion being invested in the two projects. --- [Mark E. Heath](#)

● [APPEC Hess Sees Tight Oil Market in Near Term, Underinvestment Risk Ahead](#)

"Global demand is seen climbing to 100 million barrels per day (bpd) by the end of 2021 or in the first quarter of 2022 and rising further to around 102 million bpd next year from 98 million bpd currently, he added."

Why this is important: Oil and natural gas prices are trending higher due to a mismatch between demand and supply. Post-pandemic economic recovery has spurred demand for fossil fuels, but fossil fuel producers are reluctant to ramp up production, given past history of overproduction and government efforts to discourage future fossil fuel use. With winter in the Northern Hemisphere coming, demand likely will continue to outpace supply, meaning prices likely will rise. --- [David L. Yaussy](#)

● [Nord Stream 2 Starts Filling Pipeline with Gas for Tests](#)

"The politically charged Nord Stream 2 project was designed by Moscow to bypass Ukraine with its gas exports to Europe."

Why this is important: In 2018, more than 60 percent of Russia's crude oil and natural gas exports went to Europe, and it is estimated that Russia currently provides around 40 percent of Germany's natural gas imports. The pipeline will double Russia's existing gas pipeline export capacity across the Baltic Sea, which will total 110 billion cubic meters. The pipeline's last hurdle is Germany's energy regulator, which has about three months to complete certification of Nord Stream 2. --- [Joseph C. Unger](#)

● [Lawmakers Ban Fossil Gas from EU Energy Infrastructure Funding, with Some Exceptions](#)

"The TEN-E regulation creates a framework for the European Union to finance cross-border energy infrastructure."

Why this is important: The European Union is working an energy infrastructure process that shows a continuing move away from fossil fuels – including natural gas. The bill will provide funding for new projects that help provide energy to the EU and cross national borders. But, shale gas projects only qualify if they replace sources viewed as less environmental friendly – such as coal and lignite. Many who believe shale gas is a significant bridge to CO2 reductions oppose the move and want greater gas use. To date, they are not prevailing. --- [Mark E. Heath](#)

● [State's Largest Solar Project Will be a Non-Profit's Windfall](#)

"The array of 294 solar panels sits atop the the West Edge Building, formerly the Corbin Factory, which is now the home of the Coalfield Development Corporation."

Why this is important: Solar projects have been slow to develop in West Virginia, given its latitude and general cloudiness. This project in Huntington was helped along by philanthropic grants for construction. Future solar projects eventually may be cost-effective without grants or subsidies. --- [David L. Yaussy](#)

● [Coal Miners Rally as U.S. Coal Surges to Two-Year High and Coal Prices are Booming but US Miners Struggle to Boost Output](#)

"High natural gas prices are causing U.S. utilities to switch to coal this year, but their ability to fire up coal power plants is limited because miners have cut capacity by 40% over the past six years."

"A labor shortage and reluctance to open new mines has left US coal companies struggling to keep up with surging global demand."

Why this is important: Coal prices are booming for both steam and metallurgical coal, but U.S. producers are not able to increase production with shortages of employees and resources to open new mines. As one Pennsylvania producer noted, it's very difficult to add new production. At the same time, worldwide demand is leading to dramatic coal price increases. Southern Appalachian steam coal is up 35 percent this year to \$73.25. Metallurgical coal has seen far more dramatic price increases. Steam coal is driven by increases in natural gas prices that are leading utilities to switch back to thermal coal generation. Rapid increases in metallurgical coal prices are being fueled by a worldwide economic recovery from COVID-19 and disputes between China and Australian that have led China to buy elsewhere. All are causing stock prices to soar and giving the coal industry their first good news in several years. --- [Mark Heath](#)

● [World's Longest Under-Sea Electricity Cable Begins Operations](#)

"The idea behind the NSL is for it to harness Norway's hydropower and the U.K.'s wind energy resources."

Why this is important: Norwegian authorities claim that 98 percent of the country's electricity production stems from renewables, a majority of which is produced by hydropower. When Britain's wind production is high and demand for electricity is low, the excess production easily can be transferred to Norway, which will conserve water in Norway's reservoirs. On the other side, when demand is high in Britain and there is low wind production, hydropower easily can be imported from Norway. However, it is unclear how often that production-demand sweet spot occurs. --- [Joseph C. Unger](#)

● [ESS, SB Energy Reach Major Deal for Flow Battery Technology, with 2 GWh Agreement](#)

"In the deal, SB Energy will deploy iron flow battery systems to complement solar power projects in Texas and California through 2026."

Why this is important: Breakthroughs in energy storage are announced all the time. Often they are only theoretical, and few get past bench testing in the lab before they're determined to be too costly or don't work at scale. These flow batteries are being installed now and will provide real-world evidence of whether they might be part of the solution to solar power's intermittency. --- [David L. Yaussy](#)

● EIA Energy Statistics

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

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Natural Gas Weekly Update

Natural Gas Futures Prices

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Responsible Attorney: Michael J. Basile, 800-967-8251