



Issue 12, 2018

## ● [Trump Prepared to Hit China with \\$60 Billion in Annual Tariffs](#)

*"President Trump is preparing to impose a package of \$60 billion in annual tariffs against Chinese products, following through on a longtime threat that he says will punish China for intellectual property theft and create more U.S. jobs."*

**Why this is important:** President Trump's proposed tariff package is directed to cover more than 100 Chinese products that allegedly were developed using U.S. trade secrets stolen or improperly obtained by China. The situation is fluid, however, and retaliatory actions could extend beyond the scope of intellectual property. Anyone with an interest in China Energy's announcement to invest \$83.7 billion in shale gas and chemical projects in West Virginia should keep a close eye on the China tariff developments. --- [Matthew P. Heiskell](#)

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## ● [Oil Slips as U.S. Shale Fears Untempered by Russian Reassurance](#)

*"Oil slipped as U.S. explorers resumed their drilling binge, raising concerns over whether output cuts by OPEC and its allies will be enough to clear a glut despite a pledge from Russia that it's committed to the curbs."*

**Why this is important:** In an appearance of solidarity with OPEC and the other producers that signed production cuts, Russia has pledged to see the agreement to its conclusion. That could mean a discussion regarding an exit strategy at the June OPEC meeting, or an extension of the agreement well into 2019. The problem for OPEC remains the strong U.S. oil production, particularly from shale. American oil production reached a record 10.4 million barrels a day during the week of March 11, 2018. U.S. producers added four working rigs that same week, bringing the total to 800 nationwide. --- [Gerald E. \(Gee\) Lofstead III](#)

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## ● [Europe's Cold Shoulder to Russian Gas Could Lift U.S. LNG Export Goals](#)

*"Europe's efforts to cut its reliance on Russian supplies of natural gas are being seen as a timely business opportunity for U.S. LNG exporters feverishly trying to secure long-term contracts to finance terminal projects."*

**Why this is important:** Why not take advantage of this interruption in natural gas supplies from Russia to Central Europe? We need to accelerate the permits for the export of LNG to Europe and Asia for our domestic welfare and international stamina. Our time is now to supply shale gas to the rest of the world. --- [William M. Herlihy](#)

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## ● [Can Climate Litigation Save the World?](#)

*"The litigation represents a new front of climate action, with citizens aiming to force stronger moves to cut carbon emissions, and win damages to pay the costs of dealing with the impacts of warming."*

**Why this is important:** The author believes climate litigation may be the place where fossil fuel companies can be held

accountable for the effects of global greenhouse gas emissions. But, courtrooms may be difficult places for those concerned about climate change, as the confrontational nature of court proceedings may result in more rigorous questioning of activists' evidence and positions than they are accustomed. In addition, if the suppliers of fossil fuels are criminals, are the users accomplices? ---

[David L. Yaussy](#)

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## ● [GOP Lawmaker Proposes Tax Credit for Coal Plants](#)

*"Rep. Larry Bucshon's (R-Ind.) bill, the Electricity Reliability and Fuel Security Act, seeks to stem the tide of hundreds of recent coal plant closures - an issue driven primarily by economic concerns and environmental regulations."*

**Why this is important:** This is yet another effort of many at the state and federal levels to provide support for coal (and often nuclear) powered generation plants that have had difficulty consistently competing in the regional wholesale markets for power. Although such efforts could enhance their viability in the market for electric generation and provide related marginal economic benefits, some question whether it is prudent for legislatures to boost select resources that are competing in "open" markets. In the long term, the ultimate consumers of electricity would likely bear increased costs associated with tax credits and subsidies that may skew wholesale market pricing for power. --- [Derrick Price Williamson](#)

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## ● [OPEC Acknowledges the Scale of the Shale Boom](#)

*"OPEC for the first time is forecasting that new oil supplies from its rivals will exceed growth in demand this year as the U.S. industry thrives."*

**Why this is important:** OPEC's estimates have finally come in line with other energy monitors, such as the International Energy Agency. Most recently, OPEC raised its projections for U.S. oil output by 12 percent, to 1.46 million barrels per day. OPEC also estimated surplus oil inventories in developed countries will drop by 85 percent. OPEC members pumped 32.19 barrels a day in February 2018, its lowest output since April 2017. About 33 million barrels a day is needed throughout the year, resulting in a further reduction of worldwide stockpiles. --- [Gerald E. \(Gee\) Lofstead III](#)

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## ● [Could This 'Clean Coal' Plant Proposal be Answer to Indiana's 17 Billion Tons of Reserves?](#)

*"Merle is the president of Riverview Energy Corporation, which is proposing to build a 'clean coal' diesel plant in Spencer County. It would be the first such plant in the U.S., quite possibly pushing Indiana to the forefront of the nation's often contentious and political debate over clean coal."*

**Why this is important:** An Indiana company has proposed building a \$2.5 billion plant in Spencer County to turn coal into diesel fuel. Riverview Energy Corporation has proposed the plant to use a process known as direct coal-hydrogenation. It would take Indiana coal and combine the carbon from coal and hydrogen from natural gas at high heat and pressure to produce diesel fuel and naphtha, which is often used as a solvent. The plant would use 1.6 million tons of coal to produce 4.8 million barrels of diesel and 2.5 million barrels of naphtha on an annual basis. With more than 17 billion tons of coal reserves, Indiana could provide a steady fuel stock to the plant for many years, assuming the plant can be economically built and operated with today's low oil prices. --- [Mark E. Heath](#)

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## ● [U.S. Tariffs on China Could Hamper New LNG Export Projects Along Gulf Coast](#)

*"If the Trump administration follows through on reported plans to impose tariffs targeting roughly \$60 billion in Chinese goods per year, the new trade policy could exacerbate U.S. investors' anxiety over signing long-term LNG contracts with trading partners they already consider unreliable."*

**Why this is important:** Exports of LNG to China would be very valuable tools of the U.S. to obtain a reversal of our trade deficit with China. It also would be a domestic boon because China, in the short term, cannot service its energy needs for the next several years, particularly with China's lip service to renewable energy. --- [William M. Herlihy](#)

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## ● [At Allegheny River's Headwaters, Treatment Plant for Fracking Wastewater Stirs Debate](#)

*"As the river flows west, through the backyards of homes along State Route 6, it passes the Coudersport Area Municipal Authority sewage treatment plant where Epiphany Water Solutions, a Lawrenceville-based startup, has proposed hooking up its first commercial shale gas drilling and fracking wastewater treatment plant."*

**Why this is important:** Fracking produces copious amounts of wastewater that is usually high in total dissolved solids. Much of it is disposed underground in UIC wells, but there is a movement in the oil and gas industry to either reclaim it for future use as a fracking medium, or clean it up for eventual discharge. The battle is being fought out at the local level, such as with this town along the Allegheny River. --- [David L. Yaussy](#)

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## ● [China's Big Appetite for Liquefied Natural Gas is a Game-Changer](#)

*"China's growing uncontracted liquefied natural gas (LNG) demand is set to transform the industry over the next few years, impacting global fundamentals and prices, China's domestic gas sector and international LNG supply agreements."*

**Why this is important:** China cannot keep up with its demand for natural gas, especially with its supposed emphasis on renewable and low carbon energy sources. Fueled by shale gas, this market for U.S. LNG exports could last for several years without interruption. China's growing energy demand will produce positive U.S. domestic employment, help stabilize our domestic energy prices at a competitive level, and help erode our negative trade balance with China. Hopefully, China's need for energy will prevent it from imposing retaliatory tariffs on U.S. sourced LNG exports in response to recent tariffs placed on imported steel and aluminum. --- [William M. Herlihy](#)

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## ● [Scott Pruitt Will End EPA's Use of 'Secret Science' to Justify Regulations](#)

*"Environmental Protection Agency Administrator Scott Pruitt will soon end his agency's use of 'secret science' to craft regulations."*

**Why this is important:** It would seem obvious the scientific studies used to set public policy, and the data they rely upon, should be made available to the public. That hasn't been the case, and EPA Administrator Scott Pruitt is trying to change that by eliminating "secret science." Whatever one thinks of Pruitt's politics, it is hard to argue with his efforts to make the agency more transparent. --- [David L. Yaussy](#)

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## ● [The Guy Who Came Up with Fracking Probably Deserves a Nobel Peace Prize](#)

*"It is a shining example of what individuals with a vision can accomplish when left to their own devices. It is an example of what still makes the U.S. 'innovation central.'"*

**Why this is important:** The thought of giving George P. Mitchell a posthumous Noble Peace Price is a wonderful idea, and focuses our attention on the power of domestic shale oil and gas production. Environmentalists dedicated to ending the use of all hydrocarbons are desperate to smear the fracking revolution in unconventional shale plays as a threat to public health. Detractors of fracking publish unsubstantiated claims that fracking chemicals will cause a plague of as yet unknown health impacts on people living in areas where these operations occur. However, these critics have not shown how the general public is exposed to these chemicals or that fracking has caused adverse effects on the public's water supplies or surface lands. They rely on exaggerated fear tactics rather than actual facts. The unconventional revolution in U.S. shale production has blessed us with much lower domestic energy prices at fueling stations as well as our home energy bills. These domestic energy resources also will help to disarm the dependence of the U.S. and our allies on Middle Eastern and Soviet energy supplies. If used in an appropriate manner, that economic leverage could help influence former energy rivals to moderate their political and military policies. --- [William M. Herlihy](#)

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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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