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### Volume 5, Issue 14

### Welcome



Welcome to Volume 5, Issue 13 of *Currents*. President **Biden** and his administration's policies dominate our energy stories this week. We want to know what you think. <u>Email us</u> and we can look for additional articles that cover the topics you find interesting.

As always, thank you for reading.

Nicholas S. Preservati
Co-Chair, Energy Practice Group

## <u>Federal Lawmakers Seek Funds to Plug Orphaned Oil and</u> Gas Wells

"U.S. Sen. Ben Ray Luján, a Democrat from New Mexico, said plugging these wells is an important step to protecting communities and can help put people back to work."

**Why this is important:** This federal legislation would provide a reduction in greenhouse gas emissions as well as an economic benefit for areas of our country where the oil and gas industry has suffered from low commodity prices and the COVID-19 fueled recession. Over many decades, tens of thousands of older wells have been orphaned nationwide that leak methane because they have not been properly plugged. The abandonment of these unplugged wells has been caused by previous economic downturns as well as federal and state regulatory programs that have never possessed the budgetary means to deal with problem wells. This sort of federal stimulus legislation specifically focused on a solvable

environmental problem can eliminate a significant source of methane pollution, while providing new employment opportunities in economically challenged areas of our nation. --- William M. Herlihy

# Manchin Backs Labor-Organizing Bill While Standing Against Carbon Tax and Fossil Fuel Bans

"As progressive Democrats in Congress planned to reintroduce the Green New Deal resolution, Sen. Joe Manchin, D-W.Va., joined the head of the mine workers' union to call for federal funding for fossil fuel technology like carbon capture, slammed proposals for a carbon tax, and said efforts to ensure a 'just transition' to renewable energy ring hollow to many Appalachian coal miners."

Why this is important: West Virginia Senator Joe Manchin, the deciding vote in the Senate on many issues, on Monday stated he supports carbon capture research and also supports a major bill advancing in Congress to preserve employees' right to unionize. Sen. Manchin notes there are 667 coal-fired electric generation plants under construction in the world and 5,286 such plants in operation worldwide. He believes carbon capture, not a carbon tax or fossil fuel ban, is the way to address global warming. The West Virginia Senator also announced his support for the PRO (Protecting the Right to Organize) Act that would encourage unions by: 1) classifying independent contractors as employees; 2) ban the permanent replacement of strikers; 3) penalize companies that interfere with organizing activities; and 4) eliminate state right-to-work laws in some 24 states. Advocates believe the PRO Act, if passed, would be the biggest expansion of worker rights in 80 years. --- Mark E. Heath

# <u>Democrats Tested Over Boosting Transmission, Not</u> <u>Pipelines, as Bill Directs FERC to Improve Regional Planning</u>

"The bill, which Heinrich previously introduced in 2019, would give FERC six months to improve interregional transmission planning to expand and expedite projects."

Why this is important: Increasing the use of intermittent renewables such as solar and wind to generate the nation's electricity will require a vast expansion of the electric grid to move power from sunand wind-rich areas to the rest of the U.S. Democrats in the House of Representatives intend to encourage the Federal Energy Regulatory Commission to facilitate projects that will allow construction of more high voltage, long distance electric transmission capacity. The problem for the Democrats is that the justification for supporting electric line transmission is similar to that for oil and gas pipelines, which are not as favored by the party's constituency. --- David L. Yaussy

### Miners' Union Backs Shift from Coal in Exchange for Jobs

"The nation's largest coal miners' union said it would accept President Joe **Biden**'s plan to move away from coal and other fossil fuels in exchange for a 'true energy transition' that includes thousands of jobs in renewable energy and spending on technology to make coal cleaner."

Why this is important: The United Mine Workers of America has announced it's on board with President Biden's plan to move away from coal and fossil fuels -- if there is a "true energy transition" to create jobs in renewables and technology to make coal burn cleaner. UMWA President Cecil Roberts noted 7,000 coal jobs were lost in 2020 as the U.S. moves away from coal for electric power generation. Roberts says he supports a plan that contains: 1) tax incentives for renewables; 2) preferential hiring of coal miners in other energy fields; 3) funding to plug abandoned oil and gas wells and reclaim abandoned coal mines with coal miners; and 4) incentivize and develop carbon capture from burning coal. West Virginia Senator Joe Manchin also supports carbon capture development as he believes even if the U.S. ended coal use, there would still be significant coal consumption worldwide that carbon capture

# Amazon Backs First Solar-Plus-Storage Facility in Latest Green Energy Push

"The company now has 206 clean energy projects, including 71 utility-scale solar and wind plants and 135 PV rooftops on facilities and stores, which, when operational, will generate 8.5GW of capacity for its corporate offices, fulfilment centres."

**Why this is important:** Energy storage is among the most important developments in clean energy production. One issue with solar energy is that production does not always meet energy demands, i.e. there is little to no production during evening hours, when demand can peak, at least for residential users. Amazon's plan to build a solar-plus-storage facility will ensure that energy produced during peak sunlight can be stored and used when needed. --- Joseph C. Unger

# Washington OKs Bill Setting Path to 100% EVs by 2030, Prods Utilities to Prep for Grid Impacts

"Washington lawmakers passed legislation that would create a goal for all passenger and light-duty vehicles sold in the state of model year 2030 and after to be electric vehicles, five years ahead of California's similar target."

**Why this is important:** Washington State is looking at limiting sales of light-duty vehicles to electric vehicles after 2030. This would require a significant increase in new generating capacity, and a vast buildout in recharging infrastructure. Given the consumer resistance represented by the slow rate of EV purchases, the amount of time required to install new generation capacity, and the number of new charging stations, most of which likely will be privately funded, nine years is not likely to be enough time to accomplish this ambitious task. --- David L. Yaussy

### The New U.S. Plan to Rival China and End Cornering of Market in Rare Earth Metals

"Rare earths elements are more abundant than their name suggests but extracting, processing and refining the metals poses a range of technical, political and environmental issues."

Why this is important: Many rare earth metals ("REMs") are used to produce turbines, electric vehicles, and medical devices. A strong rare earth metals supply chain will play a critical role in the **Biden** administration's promotion of the electric vehicle industry. However, **Biden**, and future administrations, will have to endure quite the balancing act with respect to REMs. China, the number one threat to U.S. interests, currently dominates the REM market, and moving away from Chinese and other Asian supply chains would have a dramatic effect on battery development on U.S. shores. There are also many environmental issues linked to the extraction of REMs. --- Joseph C. Unger

<u>Biden Takes on Dems' 'Mission Impossible': Revitalizing</u>
 <u>Coal Country</u>

"Despite deep skepticism from union allies, Democrats are determined to make their 'Just Transition' away from fossil fuels work."

Why this is important: The Democratic Party has watched its support crumble in many energy producing areas of the U.S. President Biden wants to tackle what has been a very thorny issue of how to help communities transition from fossil fuels to cleaner renewables and bring industry to coal towns to make up lost jobs. In the last COVID-19 relief bill in December, Democrats supported Republican efforts to replace school tax revenues to communities hurt from bans on oil and gas drilling on federal lands. But, providing new jobs at the levels fossil fuel workers make will be difficult. One estimate is it would require \$23 billion a year to make up the difference between fossil fuel (coal, oil and gas workers) wages and those paid in clean energy. A survey found gas workers made \$30.33 an hour while solar workers made \$24.48. This issue has been difficult for both parties. President Trump ran on increasing coal jobs, but saw the number of miners and electric coal-fired generation plants decline during his term in office. Despite the difficulties, President Biden has committed to Democratic efforts to revitalize communities that have turn solidly Republican since the 1990s. Time will tell if such a plan can be developed and put into action. --- Mark E. Heath

## Energy Question of the Week

### **Last Issue's Question and Results**

What is your position on the enactment of a U.S. carbon tax?

Strongly support - 12.3% Moderately support - 15.1% Moderately oppose - 15.1% Strongly oppose - 34.2% Do not know - 11% Other - 12.3% Which is most important to you?

U.S. energy independence
Select
Lower energy prices
Select
Reduced carbon dioxide emissions
Select
Access to energy resources
Select
Do not know
Select
Other
Select

### 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** 

What are your areas of interest? If there are particular industries or issues that you would like to hear about, <a href="mailto:email

If you would like to subscribe to this weekly e-blast or know someone who would, please <a href="mailto:emailt

If you have any energy questions, please feel free to contact us.

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