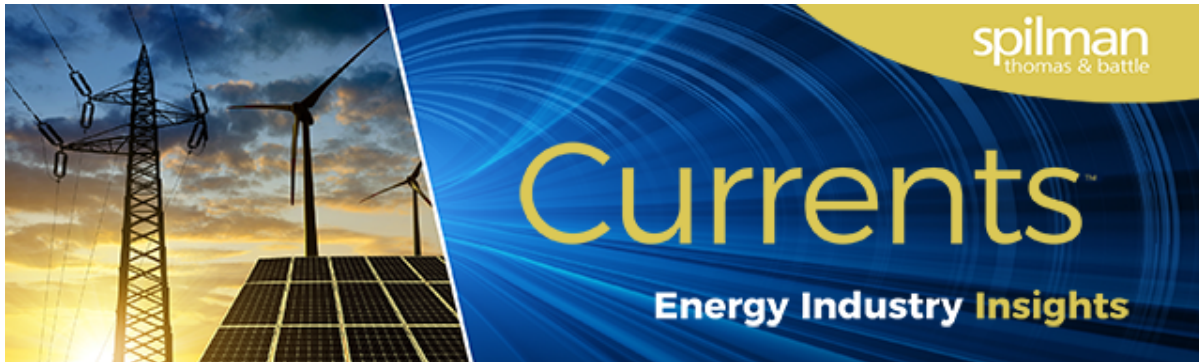


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Issue 43, 2020

● [U.S. Court Suspends Key Permits for Equitrans Mountain Valley Pipeline](#)

"A U.S. federal appeals court issued a stay of key water crossing permits needed to complete construction of Equitrans Midstream Corp's 300-mile Mountain Valley natural gas pipeline in two states."

Why this is important: The past few months have seen significant setbacks for natural gas pipelines. A case originating in the U.S. District Court for the District of Montana has brought the Keystone XL pipeline to a halt, at least temporarily, pending an environmental review of Nationwide Permit 12. The U.S. District Court for the District of Columbia ordered the Dakota Access Pipeline to be emptied and shut down before the U.S. District Court of Appeals for the District of Columbia could step in. And the backers of the Atlantic Coast Pipeline simply cancelled the project. So this most recent decision suspending permits for the Mountain Valley Pipeline is just part of a larger trend. Beyond the legal issues, though, perhaps the primary takeaway is that these legal challenges are responsible for taking the Mountain Valley Pipeline from a one-year, \$3.5 billion project to a multi-year, \$6 billion project. The consequence is that, even if environmentalists lose the legal battle, they will have succeeded in significantly changing the economic conditions for these pipelines to be built. --- [Joseph V. Schaeffer](#)

● [China Coal Imports Show the Pain Goes Beyond Just Australia](#)

"A breakdown of imports by country isn't yet available, but Refinitiv vessel-tracking and port data shows both top suppliers, Australia and Indonesia, saw significant declines."

Why this is important: China, likely due to a dispute with Australia over its call for an investigation into the origins of the coronavirus in China, continues to import less coal from Australia. Total Chinese

imports from all sources in October were down to 13.7 million tons, a 47 percent drop from October 2019. China imported only 2.25 million tons from Australia, down 62.5 percent from the month before. China also is taking less coal from Indonesia. In the first 10 months of 2020, Indonesian imports into China declined 24.5 percent. --- [Mark E. Heath](#)

● [AEP to Upgrade Ash Disposal Systems at Area Power Plants](#)

"Three power plants in West Virginia are among those slated for improvements in their ash handling systems as American Electric Power brings them into compliance with federal regulations."

Why this is important: The article details AEP's announcement that it intends to make investments to upgrade ash handling systems for three power plants in West Virginia to comply with federal environmental guidelines. The article explains that AEP intends to make similar upgrades for one of two units at a plant in Indiana, while it will allow its lease for the other unit to expire in 2022; similarly, AEP announced that it will retire or cease burning coal at two other plants in Texas. The article quotes AEP's CEO, Nick Akins, as indicating that the company's moves with respect to its coal-fired plants are a function of evaluating "other options for delivering power" and adding "lower cost cleaner resources... to benefit customers and the environment." This is important in reflecting AEP's broader shift away from coal-fired resources, while maintaining coal-fired assets -- such as those in West Virginia -- that are in a regulated rate base where related investments can be recovered from captive ratepayers. --- [Derrick Price Williamson](#)

● [Shipping Industry Should Consider Nuclear Option for Decarbonizing](#)

"There are some inquiries from companies about the further uptake of nuclear power within the shipping industry and its impact on the sector could be significant."

Why this is important: Maritime shipping, such as container ships and tankers, are major sources of greenhouse gas emissions. Many of these ships burn low quality petroleum fuel and are ripe for changes to cleaner fuels, such as ammonia or hydrogen. One fuel source getting a new look is nuclear, which has powered U.S. and Soviet navy ships for decades. New reactor designs may make nuclear propulsion an attractive option. --- [David L. Yaussy](#)

● [Toshiba Stops Taking Orders for Coal-Fired Power Plants](#)

"Company plans \$1.5bn investment in renewables as PM Suga targets zero-carbon goal."

Why this is important: Toshiba has announced it will stop taking orders for coal-fired electric plants, principally being built in Asia. The company, which has 11 percent of the world market for coal-fired plants, will finish 10 coal-fired electrical generation plants under construction. It then will focus on renewables and plans to invest \$1.5 billion a year in them by 2022. Japan as a nation has committed to being carbon free by 2050. --- [Mark E. Heath](#)

● [Orsted and BP Look to Develop Major Renewable Hydrogen Project in Germany](#)

"According to the oil and gas giant, the scheme will involve the development of an initial 50 megawatt electrolyser as well as 'associated infrastructure' at its Lingen Refinery."

Why this is important: Hydrogen is rapidly becoming the battery of choice for intermittent renewables. Rather than stripping hydrogen atoms from natural gas to produce "dirty" hydrogen, Germany is proposing using excess wind power to electrolyze water to produce "green" hydrogen. The hydrogen can be used in industrial processes or mixed with natural gas to be burned for power generation when the wind isn't blowing. --- [David L. Yaussy](#)

● **BHP Targets China's Steel Sector Emissions as Climate Pressure Builds**

"BHP and China Baowu Steel Group (formerly known as Baosteel) have entered into a five-year agreement to work on projects aimed at reducing the carbon footprint of the highly emissions-intensive steel sector, estimated to be responsible for up to 10 per cent of global emissions."

Why this is important: Australian coal producer BHP will spend \$50 million at a Chinese steel mill to develop ways to reduce carbon emissions in steel making. The program will focus on carbon capture and possible use of hydrogen in the steel making process. Steel making produces 10 percent of the world's CO2 emissions, and China will produce one billion tons of steel this year. --- [Mark E. Heath](#)

● **Energy Question of the Week**

Last Week's Question and Results

How many miles do you drive per week?

Less than 50 - 30.8%
51-100 - 19.2%
101-250 - 15.4%
251-500 - 11.5%
Over 500 - 11.5%
Do not know - 11.5%

At what temperature do you set your home thermostat?

67 degrees or below

Select

68-69

Select

70-71

Select

72 or above

Select

Do not know

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, [email us!](#) We have a large number of attorneys willing to weigh in on the issues that impact you and your business.

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