



Issue 48, 2018

● [Energy Companies to Appeal Loss of Forest Service Permit for Atlantic Coast Pipeline](#)

"The builders of the \$7 billion Atlantic Coast Pipeline say they will appeal a federal court ruling that invalidated a permit allowing the pipeline to be built through two national forests and across the Appalachian Trail in Virginia."

Why this is important: The Fourth Circuit Court of Appeals has thrown a wrench into plans to build a natural gas pipeline from West Virginia to North Carolina, ruling that the Forest Service approval for crossing national forests was inadequate. As this was the same sort of approval that pipelines have been granted for years, other pipeline companies have to be watching closely to see what Dominion Energy and its partners will do to get right with the Forest Service. Whatever they settle on likely will become the new standard for gaining crossing approval. --- [David L. Yaussy](#)

● [North America Becomes LNG Export Powerhouse](#)

"However, in the next decade, it is the U.S. that will significantly expand its liquefaction capacity and become one of the most prominent LNG exporters in the world."

Why this is important: Short of an increase in domestic consumption, exports of LNG are the most productive new market for Appalachian shale gas. The combination of cheap shale gas and U.S. technology should give our country an advantage over traditional LNG exporting countries, such as Qatar, Malaysia and Algeria. Currently, most U.S. exports are being routed through Gulf Port terminals. New terminals on the East Coast of the U.S., other than Cove Point, are essential to the continued prosperity of Appalachian producers and continuity of supply. The geographic proximity of Appalachian shale sources to potential Eastern export locations as well as European markets should make the development of new terminals in this area attractive. --- [William M. Herlihy](#)

● [Paris Climate Accord: The Emission Issue that was Left Untouched](#)

"The 200 signatories to the historic Paris climate accord may have agreed to a 'rulebook' on tracking efforts to curb emissions at the COP24 meet last week in Poland. But there was little talk on countries actually ratcheting up emissions control. "

Why this is important: The fact that the 200 signatories to the Paris Climate Accord agreed to a "rulebook" on tracking efforts to curb emissions is largely meaningless because the Accord still lacks an enforcement mechanism. Without such a mechanism, there is no punishment for countries that fail to meet emission reduction goals. This may explain why not one G20 nation in the Agreement came remotely close to meeting the standards set forth in the Agreement. In fact, greenhouse emissions from China, Canada, France, India, Germany and South Korea actually increased from 2016 to 2017. The adoption of a rulebook to track emission efforts is a pyrrhic victory if the actual emissions continue to rise in violation of the Paris Climate Accord. --- [Nicholas S. Preservati](#)

● [UK Fracking Policy Faces Court Challenges](#)

"Ministers face a pair of legal challenges to their planning rules on fracking this week, from a national environmental group and the son of fashion designer Vivienne Westwood."

Why this is important: Britain is experimenting with fracturing its shale gas resources, borrowing a page from the American playbook that has resulted in copious quantities of natural gas in the U.S. Opponents are trying to tie things up in court. Their success or failure will play a large part in deciding whether Britain can replace North Sea oil and gas with a steady supply of domestic energy, or whether it will be forced to seek supplies from Russia or the U.S. Developing a domestic supply of energy could be a huge boost to the UK's prospects as it deals with the uncertainties that accompany Brexit. --- [David L. Yaussy](#)

● [Jefferson Hills, Pennsylvania Farmer Challenges Borough's Natural Gas Well Restrictions](#)

"Through testimony, he argued the majority of the areas selected by the borough were not even feasible for gas wells. One is a fly ash site. Several others are on the land planned for the Route 43 extension."

Why this is important: In 2013, the Pennsylvania Supreme Court invalidated Act 13, a law that pre-empted local drilling restrictions. As a result, the Borough of Jefferson Hills (among others) enacted a local ordinance limiting the construction of unconventional oil and gas wells to only 11 areas in the Borough. Carol Ann Bucar, who owns a 197-acre farm in the Borough, is challenging the ordinance. She asserts the ordinance is arbitrary, biased and purposefully pushes oil and gas drilling to the edges of the Borough. The Borough disputes her claims. With Act 13 invalidated, this type of dispute--local regulation of unconventional oil and gas wells versus a landowner's property rights--will become common and likely will result in some landowners losing the opportunity to benefit from shale development in the region. --- [Matthew P. Heiskell](#)

● [Democrats' 'Green New Deal' Leaves Out Appalachia](#)

"It's a short name for a big proposal - to eliminate fossil fuels and create an economy run 100 percent on renewable energy by 2035."

Why this is important: The "Green New Deal" needs a reality check. The current and foreseeable capacity of renewables is limited. Despite government subsidies and promotions, solar and wind energy sources have progressed only to less than 8 percent of the total energy consumption of the U.S. over the last ten years. At the same time, hydro production sources are declining due to the opposition by the same proponents of renewables. So realistically, where do we go from here? We need more research and development to overcome the challenges of the interruptions in generation and inability to store the production of renewables on a marketable scale. Natural gas and coal will be an integral--but perhaps a declining--source of our overall power supply during the next several decades. However, an artificial and forced legislative imposition of renewables on the U.S. will result in both the dislocation of energy supplies and an extreme increase in energy costs discriminating against the poorest segments of our society. Let's take a lesson from Europe, which is abandoning legislatively forced renewables for a substantial return to fossil fuels due to extreme public opposition. Let's be patient. The natural economic progression of the worldwide energy industry will bring renewables into an economically feasible model, while not forcing unsustainable economic costs on the public in general. --- [William M. Herlihy](#)

● [As Global Markets Cool, Investors Find Warmth in Central Asia's Infrastructure](#)

"Chinese investors, mostly state companies, but also public and private investors from the OECD have found shelter from the storm in Central Asia's emerging and frontier markets."

Why this is important: The Chinese investors have recognized that infrastructure investment is an extraordinarily useful tool for macroeconomic stabilization. This is because the output "multiplier" for infrastructure investments is substantially higher than for other fiscal interventions. This makes infrastructure investment the easy choice in economic downturns because a sustained increase in infrastructure can offset decreases in aggregate demand and deceleration in the pace of productivity growth. --- [Nicholas S. Preservati](#)

● [Global Coal Demand to Edge Higher to 2023](#)

"Global coal demand will edge higher until 2023 as growth in India and other Asian countries offsets a decline in Europe and the United States, the International Energy Agency said."

Why this is important: More advanced economies may be moving away from coal, primarily to natural gas, but that's not happening in areas like Asia where they are racing to catch up to burgeoning power demands from their populace. Coal usage in the developing world will continue to grow for at least the next several years, more than offsetting first world reductions, which makes it difficult to meet international climate goals. Renewables use may also climb, but it is total emissions that matter, and those are likely to continue to increase, and not be replaced by new solar and wind power. --- [David L. Yaussy](#)

● [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](#)

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[Monthly Biodiesel Production Report](#)

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