



Issue 37, 2019

## ● [Supreme Court Showdown Set Over Pipeline Crossing of Appalachian Trail](#)

*"Led by Dominion and Duke Energy, the company contends that 'long-standing precedent' allows pipelines to cross the 2,000-mile national scenic trail, but the Southern Environmental Law Center, representing the Sierra Club and other environmental groups, says past crossings were made primarily on state or private lands, or under previous federal law."*

**Why this is important:** On October 4, the Supreme Court of the United States granted certiorari to hear an appeal from the Fourth Circuit Court of Appeals about the Atlantic Coast Pipeline. Invoking the Lorax, a Dr. Seuss character, the Fourth Circuit revoked a permit issued by the U.S. Forest Service to construct the pipeline under the Appalachian Trail. The Supreme Court's decision to hear the case is of particular interest because the Court recently refused to hear landowner appeals of eminent domain property acquisitions for the MVP and Atlantic Sunrise projects. --- [Matthew P. Heiskell](#)

---

## ● [Western Utility to Quicken Move Away from Coal-Fired Power](#)

*"Citing financial incentives, Portland, Oregon-based PacifiCorp said it wants to reduce coal-fired generation by two-thirds by 2030 while pursuing a buildout of wind and solar energy."*

**Why this is important:** PacifiCorp, which provides power to 1.9 million customers in California, Idaho, Oregon, Utah, Washington and Wyoming, has announced plans to quicken its elimination of coal-fired electrical generation. The utility plans to reduce coal-fired generation by two-thirds by 2030 and eliminate 4,500 MWs of coal-fired generation by 2038. It will replace coal plants with 4,600 MW of wind power generation and 6,300 MW of solar generation. These developments continue a national trend away from coal-fired electrical generation. Since 2010, the retirements of 546 coal-fired plants have been announced, which has led to a 30 percent decline in U.S. coal production. --- [Mark E. Heath](#)

---

## ● [Demand Response: An Untapped Energy Resource for The Grid](#)

*"Demand response, a program that pays consumers to reduce their electricity usage at periods of peak demand, could help strengthen grid reliability and should be an integral part of this reframing."*

**Why this is important:** This summer, due to abnormally high temperatures, the electric grid in Texas hit an all-time high. If there is insufficient reserve power available in these peak periods, the result is that the grid goes down. While you could add generation to address the potential shortage to create a higher level of reserve, another way to lessen the demand for electricity is, as the author notes, through demand response programs that incentivize users to decrease their usage during periods of

high demand (normally when it is very hot or very cold). The author argues that demand response programs remain a relatively untapped resource, and utilities should make increasing use of these programs to address future peak demands. To do so effectively, the author argues utility regulators, such as the Public Utility Commission of Texas, need to adopt rules that reduce barriers to adoption and address how programs will be measured from a cost effectiveness standpoint. - - [Carrie H. Grundmann](#)

---

## ● [Legislation Aims to Make Natural Gas the New Coal Industry in NE Pa.](#)

*"The state House of Representatives recently voted 139-46 to pass House Bill 1100, which would offer a tax credit of up to 20% for energy and fertilizer manufacturing."*

**Why this is important:** This sort of state government promotion of down-stream natural gas consumption is a kick-starter for other value added manufacturing facilities that will add jobs and economic development to the Appalachian Basin. Once a few projects get traction, then others will follow even without governmental incentives. --- [William M. Herlihy](#)

---

## ● [WV Lawmakers Hear Cases For and Against Intermediate Court](#)

*"The others besides West Virginia that don't have them are Delaware, Maine, Montana, Rhode Island, New Hampshire, South Dakota, Vermont and Wyoming."*

**Why this is important:** Next year, West Virginia lawmakers are likely to once again consider whether to create an intermediate court of appeals, a solution in search of a problem. With the West Virginia Supreme Court of Appeals providing a written decision in every case, a Supreme Court docket of cases that is one-third of what was appealed 20 years ago, and relatively few civil (as opposed to criminal or family law) cases for the Court to hear, the need for the additional cost and delay of an intermediate court system is not clear. One can fairly question whether an intermediate court system offers anything other than additional employment for attorneys. --- [David L. Yaussy](#)

---

## ● [\\$2.58 Billion Coal Power Project Kicked Off in Van Phong SAEZ](#)

*"Van Phong 1 coal-fired power plant developed by Van Phong Power Co., Ltd., a Vietnamese company invested by Sumitomo Corporation, is expected to start operation in 2023 with the generation capacity of 1,320MW."*

**Why this is important:** While coal-fired electrical generation continues to decline in the United States, that is not the case worldwide. Vietnam just broke ground on a new 1,320 MW coal-fired plant. Planning for the plant began 12 years ago and it will cost \$2.58 billion. When generation begins in 2023, it will produce 9 billion KW a year from coal. --- [Mark E. Heath](#)

---

## ● [The Oil Money Fueling America's Biggest—And Costliest—Wind Farm](#)

*"It will cost \$5 billion to erect 1,000 turbines at the Chokecherry and Sierra Madre Wind Energy Project on Anschutz's 320,000-acre Overland Trail Ranch near Rawlins, Wyoming."*

**Why this is important:** The owner of a ranch in Wyoming is betting big that California's requirement

for renewable power will increase demand for wind power he intends to generate. He is building a large number of turbines in a windy mountain pass, and plans a transmission line to carry the electricity west. The plan depends, to a large degree, on California maintaining its goal of 100 percent renewable energy by 2045, and \$2.8 billion in federal tax credits over 10 years. --- [David L. Yaussy](#)

---

## ● [U.S. Natural Gas Reserves Continue to Soar](#)

*"What's even more amazing is that this boom in gas production and reserves has happened under a low-price environment, which typically work to hamper both."*

**Why this is important:** The advancements in horizontal drilling and fracturing techniques continue to bring the volume of gas up exponentially and, of course, decrease the price of the commodity. To offset this imbalance, we need to encourage several changes that would be very beneficial to the oil and gas industry and our domestic economy in the long-run. First, is to promote the use of natural gas vehicles that operate on a local basis for commercial businesses. Second, clear obstacles to constructing pipelines to transport lower-cost and less-polluting natural gas to the northeastern and southeastern markets where it is badly needed for utility consumers. Finally, give governmental incentives to creating LNG export facilities on the Atlantic Coast to compete with and give environmental security to those facilities proliferating on the Gulf Coast where an oversupply is already evident. --- [William M. Herlihy](#)

---

## ● [Met Coal Market Focusing on Chinese Demand After Golden Week Holiday](#)

*"Chinese demand for met coal in the spot seaborne market after the Golden Week holiday will focus on November laycan cargoes, with the level of buying determined by how China handles its import policy across the fourth quarter."*

**Why this is important:** Metallurgical coal producers are closely watching Chinese import controls. With the slowing worldwide economy, China consumes 75 percent of the seaborne metallurgical coal spot market. In the first nine months of 2019, spot sales to China declined by one million tons. The worldwide economic slowdown has led to significant price declines and U.S. mine closings. Producers are watching what import controls China puts in place for the rest of 2019 and early 2020 to see where metallurgical prices will settle later this year. --- [Mark E. Heath](#)

---

## ● [Hydrogen Could Become a \\$130 Billion U.S. Industry by 2050. Could It Also Cut Emissions?](#)

*"As countries seek to reduce their greenhouse gas emissions while providing cost-effective energy to businesses and consumers, hydrogen is emerging as a key technology – and it could soon be a multi-billion industry in the United States."*

**Why this is important:** Hydrogen has frequently been touted as the energy of tomorrow, either as a combustible gas or through fuel cells. It could be a low carbon energy source, except for the unfortunate fact that almost all hydrogen used today is derived from fossil fuels, resulting in huge emissions of carbon dioxide. Until more efficient forms of electrolysis (splitting water molecules into hydrogen and oxygen) are discovered, and better ways of storing hydrogen are developed, hydrogen is unlikely to break through as a significant energy source. --- [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**

## **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.**

---

**If you would like to subscribe to this weekly e-blast or know someone who would, please [email us](#) with contact information and CURRENTS in the subject line. We will add you or your acquaintance to the email list.**

**If you have any energy questions, please feel free to [contact us](#) .**

This is an attorney advertisement. Your receipt and/ or use of this material does not constitute or create an attorney-client relationship between you and Spilman Thomas & Battle, PLLC or any attorney associated with the firm. This e-mail publication is distributed with the understanding that the author, publisher and distributor are not rendering legal or other professional advice on specific facts or matters and, accordingly, assume no liability whatsoever in connection with its use.

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