



Share



Tweet



Share



Issue 38, 2019

● [Pennsylvania, CNX Reach \\$1.48M Settlement on Abandoned Wells](#)

"The order covers 141 conventional wells and five shale gas wells in Allegheny, Washington, Greene and Westmoreland counties."

Why this is important: The agreement between the PA Department of Environmental Protection and CNX represents the early stages of state regulators' efforts to address a longstanding issue of plugging abandoned and orphaned wells in their states. Regulators in Pennsylvania and West Virginia have been devoting more energy to addressing the large numbers of wells that are not producing gas or oil, but have never been plugged. State funds are not available to plug all the wells that need plugged, so efforts are ongoing to require current operators to plug wells in order to limit the number of abandoned and orphaned wells. States will also likely be looking to current oil and gas operators to fund, in one way or another, the backlog of unplugged wells. --- [Mark D. Clark](#)

● [Dominion Energy Receives Key Approvals for Coastal Virginia Offshore Wind Project](#)

"Dominion submitted its Facility Design Report and Fabrication and Installation Report in partnership with offshore wind developer Ørsted, which is contracted for CVOW, and Siemens Gamesa Renewable Energy, the company manufacturing the two 6-MW wind turbines to be installed next year 27 miles off the Virginia Beach coast."

Why this is important: Having secured necessary approvals from the Bureau of Ocean Energy Management, Dominion Virginia Power is primed to move forward with offshore construction of two 6 MW wind turbines in the Atlantic Ocean. The company already has broken ground on onshore construction. Upon completion, this will become the first fully permitted wind project in federal waters. Lessons learned from this pilot project will provide the framework for future large-scale commercial wind deployment by Dominion, which include plans for upwards of 2,600 MW of offshore wind in the next decade. The cost for this 12 MW project is expected to be \$300 million and recovery will be sought from the utility's ratepayers, which will require a determination of whether the investment decision is prudent. --- [Carrie H. Grundmann](#)

● [Two Former Coal Miners Sue Manufacturers for Lung Disease](#)

"Two lawsuits were filed against Mine Safety Appliances Company alleging they were diagnosed with serious lung diseases after working as coal miners for many years."

Why this is important: Two lawsuits have been filed in West Virginia state court against respirator manufacturers and suppliers claiming defects in the design and use of respirators that led to complicated coal miner's pneumoconiosis. The suits claim design defects and wear and tear of exhalation valves caused dust exposure along with inadequate instruction on how to use, test and maintain the respirators. --- [Mark E. Heath](#)

● [Bosch Launches Silicon Carbide Chips to Make EVs More Efficient](#)

"The addition of carbon atoms to the silicon normally used for semiconductors increases the conductivity of microcircuits on each chip."

Why this is important: Incremental changes in engines brought us from the Model T to today's super-efficient gasoline cars. Electric vehicles will see the same sort of marginal changes that will result in steadily increasing range and power. This new silicon chip by Bosch produces a 6 percent efficiency improvement in battery operations. While small, that's a meaningful increase, particularly in light of other changes to batteries in coming years that will make them more efficient. These small changes will add up over time to make EVs increasingly attractive. --- [David L. Yaussy](#)

● [New 500-MW Supercritical Coal-Fired Power Plant Going Operational in Philippines](#)

"The San Buenaventura plant's owners say it will have state-of-the-art emissions control technology, an electrostatic precipitator for fly-ash capture and removal, and a sea water desulfurizer to further reduce potential air pollution."

Why this is important: Worldwide coal use to generate electricity continues to grow as U.S. coal-fired plants continue to close. In the Philippines, a new 500 MW supercritical coal-fired plant is coming online. The plant also includes environmental controls to remove fly ash and sulfur to meet increased electricity demand in the growing Asian economy. --- [Mark E. Heath](#)

● [Is The U.S. Gas Boom Already Over?](#)

"Natural gas production in the Marcellus and Utica shale plays is growing at a slower pace than before as low prices persist, but demand has yet to catch up to supply."

Why this is important: Shale gas operations are the victims of the great leaps they have achieved in the efficiency and productivity of horizontal drilling and fracking techniques. We cannot allow this industry that delivers so many economic benefits in the Appalachian Basin to flounder for lack of demand. As I have previously suggested, three initiatives could raise the demand for cheap shale gas: (1) removing obstacles to the completion of pipelines to markets in the Northeast and Southeast where this clean burning fuel is needed for utilities; (2) permitting additional export terminals on the East Coast to facilitate exports to ever growing markets in Asia and India; and (3) create tax incentives for corporate fleet vehicles to operate using natural gas. Determined efforts to promote both domestic and foreign markets for shale gas are essential to preserve this energy source that supports both economic prosperity as well as energy independence for our country. --- [William M. Herlihy](#)

● [Northeast Natural Gas Spot Prices Fall as Pipelines Fill](#)

"The movement of natural gas has increased as natural gas spot prices have declined in the Northeast and as production in Appalachia has continued to grow."

Why this is important: Despite the fact that gas prices in the Northeast are already very depressed, the news can still get worse. In a repeat of a common fall cycle when gas storage fields are full and pipeline capacity is limited, the price for natural gas at Northeast hubs has fallen to as low as 65¢ per MMBtu. The spread between Northeast hub prices and Henry Hub in Louisiana has reached \$1.59 per MMBtu. This gap means it is cost effective to purchase Appalachian Basin natural gas for delivery in the Southwest. Of course, the lack of pipeline capacity during the shoulder season means those sales will be limited. "Think cold" is the industry mantra for this winter to increase consumption of natural gas and a rise in prices. --- [Mark D. Clark](#)

● [Driving Change: Transportation and Electric Utility Industries Will Soon Collide – In a Good Way](#)

"As the electrification of transportation accelerates, impacts on the grid will be far-reaching and profound."

Why this is important: This article highlights an additional efficiency of electrical vehicles. As the article explains, a tariff places a premium cost on electricity use during peak demand. The EV's are charged in the evening when demand is low and there is no tariff. They are then plugged into the building so they can supply electricity from their battery packs to offset demand from the grid during peak demand. This is an innovative way in which EV's and battery storage are being used to lower the cost of electricity. --- [Nicholas S. Preservati](#)

● [India Calls for a Reset of Climate Debate on Coal as a Fuel](#)

"India called for a reset on climate debate on coal as a fuel, in the backdrop of India becoming one of the top renewable energy producers globally with ambitious capacity expansion plans."

Why this is important: India is committed to increasing renewables in its electricity mix, and is leading the world in new renewable generation in some categories. But, it can't generate the power to meet its future national needs without bringing on more coal power. Given the huge catch-up it faces, India feels eliminating coal as an acceptable fuel, something being advanced by many developed countries, is unreasonable, and some consideration needs to be given to its need to increase generation from all sources, including fossil fuels. --- [David L. Yaussy](#)

● [India Readies Policy to Attract Foreign Investment in Coal Mining](#)

"Sources told Reuters that the country planned to invite bids for coal mining blocks by the end of 2019."

Why this is important: India is working on a new policy to attract foreign investment that may include a coal price index with future leases. The policy is expected in the next two weeks for auctions later this year. The change comes as India's recent auctions received few offers. India projects a need for significantly more coal. By 2023, India expects to need to increase coal production by 21 percent to 1.2 billion tons annually. --- [Mark E. Heath](#)

● [WVU Researchers Extracting Rare Earth Elements from Coal Waste](#)

"If economically successful, this process could eliminate China's stranglehold on the production of rare earth elements while helping to clean up acid drainage from abandoned Appalachian coal mines."

Why this is important: West Virginia University has been operating its Rare Earth Extraction Facility in Morgantown, West Virginia for nearly a year. This facility is experimenting with techniques to extract rare earth elements from acid mine drainage. Several of these elements are essential for the manufacture of components used in the telecommunications, high tech and defense industries. If economically successful, this process could eliminate China's stranglehold on the production of rare earth elements, while helping to clean up acid drainage from abandoned Appalachian coal mines. --- [William M. Herlihy](#)

● 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