



Issue 3, 2018

● [Northeast Could be Second U.S. Petrochemical Hub](#)

"While the region with its ample and reliable supply of ethane is primed for the emergence as a second major petrochemical manufacturing hub in the United States, it faces the challenges of rapidly developing a workforce, as well as storage and pipeline infrastructure to fuel such development," the report says."

Why this is important: The creation of a storage hub, including the network of pipeline infrastructure, could enable the Appalachian region to develop a community of petrochemical and derivative producers modeled after the U.S. Gulf Coast. The ample and reliable supply of ethane in the region will lead to rapid job growth, allowing thousands of workers to return to the region. As business activity and hiring increase, household earnings also will grow, supporting additional spending and re-energizing local economies throughout Appalachia. --- [Kelly G. Pawlowski](#)

● [WVU Partners to Make Marketable Products from Shale Gas](#)

"West Virginia University has partnered with the National Energy Technology Laboratory, the University of Pittsburgh and Shell to develop technologies to take advantage of shale gas reserves."

Why this is important: Liquid hydrocarbons produced along with natural gas are used to make plastics. West Virginia University is working on methods of making additional liquids from the dry natural gas. If they can do that in a cost-effective manner, it would be a benefit to plastics manufacturers in the Marcellus region. --- [David L. Yaussy](#)

● [BP Accused of 'Side-Stepping' Russian Sanctions](#)

"A new expose reveals how BP, working closely with the British government, has been 'side-stepping' sanctions introduced after the Russian annexation of Crimea."

Why this is important: An environmental group, organized to eliminate fossil fuel money from British arts, discovered documents indicating BP executives had numerous meetings with British government ministers and embassy staff regarding BP's business in Russia and its 19.75 percent ownership in the Russian state oil company Rosneft. The British government hosted a seminar and, two months later, a workshop pertaining to Russian oil and gas production. The workshop included specific materials regarding sanctions. In August, BP CEO Bob Dudley indicated there was no material adverse effect on the company's current income and investment in Russia, evidencing the plan seems to be working. --- [Gerald E. \(Gee\) Lofstead III](#)

● [Shale Gas is One of the Least Sustainable Ways to Produce Electricity, Research Finds](#)

"The major study, which is the first of its kind, considered environmental, economic and social sustainability of shale gas in the UK and compared it to other electricity generating options."

Why this is important: This publication by the University of Manchester--a scholastic group that has no experience in the natural gas industry--is a classic example of using fiction over fact to attack the shale gas industry. This study ignores the dramatic reduction in the emissions of carbon dioxide and other pollutants resulting from the increased use of shale gas for the generation of electricity. Instead, it focuses on myths about environmental problems with fracking, which are minimal and largely caused by incidental accidents or improper operations. In addition, this analysis does not even consider the dramatic reduction in the cost to consumers of electric energy generation fueled by shale gas versus renewables and nuclear generation. One accurate observation in the study is that natural gas operations alone do not produce as many ongoing jobs as renewables after wells are drilled and completed. Again, this ignores the cost savings of using shale gas instead of less reliable renewable sources that are frequently subject to maintenance, breakdowns and the vagaries of Mother Nature. The best way to support the continued production and use of shale gas is to promote domestic refining and manufacturing using the related natural gas liquids, which will produce many more domestic high paying jobs and value-added products than other less productive sources of energy. --- [William M. Herlihy](#)

● [U.S. Production of Natural Gas Liquids Is Skyrocketing](#)

"In the current quarter, the nation's production of crude oil is on track to exceed the historical high watermark for U.S. monthly production that was set nearly four decades ago in November 1970, 10.044 million barrels per day."

Why this is important: In November 1970, the U.S. hit a high for crude oil production and began a decline that continued for decades. The development of nonconventional shales turned this on its head, and the U.S. is approaching a new crude production record. This has important ramifications for U.S. energy independence and balance of trade. --- [David L. Yaussy](#)

● [Five Things that Could Blow Europe Gas Market Rally Off Track](#)

"Natural gas use is on a tear in Europe, buoyed by a recovering economy and demand for cheaper and cleaner alternatives to coal. That's poised to carry over in 2018, helping producers from Russia's Gazprom to traders such as Trafigura Group and RWE AG."

Why this is important: The factors identified are: Will the increased demand for gas continue in light of warmer weather, slowing economic growth, and lower coal prices? Will liquid natural gas imports rise despite Asia increasing the substitution of gas for coal? Will Russia and Norway maintain their record shipments to Europe notwithstanding Asia's increased demand? Will there be cutbacks of production in the Groningen field due to earthquakes blamed by some on fuel extraction? And finally, how will England cope with the obsolescence of the Rough Field, its biggest storage site? The answers to these questions most likely will affect the U.S. shale production markets for exported fuel, a program supported by the President. --- [Gerald E. \(Gee\) Lofstead III](#)

● [Nevada Solar Industry Collapses After State Lets Power Company Raise Fees](#)

"Just before Christmas, Nevada's public utility commission gave the state's only power company, NV Energy, permission to charge higher rates and fees to solar panel users - a move that immediately shattered the rooftop solar industry's business model."

Why this is important: There is an ongoing debate over who should bear the costs associated with putting the electricity generated by small-scale rooftop solar systems into the electrical grid. Nevada has decided rooftop solar producers should share in the costs, and be paid amounts similar to other generators. That has eliminated the advantages of having a home solar system, and could put solar installers out of business. --- [David L. Yaussy](#)

● [Big Apple Sues Big Oil Over Climate Change](#)

"New York City's effort to hold oil and gas producers responsible for costs related to the environmental effects of their products faces an uphill battle as it tries to stretch current law to address climate change."

Why this is important: The Big Apple is trying to create new law by holding major oil producers liable for their alleged role in accelerating climate change. Ignoring for the moment the obstacles New York City has in proving the existence of man-made climate change, it has bigger obstacles that may prove fatal to its case. This suit is not comparable to the nationwide tobacco or asbestos litigation. In those cases, the product manufactured by the defendants caused a direct harm to the consumer who purchased it. In this case, New York City is not suing the oil producers for the direct harm its purchased product is causing to the consumer. Nor is it suing as a result of the pollution caused in the manufacturing process of oil. Instead, it is suing based upon the harm caused to the city by the consumers' use of the product. In other words, it is suing the oil producers for the pollution caused by the general public's use of their product while operating their vehicles. This lawsuit is more akin to the firearm litigation in which plaintiffs unsuccessfully attempted to hold gun manufacturers liable for the damages caused by the consumers' use of the product. If New York City believes automobile exhaust is creating climate change, then it has two choices. First, it can file suit against the millions of individuals actually operating those vehicles because it is the vehicles that are producing and expelling the exhaust into the atmosphere. Second, it can lobby the federal government to tighten on-road and non-road vehicle emission standards, as it is the U.S. government that determines the level of pollutants that may be emitted from vehicles. --- [Nicholas S. Preservati](#)

● [Trump Raises the Thermostat for Geothermal Energy](#)

"The Trump administration is looking to carve out a place for geothermal energy in its energy abundance agenda, starting several initiatives to help the undervalued renewable resource expand beyond the volcanic Pacific region."

Why this is important: Want a renewable energy source that produces no radioactive waste, has no carbon emissions, and can provide 24/7 baseload power? Try geothermal generation, which Iceland, California and Nevada already have developed. The Trump administration is working to encourage geothermal development outside the more volcanic regions of the U.S. West by reducing costs and permit delays. --- [David L. Yaussy](#)

● [EIA Energy Statistics](#)

Here is a round-up of the latest statistics concerning the energy industry.

[Total U.S. Fossil Fuel Production to Reach Record Levels in 2018-19](#)

[WTI Crude Oil Futures Prices](#)

[Drilling Productivity Report](#)

[Natural Gas Futures Prices](#)

[Retail Gasoline and Diesel Prices](#)

[Weekly Coal Production](#)

[Monthly Densified Biomass Fuel Report](#)

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