



## Issue 40, 2019

### ● [Expenses and Delays Continue for Mountain Valley Pipeline, Where Work has Halted Again](#)

*"The pipeline's developers announced that construction now isn't expected to be concluded until late next year at a cost of \$5.3 to \$5.5 billion because key aspects of the giant project have been challenged by federal regulators and in the court system."*

**Why this is important:** Mountain Valley Pipeline, the EQM Midstream Partners project to move West Virginia natural gas 303 miles into southern Virginia, has been delayed again by a mid-October order of the Federal Energy Regulatory Commission requiring a halt to construction, following a recent ruling of the U.S. Court of Appeals for the Fourth Circuit granting a stay on a key permit. The project has been repeatedly delayed by federal lawsuits filed by environmental groups. Construction, which is now approximately 90 percent finished, was originally expected to be completed by the fourth quarter of 2019. It is now expected by late 2020. Correspondingly, cost estimates for the project have risen from \$3.7 billion when work began to \$5.5 billion. --- [Lee F. Feinberg](#)

### ● [Innovation is Key to Drilling Longer Laterals](#)

*"Innovative drilling solutions must use specific combinations of high-performance drilling motors, RSS and MWD to accurately and efficiently drill significantly longer laterals."*

**Why this is important:** As we know, horizontal drilling technology opened tight shale (unconventional) formations more than a decade ago, leading to the shale revolution we currently enjoy. However, operators have pushed relentlessly for new and improved technologies to allow for longer horizontal laterals resulting in greater access to producing formations from a single well. For example, in the Marcellus play during early 2018, an operator drilled two lateral wells that hit lengths of 17,875 ft and 18,129 ft., breaking area records. The technological advancements that allow for dramatically longer laterals can increase initial production rates and minimize the time to recover the initial development costs. The longer laterals also have a positive environmental impact by reducing the number of wells and, thus, the surface area necessary to develop a larger area. Technology is creating a win-win for surface owners and mineral owners. -- [Mark D. Clark](#)

### ● [Murray Energy Declares Bankruptcy, Shifts Founder Bob Murray to Board Chairman Role](#)

*"Although a bankruptcy filing is not an easy decision, it became necessary to access liquidity and best*

*position Murray Energy and its affiliates for the future of our employees and customers and our long term success,' Bob Murray stated."*

**Why this is important:** Murray Energy becomes the eighth U.S. coal producer to file for bankruptcy protection since 2017. The largest coal employer in West Virginia has 5,500 employees nationwide and 53 million tons of mainly steam coal production. Steam coal producers have experienced economic pressures from sales tonnage and price declines due to competition from natural gas and continued closings of coal-fired electrical generation plants. --- [Mark E. Heath](#)

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## ● [The World is Not Going to Halve Carbon Emissions by 2030, So Now What?](#)

*"The evidence shows clearly that the world is far from being on a path that will come anywhere close to that goal."*

**Why this is important:** Nations have proclaimed their commitment to achieving net zero carbon emissions by 2050, with significant reductions of up to 45 percent from 2010 levels by 2030. Actually achieving those reductions will involve incredible changes to society, and there is little indication of the will to carry out the necessary changes. Roger Pielke, who has a genuine concern about climate change, offers sobering calculations that demonstrate just how difficult that will be to achieve. --- [David L. Yaussy](#)

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## ● [For Best Climate Impact, Put Renewables in the U.S. Midwest](#)

*"Installing wind turbines and solar panels in the U.S. Midwest instead of other parts of the country would deliver the biggest cuts in climate-warming emissions and improvements in public health, according to a study."*

**Why this is important:** A recent study by researchers from Harvard's School of Public Health and Carnegie Mellon University asserts that for the largest magnitude of cost benefits from renewable energy on improvement of public health, new renewable projects are best constructed in the Midwestern section of the United States. The factors considered in such a cost benefit analysis are what type of energy production might be displaced by a new plant, the size of the population and the population's proximity to the power plants. As an example of its conclusion, the study states a megawatt hour of wind-powered electricity installed in the Upper Midwest where the prevalent power plant would be coal-fired achieves \$113 worth of benefits compared with \$28 per megawatt in California where large amounts of renewables already exist. --- [Lee F. Feinberg](#)

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## ● [U.S. Thermal Coal Production Cuts and Consolidation Expected as Export and Domestic Markets Remain Weak](#)

*"Although the seaborne thermal coal market had a slight price rebound during the third quarter, U.S. exports are expected to remain low this year, forcing more production cuts and consolidation as the domestic market remain bearish as well, analysts said ."*

**Why this is important:** United States thermal coal markets remain weak and are projected to continue so in the coming year from declines in domestic usage and export sales. Experts predict this development likely will result in additional mine closings and consolidation. The Illinois Basin has seen a number of mine closings and likely will see more. Competition from natural gas and the additional closings of coal-fired electrical power generation plants continue to affect the market by reducing prices and tons being mined. An additional 18.4 GW of coal-fired generation plants will close by 2028. --- [Mark E. Heath](#)

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## ● [Largest Planned Wind Farm in U.S. Gets Key Federal Approval](#)

*"The U.S. Bureau of Land Management released for public comment its last environmental analysis of the Chokecherry and Sierra Madre Wind Project in Wyoming after more than a decade of reviews."*

**Why this is important:** The Chokecherry and Sierra Madre Wind Project of developer Power Company of Wyoming has received Bureau of Land Management preliminary environmental approval for its "second phase" of 400 turbines to be built in Carbon County, Wyoming. The public comment period on the preliminary approval will close on November 4, 2019. In 2017, BLM approved the "first phase" of 500 turbines. When completed, the entire project will consist of up to 1,000 turbines, 2500-3000 megawatts and will be the largest capacity wind project in the U.S. It will be interconnected to the TransWest Express Transmission Project, which will deliver the electric generation to the grid in California via a 730-mile path. --- [Lee F. Feinberg](#)

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## ● [Coal India Ltd Plans Binding Bids for Coking Coal Assets](#)

*"Coal India plans to submit binding bids for acquiring stakes in coking coal assets in Australia and Canada by March 2020."*

**Why this is important:** Coal India plans to buy or invest in coking coal mines in Australia and Canada in 2020. Coal India realizes it does not have enough domestic coking coal to meet India's future needs for steel production. The company plans to buy reserves and develop new mines or may invest in existing mines to secure a steady coking coal supply. --- [Mark E. Heath](#)

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## ● [Solar Roofs: Tesla Says the Sky is the Limit](#)

*"Specifically, Tesla Corp.'s Chairman Elon Musk said he would introduce the next iteration of 'solar roofs' and that such an idea would be the norm within two decades."*

**Why this is important:** The solar roofs that Tesla is producing are beautiful, functional and much more aesthetically pleasing than the top mounted solar modules we are used to seeing. But at \$35,000 a roof after tax breaks, the cost is prohibitive and the payback time would be significant at most current electric rates. Consequently, Elon Musk's goal of installing 1,000 roofs per week will be difficult to achieve. Perhaps as installations increase over time, the price will drop and will lead to greater acceptance by the public. --- [David L. Yaussy](#)

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## ● [EIA Energy Statistics](#)

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

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#### [Short-Term Energy Outlook - Natural Gas](#)

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## **COAL**

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#### **Coal Markets**

#### **Weekly Coal Production**

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### **Short-Term Energy Outlook**

#### **Monthly Biodiesel Production Report**

#### **Monthly Densified Biomass Fuel Report**

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