



Issue 16, 2019

● [Judge Delivers Major Setback to Trump Policy to Increase Coal Mining on Federal Land](#)

"But the court ruling does say that the 2017 Trump administration policy, enacted by former Interior Secretary Ryan Zinke, to overturn Mr. Obama's coal mining ban did not include adequate studies of the environmental effects of the mining, as required by the National Environmental Policy Act of 1970, or NEPA, one of the nation's bedrock environmental laws."

Why this is important: Last week, a Wyoming federal judge ruled the Trump administration cannot lease federal lands for coal mining without new environmental impact assessments. The Trump administration was seeking to overturn an Obama-era rule that limited such coal leases over concerns the burning of the coal after mining increased global warming. While the Obama-era rule is not reinstated, the administration now must do NEPA assessments before any new leases can be sold. The judge plans to rule on whether to reinstate the Obama-era rule while NEPA studies are conducted. The case shows the continuing difficulties the Trump administration is having in removing Obama-era environmental regulations and policies. --- [Mark E. Heath](#)

● [ExxonMobil Agrees to 20-Year LNG Deal with China's Zhejiang Energy](#)

"Under the sales and purchase agreement, Exxon Mobil will supply 1 million tonnes a year of the super-chilled fuel to the provincial government-backed Zhejiang Energy."

Why this is important: Exxon has reached a 20-year deal with China's Zhejiang Energy to supply liquefied natural gas. The sale continues a trend within Exxon to supply natural gas product to several foreign companies and is the third long-term contract within China to supply the gas. The natural gas for this contract comes from outside the United States. Although the contract appears beneficial to both China and Exxon, it has little impact on U.S. markets. --- [Bryan S. Neft](#)

● [WV's Morrisey Leads Coalition Supporting EPA Plan to Replace WOTUS Rule](#)

"West Virginia Attorney General Patrick Morrisey is leading a 17-state coalition to support farmers and landowners by urging the Trump administration to adopt its proposed replacement of the Obama-era, Waters of the United States rule."

Why this is important: I endorse Attorney General Morrisey's leadership in forming a 17-state coalition to support the revised WOTUS definition proposed by the EPA and the U.S. Army Corps of Engineers. This clarification of the extent of WOTUS provides much more certainty and less expense to oil and gas, coal mining, agricultural, and construction operations that, in the past, have been plagued by the uncertainty and expense of dealing with WOTUS designations imposed by EPA without statutory or regulatory authorization. --- [William M. Herlihy](#)

● [Electric Vehicle Study Sees Opportunity for Utilities](#)

"Increasing demand for electric vehicles in the United States over the next decade will create revenue opportunities for electric utilities that invest in greater grid capacity and offer EV charging and related services, according to a study."

Why this is important: Increased demand for electric vehicles not only benefits the electric utilities, it benefits the utility ratepayers. The increase in electricity sales resulting from EVs drives down rates for all ratepayers because it spreads the fixed cost of the system across a larger volume of sales. This is the opposite scenario of rooftop solar panels, which allow homeowners to abandon the grid, directing fixed costs on the dwindling population that remains. --- [Nicholas S. Preservati](#)

● [India Coal Imports Jump 9 Percent in 2018-19 on Domestic Shortage](#)

"The double-digit growth in thermal coal imports during 2018-19 was on expected lines and caused by the coal shortage at power plants until recently, said a report."

Why this is important: The increase in India's coal imports in the past year were due to steam coal for electrical generation. India, with the world's second largest population, has ever-growing electric power needs and imported 20 million tons more for power generation in 2018-19 versus the year before. That increase helped steam coal export pricing. Currently, India plans to mine 1 billion tons of coal this year, but its demand for steam coal imports has lessened at this time. However, after its monsoon season, the needs for additional coal for electrical generation may increase based on load factors at its power plants. --- [Mark E. Heath](#)

● [U.S. Rep. David McKinley of WV: America's Energy Independence Vital to Economic Success](#)

"West Virginia's 1st Congressional District representative praised a pair of recently issued executive orders from President Donald Trump aimed at expediting natural gas pipeline projects, but said there are further steps to be taken."

Why this is important: Representative McKinley is sounding the alarm to curtail other states' purchases of energy resources from foreign countries, whether Canada or Russia, for domestic resources including natural gas and coal. McKinley points to special interests that make distribution of domestic resources challenging, including lawsuits imposing requirements set forth in the federal Clean Water Act. He is co-sponsoring legislation to limit the application of the law. Although couched as a question of energy independence for national security purposes, Representative McKinley's actions are designed to make West Virginia natural resources more marketable. --- [Bryan S. Neft](#)

● [As Energy Independence Nears, Pipelines have Never been More Important](#)

"Those of us who have lived through some of the OPEC-induced oil scares that saw gasoline prices soar to unthinkable heights probably never thought we'd see the day when the United States would be energy independent."

Why this is important: The ongoing pipeline extensions are necessary to transport cheap shale gas to both our domestic and foreign markets. Recently, the U.S. has become the largest producer of oil and gas in the world, surpassing the OPEC consortium. Constructing an appropriate domestic pipeline system to fully address the demands of our domestic and foreign energy markets is essential to both energy independence and a reduction in foreign trade deficits. Certain states, such as New York, and environmental groups are opposing such projects based purely on potential global warming effects. While these states and groups want to impose much higher energy costs on U.S. consumers, they refuse to address the real problem. The U.S. has significantly reduced its CO2 emissions in the past decade, a fact that such groups will not acknowledge. These states and groups should refocus their efforts on China, India and Africa, which are driving up the emissions of CO2 by massive amounts, in order to address this global problem. They want to kill our economy and prevent our energy independence without even addressing the realities of the global warming issue. --- [William M. Herlihy](#)

● [Driving a Tesla Results in More CO2 than a Mercedes Diesel Car, Study Finds](#)

"When the CO2 emissions from battery production is included, electric cars, like Teslas, are 'in the best case, slightly higher than

those of a diesel engine, and are otherwise much higher,' reads a release from the German think tank IFO."

Why this is important: This is the third study since 2018 that has found that electric cars emit more CO2 than gasoline and diesel powered vehicles. The ability of EVs to lower CO2 emissions depends, in part, on the fuel mix used in generating the electricity that fuels EVs. In order to correctly quantify the fuel mix used, these studies need to account for the time of day during which people charge their EVs. The cheapest power is usually generated at night, which is when most people charge their EVs. However, the greenest power is generated during the day when solar power is used to feed the grid. Despite these recent studies, the Union of Concerned Scientists maintain "there are no areas of the country where electric vehicles have higher global warming emissions than the average new gasoline vehicle." --- [Nicholas S. Preservati](#)

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