



Issue 8, 2019

● [Plastics: The New Coal in Appalachia?](#)

"With little notice nationally, a new petrochemical and plastics manufacturing hub may be taking shape along 300 miles of the upper reaches of the Ohio River, from outside Pittsburgh southwest to Ohio, West Virginia and Kentucky."

Why this is important: The natural gas liquids produced by shale operations in Appalachia provide economic opportunities that must be dealt with responsibly. The abundance and low cost of NGLs in the Appalachian Basin and their proximity to markets makes plastics manufacturing a natural result that is--and should be--utilized. The economic benefits of this resurgence in manufacturing needs to manage the environmental impact of its operations. Although the environmental impacts of the use and disposal of plastic products can create problems, plastics are an essential part of our lives and products for the foreseeable future. The solution is not to kill the plastics industry and its various manufacturing components, but rather, to responsibly deal with the use, recycling, and disposal of its products. --- [William M. Herlihy](#)

● [Al Gore Calls Pipeline 'Reckless, Racist Rip-off'](#)

"Gore and Barber said the construction of a compressor station for the ACP in Union Hill would severely harm residents of that predominantly African-American community founded by former slaves after the Civil War in Buckingham County, about 70 miles west of Richmond."

Why this is important: The significance of this event is debatable. Some are opposing the construction of the Atlantic Coast natural gas pipeline through West Virginia on grounds the line will do little to create economic development. On the other hand, extracting natural resources will lead to cheaper cost for fuels in the regions the pipeline serves. --- [Bryan S. Neft](#)

● [Explaining the Increase in Coal Consumption Worldwide](#)

"Indeed, coal is mainly used for electricity production, with two-thirds of world consumption going to electricity production; this proportion rises to three-quarters if China and India, which traditionally have more widespread uses, are excluded; the rest of consumption goes to industry (mainly steel)."

Why this is important: Worldwide increases in coal consumption continue to outpace decreases in coal usage in Europe and in the United States. Throughout the world, 66 percent of coal usage goes for electrical generation and the rest is used for steelmaking. Since 2000, coal usage for power generation in the U.S. has dropped to 31 percent (a 15 percent drop), China is down to 68 percent (a 10 percent drop), and the European Union is now at 21 percent (down 10 percent). But showing the difficulty in trying to reduce greenhouse gas emissions, coal usage in Indonesia is up 18 percent, while Turkey and India are up 7 percent each. Additionally, worldwide coal consumption is forecast to grow 2.8 percent a year for the foreseeable future. --- [Mark E. Heath](#)

● [Key Senators Say Administration Should Ban Huawei Tech in U.S. Electric Grid](#)

"In the letter sent to Energy Secretary Rick Perry and Homeland Security Secretary Kirstjen Nielsen, the 11 senators said a ban should be considered to protect U.S. utilities and the power grid."

Why this is important: While the ban may be necessary to protect U.S. utilities and the power grid, such a ban likely will result in retribution from China aimed directly at the U.S. coal industry. Like the U.S., Australia is a large exporter of coal to China. When Australia enacted a similar ban against Huawei Technology, China punished Australia by blocking its coal shipments at Chinese ports. The delays have been so significant they caused the Australian dollar to briefly tank. Therefore, it is critical for this administration to consider the economic repercussions that such a ban may have on the nation's coal industry. --- [Nicholas S. Preservati](#)

● [Huge Shale Gas Source Found: Highest Levels EVER Discovered and Could Fuel UK](#)

"Energy giant Ineos said drill tests show readings in one area alone for enough shale gas to keep the whole country supplied for 29 years."

Why this is important: If proven true, the gas reserves estimated in the found areas could allow Great Britain a real measure of energy independence. However, the gas reserves have not yet been proven reliable. --- [Bryan S. Neft](#)

● [Australia Really Should be Panicked About Coal](#)

"Even if China wasn't trying to send a political message to Australia, the idea that it might be cracking down on imported coal for its own reasons should be just as worrying."

Why this is important: This article highlights three significant threats to Australia's export coal market: 1) political retribution by China due to Australia's banning of 5G equipment made by Chinese manufacturer Huawei Technology; 2) growing internal political challenges from opponents of fossil fuels who want to ban the use of coal; and 3) economic drivers causing countries such as India to invest in technology to upgrade their existing power plants so they can burn domestically produced coal instead of purchasing more expensive import coal from Australia. --- [Nicholas S. Preservati](#)

● [Can the Power Region Afford to Miss the Shale Revolution Boat?](#)

"We simply need to do better at promoting vocational and technical training at the middle and high school levels and provide young people with choices and information so that they can find lucrative and satisfying careers."

Why this is important: The Appalachian shale industry provides an opportunity to revitalize our manufacturing economy while steel, chemical, and coal mining related careers have declined in that area. Two initiatives could help to ensure the region does not squander this economic opportunity. First, we need to remove barriers to completing a modern, regional transportation and storage system for natural gas and its associated NGLs. Second, we need to increase skill training for both public high schools and higher education institutions. Government sponsored retraining programs for dislocated manufacturing employees who need ongoing employment also would provide another source of skilled workers. Unless federal and state governments act promptly to create an environment in which an effective natural gas transportation and storage system can be created and an adequately trained work force provided to facilitate new manufacturing, then the shale revolution will have limited effect in Appalachia. --- [William M. Herlihy](#)

● [Possible Reprieve for New Mexico Coal Plant is a Surprise for PNM](#)

"The fate of the San Juan coal-fired plant appeared sealed last year when New Mexico regulators unanimously accepted PNM's Integrated Resource Plan, which called for closing the plant in 2022 and a complete exit from coal by 2031."

Why this is important: The saga of closing the 847 MW San Juan coal-fired generation plant in New Mexico has been well documented. The plant was set to close in 2022 as its major utility owner sought to stop using coal for electrical generation. In a surprise move, the City of Farmington, New Mexico, now says it has reached a deal to keep the plant open, saving 1,600 jobs at nearby coal mines. If this save occurs, it will be contrary to the wave of coal-fired plant closings nationwide. --- [Mark E. Heath](#)

● [Evidence for Man-Made Global Warming Hits 'Gold Standard': Scientists](#)

"Humanity cannot afford to ignore such clear signals" the U.S.-led team wrote in the journal Nature Climate Change of satellite measurements of rising temperatures over the past 40 years."

Why this is important: This article claims scientific models based upon satellite measurements over the past 40 years prove to a 5-sigma level that man is the cause of climate change. Critics argue the study is fundamentally flawed because the study assumes the satellite measurements are accurate and the scientific models used are correct. Neither the satellite measurements nor the scientific models meet the 5-sigma level of statistical proof. In addition, critics allege: 1) the entire period in which the satellite measurements were taken was within the period declared to be affected by human emissions, which means there is no baseline period in which to assess natural variation; 2) recent variability is still less than has been seen many times over the last 10,000 years; 3) it's a projection from a climate model, not a finding from observations from an experiment that can be reproduced; 4) it presupposes CO2 concentrations three times the present level; and 5) it contradicts the logic of a warmer world increasing the hydrology cycle with more clouds and precipitation. This article treats the scientists' claims as fact while addressing none of the criticisms of the study. --- [Nicholas S. Preservati](#)

● [Ramaco Coal Sales Jump Threefold in 2018 to 2.15 Million st](#)

"Ramaco Resources said it sold nearly 2.15 million st of coal in 2018 at an average sales price of roughly \$78/st, up threefold from 608,000 st sold in 2017 at approximately \$66/st, the company said."

Why this is important: Ramaco Resources has announced it tripled its production in 2018 to 2.15 million short tons. Its 2017 production was 608,000 short tons. The Appalachian producer announced it has a net profit of \$23.5 to \$24.5 million for last year. Again showing the strength of the export market, for 2019, Ramaco projects production of 1.8 million to 2.2 million short tons. All of that production, except 100,000 to 150,000 tons of steam coal, will be metallurgical coal used in steelmaking. --- [Mark E. Heath](#)

● [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

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