



Share



Tweet



Share



Issue 22, 2020

● [Manufacturing Holds Key to Recovery of Oil and Gas Markets, Revealed at This Week's ADIPEC Energy Dialogue](#)

"2008 was much more of a hit to the financial sector and manufacturing. This time it is the reverse. The big question is how quickly consumer demand will come back."

Why this is important: Early indicators show that increased manufacturing after the end of the coronavirus pandemic may hold the key to recovery in the oil and gas market. Manufacturing has increased at a greater rate than consumer spending. What is not clear yet is whether oil and gas supplies can, in the short term, remain restricted. Although supply restrictions have remained in place for several months, prices may increase enough to make it practical for shale producers to increase production. Further, certain oil-producing nations are under pressure to ignore production limits in order to increase revenue. --- [Bryan S. Neft](#)

● [13 EU Countries Will be 100% Coal-Free by 2030](#)

"Europe's greenhouse emissions from energy continue to fall as countries pivot from coal to renewables."

Why this is important: Thirteen European Union countries and the UK have pledged to eliminate coal-fired electric generation by 2030. So far, Sweden, Belgium and Austria have stopped using coal to generate electric power. Between now and 2030, France, Slovakia, Portugal, Ireland, Italy, Greece, the Netherlands, Finland, Hungary, and Denmark are expected to end coal-fired electric generation. In addition, Cyprus, Estonia, Iceland, Latvia, Lithuania, Luxembourg, Malta, and Switzerland have never had coal-fired generation. The sustained turn away from coal, which is being replaced with wind and solar along with natural gas-fired plants, will continue to erode international steam coal exports. --- [Mark E. Heath](#)

● [California Plans for Future of Gas System Amid 'Patchwork' of Electrification Policies](#)

"The state faces the challenge of knitting together individual cities and building codes, while keeping rates affordable for customers who remain on the gas system."

Why this is important: California wants to decrease natural gas usage in the state, as it attempts to de-carbonize its economy. Doing so presents a host of problems--stranded gas infrastructure assets, difficulty for the poor in trading out gas for electric appliances, and reduced grid reliability and flexibility,

among others. "Renewable" natural gas, hydrogen, and batteries may help fill in some of the cracks, but even with increased electrification of infrastructure, there will still be millions of natural gas customers in 2050. Making certain they can be cost-effectively supplied, while reducing use overall, will be challenging. --- [David L. Yaussy](#)

● [Britain Poised to Hit Two Months Without Power from Coal Plants](#)

"Britain plans to close coal plants by 2024 as part of efforts to reach its net zero emissions goal by 2050."

Why this is important: On June 10, Great Britain went 60 days without running its coal-fired plants for electric generation. The first coal-fired electric power generation plants were built in England in the 1880s. This 60-day period is the first time coal has not been used to generate power in more than 130 years. This shutdown has occurred due to the COVID-19 economic downturn that has made coal-fired plants uneconomical. Britain plans to close all its coal-fired plants by 2024 in targeting to be net zero on CO2 emissions by 2050. --- [Mark E. Heath](#)

● [The Saudi-Russia Oil Price War was a 'Very Big Mistake,' Qatar Energy Minister Says](#)

"Now, I think the actions that have been taken by the same group really is to agree what was agreed in the past and keep more sensible ...to cater for the supply and demand that we're seeing," al-Kaabi said."

Why this is important: One oil producing nation, Qatar, has called the March petroleum price war between Saudi Arabia and Russia a mistake because of its drastically adverse effects on prices. The Qatari minister of energy claimed that the price war brought parties to the table to agree to production limits in light of significant decreases in demand that could have been agreed upon without the price war. Nonetheless, the minister of energy suggested the coronavirus pandemic offered oil producers an opportunity to overhaul and streamline operations for the future. --- [Bryan S. Neft](#)

● [China Coal Imports Fall 20% in May Even as Demand Rises](#)

"Analysts and industrial participants had expected China to tighten coal import rules in the second half of 2020 to support domestic miners, and imports starting in July may drop by as much as a quarter from the corresponding 2019 period, Reuters reported."

Why this is important: China's economy has begun to recover from the COVID-19 outbreak and electrical power generation is increasing. Despite increased coal use, Chinese imports of coal dropped 20 percent last month. The decline is because China is limiting imports to increase domestic coal production. China imported 22 million tons in May, down from almost 31 million tons in April and 27.4 million tons in March. These changes will continue to dampen the world steam coal market. --- [Mark E. Heath](#)

● [Estimating the Carbon Footprint of Hydrogen Production](#)

"Hydrogen's 'dirty secret' is that it is produced primarily from fossil fuels. Thus, whether hydrogen is really 'clean' depends on the method of production."

Why this is important: President Bush touted the potential of the "hydrogen economy" in 2003, but 17 years later it is far from reality. One stumbling block is the high levels of carbon dioxide that are produced from stripping the hydrogen from natural gas, the principal method of harvesting hydrogen. The CO2 emissions created by making "green" hydrogen to power fuel cells may even be greater than those generated by burning the natural gas in high-efficiency turbines. Affordable clean generation of

hydrogen may have to wait for lower cost electricity, from excess solar power or off peak baseload generation, that creates hydrogen by electrolysis. --- [David L. Yaussy](#)

● [Poland Reports Daily Jump in Coronavirus Cases, Mostly Among Miners](#)

"There were 576 new cases in the country, the ministry data showed, of which 346 were linked to the JSW mine at Zofiowka."

Why this is important: On May 6, 2020, Poland had 576 new COVID-19 virus cases, and 346 were at coal mines. JSW, the largest European Union coking coal producer, has had 2,576 cases at its mines. That is more than 10 percent of the cases in Poland. The COVID-19 pandemic has affected the financial situation of coal mines in Poland with the economic downturn and increased costs. Despite the impact in Europe, there have been very few COVID-19 cases at U.S. mines. But, Poland has had mine closings and reduced production from the outbreak. --- [Mark E. Heath](#)

● [Energy Question of the Week](#)

Last Week's Question and Results

Should attempts to lower CO2 emissions be driven by regulation or by market forces?

Regulations - 14.3%
Market Forces - 28.6%
Both - 21.4%
Neither - 14.3%
Do Not Know - 10.7%
Other - 10.7%

Do you support small modular reactors as a viable alternative to large scale nuclear plants?

Strongly Support

Select

Mildly Support

Select

Neutral

Select

Mildly Oppose

Select

Strongly Oppose

Select

Other

Select

● **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