



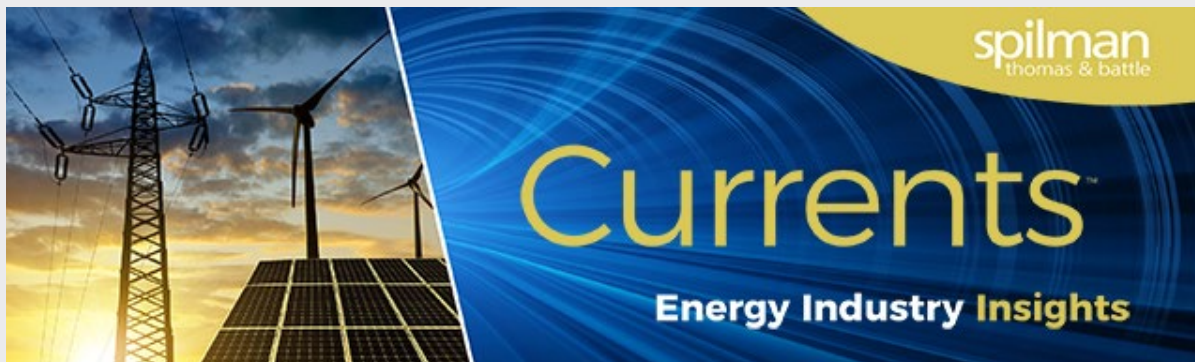
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Issue 11, 2020

● [Coronavirus Throws EU Climate Plans into Disarray](#)

"Czech Prime Minister Andrej Babiš said last week that the EU should 'forget about' the Green Deal for now while it focuses on Coronavirus."

Why this is important: The recessionary effects of the coronavirus pandemic have Europe wondering whether it can reach its de-carbonization targets for 2030 and beyond. With heavy industry like automobile manufacturing suffering, some Eurozone leaders are questioning whether climate initiatives like mileage standards should be scaled back, in order to allow the economy to recover without the additional costs imposed by Green New Deal programs. --- [David L. Yaussy](#)

● [Iconic Plant's End Spells Doom for Struggling Coal Industry](#)

"Despite their best efforts to make good on Trump's campaign promise to save the beleaguered coal industry, including an eleventh-hour pressure campaign, the Tennessee Valley Authority power plant at Paradise burned its last load of coal last month."

Why this is important: The last coal-fired electrical power generation unit at the Paradise Fossil Plant in Muhlenberg County, Kentucky closed last month. Its demise is emblematic of what has happened in the closing of 500 coal-fired units since 2010. President Trump, Kentucky Senator Mitch McConnell, R-Ky., and Kentucky's then-Governor Matt Bevin fought the closure in 2018. President Trump had even appointed four of the seven Tennessee Valley Authority Board members that voted to close the plant. The Board noted the old plant at closure was only being used 10 percent of the time. Natural gas and renewables now make many coal-fired generation electric plants uneconomical. Muhlenberg County also reflects the impact of these developments on coal employment--in the 1980s, 3,500 miners worked in the county, but now only 250 miners extract coal in the county made famous by John Prine's "Paradise" song. --- [Mark E. Heath](#)

● [Middle East Seen as Haven for Big Energy Projects as N. America, Arctic Reel from Oil Price Crash](#)

"The Middle East is pushing ahead with most of its top oil and gas projects planned as higher cost regions including the US, Canada and the Arctic suffer the brunt of cancellations due to the latest crash in oil prices."

Why this is important: Because development of oil fields in the Middle East can be had at the lowest cost, analysts expect most oil development projects will occur there in the near future. This is despite the fact that Saudi Arabia and Russia are engaged in a price war. The short-term effect of the price war may dampen development of the most crucial projects. However, the low cost of oil production will allow those projects to go forward once demand increases. --- [Bryan S. Neft](#)

● [Utilities Beginning to See the Load Impacts of COVID-19 as Economic Shutdown Widens](#)

"The full impacts on electricity usage are not yet known, but grid operators say demand is both shifting and falling."

Why this is important: The article explains how the COVID-19 pandemic is influencing the "load" requirements on electric utility systems. In other words, with shelter-at-home orders, suspended sports and entertainment events, and some slowdowns in manufacturing production (both voluntary and involuntary), the demand on the electric system is decreasing as is usage (as well as utility revenues). The timing of the daily electric demand also may change, as has occurred in Europe. These changes also impact how regional operators of the electric grid call on and distribute power from generation sources. It is unclear how severe these changes may ultimately become, but the upshot is they likely will put upward pressure on electric rates and prices for consumers in the future as regulated utilities attempt to address revenue shortfalls, while at the same time, it could prove beneficial for generators of power in the regional markets with low marginal costs, like solar and wind power. --- [Derrick Price Williamson](#)

● [Poland to Supply U.S. Gas to Ukraine, Help Reduce Kiev's Need for Russian Energy](#)

"Poland will transport 6 to 8 billion cubic meters of American liquefied natural gas per year to Ukraine in a deal that will help reduce Ukraine's dependence on Russian gas."

Why this is important: A Trump administration international priority of selling United States natural gas to members of the European Union instead of Russian natural gas is coming to fruition. Ukraine will begin purchasing U.S. natural gas, which will be distributed through Polish pipelines within two to three years. The deal also will give Ukraine leverage in purchasing additional energy supplies through Russia. -- [Bryan S. Neft](#)

● [Ohio Valley Coal Industry Braces as COVID-19 Impacts Electricity Demand, International Exports](#)

"But as with many industries, the global pandemic is straining the coal sector, and some experts say the already struggling industry could face intense challenges in the months ahead as electricity demand flags and international exports stall."

Why this is important: The Ohio Valley coal industry is bracing for COVID-19 impacts as they are expected to decrease both domestic steam coal demand and metallurgical coal exports. Coal-fired generation was 23.5 percent of the electrical grid in the U.S. in 2019, and decreases of electric demand will only cause further declines in steam coal usage. Those declines likely will be increased by cheap natural gas. The pandemic already has led one primarily metallurgical coal producer with 2,300 miners to temporarily idle its Appalachian mines for two weeks. Economists also expect COVID-19's impact in China to hurt the metallurgical coal export market worldwide. --- [Mark E. Heath](#)

● [PG&E, SCE Abandon Big Microgrid Plans for Temporary Emergency Measures as Wildfire Season Nears](#)

"Regulators' push to implement a law requiring microgrid rollouts is being frustrated by the costs of traditional generation and clean energy complexities."

Why this is important: California electric utilities have been ordered to investigate and implement the use of microgrids to more precisely control where power is turned off during wildfire conditions. The idea is to limit and better target power shutdowns, and allow other areas to retain service, instead of turning off huge areas of the grid when dry, windy conditions present the possibility of fire sparking from the larger grid's infrastructure. Microgrids are difficult enough to implement, but the problems are compounded when they are to be supplied by intermittent renewables, or battery storage, instead of fossil or combustible fuels. --- [David L. Yaussy](#)

● [Troubles in the Fracking Industry are Nothing to Celebrate](#)

"The prospect of failures in the space is causing celebration among those opposed to fracking, with some trumpeting the end of an environmentally damaging process."

Why this is important: As author Brentan Alexander points out, the excitement in the anti-fossil fuel movement about a decrease in hydraulic fracturing is misplaced. The primary cause of the trouble in the fracturing industry is cheaper fossil fuels, which will increase their use and undermine efforts to decarbonize parts of the global economy. Cheap oil will undercut non-fossil fuel energy alternatives, particularly in a fragile economy looking for every toehold on the climb to recovery. What is particularly troubling is how easily and quickly the Saudis can turn the energy economy on its head, and their dominance impacts not just the fracturing industry but also the green energy alternatives. --- [Matthew P. Heiskell](#)

● [Russian Tycoon Buys 49% of Elga Coal Project, Talks to Mechel on 51%](#)

"Elga, one of the world's biggest coking coal deposits, requires further investments to develop."

Why this is important: Russian Tycoon Albert Abolyan has bought a 49 percent of the Elga Coal Project from Mechel. The Russian mining project is part of the world's largest new coking coal deposit, but it is still in planning stages. Abolyan is working to purchase the remaining 51 percent of the multi-billion project. --- [Mark E. Heath](#)

● [Will China Build Hundreds of New Coal Plants in the 2020s?](#)

"China's 14th five-year plan, setting out its national goals for 2021-2025, will arguably be one of the world's most important documents for global efforts to tackle climate change."

Why this is important: China remains the largest user of coal in the world. The country gets 66 percent of its electricity from coal-fired generation plants and uses 52 percent of the coal it mines to make electricity. A study finds that after the 2008 worldwide economic slowdown, China invested in new coal mines and new coal-fired electrical generation plants as part of its economic recovery efforts. The country now has 1,050 GWs of coal-fired electric generation and another 250 GWs of new coal-fired plants are planned or in construction. It is possible the COVID-19 slowdown will lead to more coal-fired generation plants as China's tries to increase economic growth. In 2019, China's CO2 emissions grew by 2 percent, while most western country CO2 emissions declined. China likely will be the continued focus of environmental efforts to curb worldwide coal use. --- [Mark E. Heath](#)

● [Energy Question of the Week](#)

We want to hear from you!

It's important to us that our clients and friends let us know what they are thinking. That's why we have introduced this survey feature.

Please take a moment to answer and results will be published in the next issue.

If you have a question you would like featured, [let us know!](#)

Issue 10 Question and Results

What is the biggest threat posed to the energy sector by the Coronavirus?

- Interruption of supply chain - 32.5%
- Lower demand for energy - 25%
- Increased debt load - 15%
- Lower energy stock prices - 10%
- Other - 10%
- Employee illness - 7.5%

How has the amount of energy you use (daily) changed as a result of the Coronavirus pandemic?

Significantly increased

Select

Slightly increased

Select

Has not changed

Select

Slightly decreased

Select

Significantly decreased

Select

Do not know/unsure

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.

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