



Issue 2, 2020

● [Trump Infrastructure Proposal Impacts 'Virtually Every' Federal Decision on Environment: DOI Secretary](#)

"Trump's announcement focused largely on road and highway impacts, but industry groups and environmentalists note the implications for the energy sector are significant."

Why this is important: The permitting process has become the single largest impediment for projects that cross state borders or federal lands. The most well-known example is the AEP 765 kV transmission line that was to start in West Virginia and terminate in Virginia after crossing through the Jefferson National Forest. While the line took only two years to build, it took AEP 14 years to obtain the requisite permits before it could begin construction. Likewise, delays in the Mountain Valley Pipeline permitting process caused the overall cost of the project to increase by approximately half a billion dollars. The federal permitting process must continue to provide rigorous environmental protection while also affording the permittee a fair and expeditious decision. The current proposal to streamline the federal permitting process is a much welcomed and needed development supported by both the fossil fuel and renewable energy sectors. --- [Nicholas S. Preservati](#)

● [U.S. Shale Oil Productivity Growth Expected to Slow in Some Basins](#)

"The dramatic jump in productivity seen in the early days of the US shale oil boom may be waning, but is likely not over, according to analysts, who expect efficiencies, at least for some plays, to edge higher in 2020."

Why this is important: Well productivity is waning in some areas as drillers run up against limits in the length and spacing of well bores and the cost of finishing wells in relation to the amount of oil and gas produced. In some fields, initial rates of production may be lower, but production may be extended longer, making initial productivity seem artificially low. In other areas, productivity continues to rise, as drilling techniques are refined and more experience is gained within a formation. --- [David L. Yaussy](#)

● [Oil Giant Total to Shift London Finance Hub to Paris 'Due to Brexit'](#)

"Total's move will be closely watched by British politicians and officials, keen to see what impact Brexit could have on the future of the City and its competitiveness with Paris and Frankfurt."

Why this is important: The parent company of French oil company, Total, is moving its financial hub from London to Paris due to Brexit. Government officials are watching the move closely as a harbinger of other companies abandoning Britain as the Brexit deadline at the end of this month looms. The likely result of these moves is a contraction of the British economy after Brexit is

implemented. --- [Bryan S. Neft](#)

● [U.S. Coal-Fired Power Plants Closing Fast Despite Trump's Pledge of Support for Industry](#)

"Power companies retired or converted roughly 15,100 megawatts of coal-fired electricity generation, enough to power about 15 million homes."

Why this is important: Last year saw the closing of 15,100 MW of coal-fired electrical generation plants, the second most plants closed since 2015, when 19,300 MW of coal-fired plants closed. A study by EIA and Reuters shows coal is being replaced by natural gas and renewables. Since 2017, when President Trump took office, some 39,000 MW of coal-fired generation plants have closed. Those closings have driven coal's share of U.S. electrical generation down to 18 percent. These closings also have resulted in drops in U.S. greenhouse gas emissions in four of the past five years. --- [Mark E. Heath](#)

● [The Oil and Gas Situation: In the Midst of a Major Global Boom](#)

"A new report from Rystad Energy finds that global oil and gas discoveries outside of the United States in fact reached a 4-year high during 2019, and the vast majority of them had nothing to do with shale or fracking."

Why this is important: Oil and natural gas have seen a recent boom in discovery of new sources and production that will likely keep these sources of energy in play for a long time to come. 2019 saw offshore oil field discoveries near Guyana and Suriname, leading to discovery of nearly 12.2 billion barrels of oil. New natural gas discoveries of shale deposits took place in Russia and Mauritania, both of which are being explored. While the growth of the U.S. supply of shale natural gas slowed in 2019, it did not contract. --- [Bryan S. Neft](#)

● [Manchin Sponsors Black Lung Fund Legislation](#)

"The Black Lung Benefits Disability Trust Fund Solvency Act of 2020 is aimed at ensuring coal miners with black lung disease have access to medical treatment."

Why this is important: West Virginia and other Democratic senators have introduced The Black Lung Benefits Disability Trust Fund Solvency Act of 2020. The Act would extend the Black Lung Trust fund tax until December 2030. Last year's budget bill extended the tax to December 2020. Senator Manchin and others argue a further extension is needed to make the trust fund solvent and able to meet its health care obligations. --- [Mark E. Heath](#)

● [10 Trends Driving the U.S. Power Sector](#)

"From utilities to states to grid operators, the energy transformation is accelerating, but significant challenges remain."

Why this is important: As energy technologies, the availability of resources, public policy, and corporate initiatives advance, the nation's utility industries (and their customers) face the prospect of significant and rapid change. While traditional energy and capacity resources are being replaced by emerging initiatives, the traditional regulatory approaches to permitting and assigning the recovery of costs also are being replaced. The emerging trends present numerous challenges and drawbacks, besides the proclaimed benefits, particularly the decline of legacy industries and the pass-through of

costs to customers. As noted by one expert cited in the article, "The primary obstacle that could impact the trend is the political headwinds that can arise when an industry goes through a massive transition and there are economic winners and losers." --- [Barry A. Naum](#)

● [Coal Faces Headwinds from Aging Plants, Adverse Market Signals and High Remediation Costs](#)

"New legislative and gubernatorial leadership elected in the 2018 midterm elections brought heightened pressure to the coal industry in 2019 — a pressure that's expected to continue from state legislators, regulators and evolving power markets in 2020."

Why this is important: Coal-fired electric generation plants continue to face strong economic pressures to continue generating power. Natural gas's share of electric power generation passed coal in 2016, and renewables passed coal for the first time in April and May 2019. But, this in-depth look at the market notes there are other regulatory pressures accelerating this decline, such as the cost to handle and dispose of coal ash. Also, many of the coal-fired electrical generation plants targeted for closing have not been fully depreciated. That has led to states exploring various ways to secure returns while closing coal-fired plants early. --- [Mark E. Heath](#)

● [U.S. Works with China to Cut Off All Iranian Oil Imports](#)

"Despite the U.S. crackdown on Chinese tanker companies dealing with Iranian oil, China continues to import oil from the Islamic Republic, but in much smaller volumes than it used to, before the U.S. ended all waivers for all Iranian oil customers in May last year."

Why this is important: China has decreased the amount of oil it imports from Iran as a result of U.S. sanction. The United States Treasury Department has been working with China to decrease the amount of imports to zero. The U.S. already has imposed secondary sanctions on certain Chinese companies for importing Iranian oil. The key takeaway from the sanction is the squeeze on Iran by cutting off 95 percent of the country's oil exports. Additionally, prices have not increased substantially as a result from the loss of Iranian oil from the marketplace. --- [Bryan S. Neft](#)

● [WV Severance Tax Reduced Last Year; Coal Industry Looks for More Help from Lawmakers](#)

"We would like to see these plants consume in-state coal for as long as they possibly can and there may some upgrades in order, some means to make them more efficient, more competitive so the electricity they generate rises on the economic dispatch of the utility system," Hamilton said."

Why this is important: The West Virginia Coal Association is encouraging West Virginia to look at ways to stabilize declining coal production. In 2008, West Virginia produced 158 million tons, but last year it mined only 90 million tons. The WVCA would like the state to focus on retaining the nine remaining in-state coal-fired electrical generation plants and to look for other uses of coal, such as coal to liquids and turning coal to carbon. The moves could help stabilize coal severance taxes that are a major source of the state's revenue. Those revenues are down \$37.8 million for the fiscal year that began in July 2019. --- [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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