



Issue 1, 2019

## [Alexandria Ocasio-Cortez Floats 70% Tax on Wealthy to Pay for 'Green New Deal'](#)

*"Ocasio-Cortez has put forward a 'Green New Deal' that includes generating the nation's power from renewable sources, building a national smart grid and entirely eliminating industrial greenhouse gas emissions."*

**Why this is important:** Rep. Ocasio-Cortez is looking for higher taxes to fund a transition from fossil fuels to green energy. This clashes with the claims of many environmentalists that the cost of renewables has sunk so low that they produce power for less cost than fossil fuels. If solar, wind and other green energy sources are cost-effective in their own right, additional taxes and subsidies should not be needed to encourage their adoption and implementation. The market has a way of rewarding low-cost producers. --- [David L. Yaussy](#)

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## [U.S. Liquefied Natural Gas Hits Record Highs Again](#)

*"Bolstered by an easing of the trade war with China, the largest new gas user in the world (with nearly 15 regasification terminals scheduled to come on line 2020-2023), 2019 will be the 'biggest year ever' for U.S. LNG."*

**Why this is important:** Exports of cheap shale gas as LNG to hungry foreign energy markets will be a large part of our domestic natural gas industry. This export effort is beneficial for the U.S. trade deficit and our domestic industry with its associated economic ripple effects. In addition, the export of natural gas to China, India and other expanding economies helps the global environment because it replaces more polluting coal-fired plants that can burn coal produced in those countries, which do not have the scrubbing technology required of U.S. power stations. Now, the challenge is to commission more export terminals in the eastern U.S. to take advantage of lower transportation costs, access to plentiful Appalachian reserves and the diversification of the risk of natural disasters disrupting Gulf Coast facilities. --- [William M. Herlihy](#)

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## [Mon Power, Potomac Edison Lower WV Electric Rates for 2019](#)

*"FirstEnergy customers in West Virginia will see a decrease in their power bills after a settlement agreement to lower rates was approved by the state Public Service Commission."*

**Why this is important:** On January 2, 2019, the Public Service Commission of West Virginia entered a Final Order approving a settlement in an electric rate case filed by FirstEnergy subsidiaries Monongahela Power and Potomac Edison. The approved settlement--negotiated by FirstEnergy, the West Virginia Energy Users Group ("WVEUG"), the PSC Staff, and the Consumer Advocate Division--reduces electric rates by about \$77 million in 2019, and the rate decrease is weighted to provide proportionately more benefit to large manufacturing and industrial companies. This is important because West Virginia's industrial electric rates have increased dramatically over the past decade, eroding the competitive electric rate advantage that West Virginia once had over surrounding states. Although this rate decrease and another in 2018 related to federal tax decreases do not offset years of rate increases, it is a step in the right direction for the West Virginia economy. --- [Derrick Price Williamson](#)

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## ● [December U.S. Hampton Roads Coal Exports Total 3.1 Million st; Annual Exports Reach Five-Year High](#)

*"Coal exports out of the Hampton Roads terminals in Virginia totaled over 3.1 million st in December, up 0.4% from November and down 2% from the year-ago month, Virginia Maritime Association data showed."*

**Why this is important:** Exports continue to drive the U.S. coal markets, and recent data from the Hampton Roads, Virginia piers show these dramatic increases. For the year, Hampton Roads piers loaded 531 vessels with 42.6 million short tons for the export market. That number was almost double the 2016 total of 21.6 million short tons, and the 2018 tonnage was the highest export tonnages since 2013. These exports remain critical to U.S. producers. --- [Mark E. Heath](#)

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## ● [Sit On the Climate Committee? No Thanks, Says Green Freshman](#)

*"Freshman Rep. Sean Casten (D-Ill.) made climate change a rallying cry when he ran for Congress in the fall, but the former clean energy entrepreneur said he's skeptical of a new House committee formed specifically to address global warming."*

**Why this is important:** At least one freshman lawmaker, Rep. Sean Casten (D-Ill.), is reluctant to serve on the on the new House of Representatives Select Committee on the Climate Crisis. He's on board with the Democrats' goals, but favors use of market mechanisms and other incremental changes to achieve greenhouse gas reductions. He's effectively acknowledging the "Green New Deal" being touted by Democrats may be a great slogan, but marginal changes that can actually be approved by a split government will have a more immediate effect. --- [David L. Yaussy](#)

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## ● [Thinking Globally, but Acting Warily, on New Gas Pipelines](#)

*"Building new pipelines would be ineffective and expensive."*

**Why this is important:** This proposal to stop natural gas pipeline expansion in the Northeast is a transparent effort by environmental activists to prevent domestic use of more environmentally friendly natural gas in northeastern metropolitan markets at the expense of both residential and commercial consumers. To be clear, relying on the best estimates of the ability of renewables and energy conservation to supply the growing energy needs of the Northeast, that area will not be fully serviced by those sources in the next 20 years. In addition, the energy needs of the Northeast are not currently met by Canadian natural gas imports. So while short-sighted efforts to stop domestic gas transportation to this market continue, the lack of pipeline access for cheap shale gas causes consumers in the Northeast to rely on more polluting oil fired energy sources and imports of more expensive LNG from foreign producers. This is a losing strategy for northeastern consumers, domestic producers and the environment. --- [William M. Herlihy](#)

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## ● [Expectations Flat for Coal Exports, Production Heading Into 2019: Seaport Global Analysts](#)

*"Higher production is not expected unless PRB prices increase."*

**Why this is important:** Total U.S. coal production is expected to remain steady in 2019 with a production of 760 million tons--very close to 2018's 758 million ton production. A Seaport Global analysis forecasts metallurgical exports in 2019 to remain steady despite a 15 percent price drop to an average of \$175 metric ton. Coal-fired electric generation plant closures are expected to continue to disrupt U.S. thermal markets. The Powder River is being hampered by cheap natural gas prices, while the Colorado/Utah thermal markets along with southern Appalachian steam markets are expected to drop slightly from export pricing issues and plant closures. Only the Illinois Basin thermal market is expected to see production increases in 2019. --- [Mark E. Heath](#)

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## ● [A Rift Between Germany and Brazil Stalls Work on Carbon Market](#)

"New carbon markets could allow developing countries to sell emissions credits generated from programs that cut greenhouse gases."

**Why this is important:** Agreeing on a carbon trading market is one thing; developing the rules for trading allowances is proving to be much more difficult. Developed countries like Germany, and developing countries like Brazil, are at odds over how to set up an exchange. Looming in the background is the failure of the last carbon trading scheme, with credits essentially valueless. Coming up with a system of meaningful credits that are enforceable and effective is going to be difficult to accomplish. --- [David L. Yaussy](#)

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## [Pakistan's Coal Imports to Surge to 30 Million Tons Per Annum by 2020](#)

*"Pakistan's coal imports are estimated to surge to 30 million tons/annum from existing 20 million tons/annum by the year 2020, given the planned expansion of cement manufacturers and coal-based power plants scheduled to come online in a couple of years, Shariq Siddiqui, CEO of Pakistan International Bulk Terminal said."*

**Why this is important:** Exports to Pakistan continue to grow and are expected to rise by almost 50 percent in the next two years. Currently, the country imports 20 million tons--8 million tons went to cement plants and 12 million tons to power plants. The country is predicting imports to rise to 30 million tons in 2020. That increase will be caused by an 8 million ton increase to power plants for electric generation and an additional 2 million ton increase to cement plants. These worldwide export markets continued to help U.S. producers weather the number of coal-fired electrical generation plant closures in the U.S. --- [Mark E. Heath](#)

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## [EIA Energy Statistics](#)

*Here is a round-up of the latest statistics concerning the energy industry.*

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