

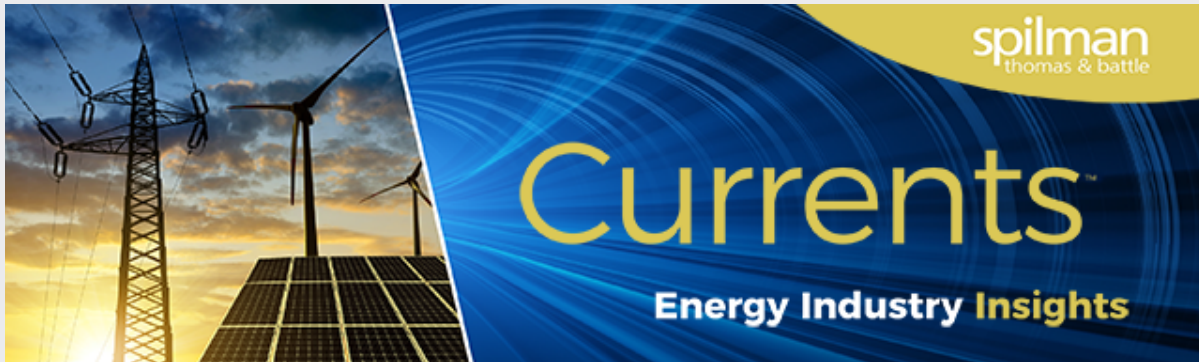
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Volume 6, Issue 7

● Welcome

Welcome to the seventh issue of *Currents* for 2022.

We are very pleased to sponsor a couple of industry events this summer.

The Independent Petroleum Association of America is hosting their Annual Meeting July 20-22 at The Broadmoor in Colorado Springs, Colorado. This conference provides ideal networking events and timely and informative sessions addressing topics of interest to over 300 executive-level attendees. Spilman attorney [Jim Elliott](#) is one of the featured guest speakers, so please take a moment to introduce yourself to Jim if you will be attending. Click [here](#) to register.

We also are very pleased to sponsor GO-WV's Annual Summer Meeting, August 7-9 at The Greenbrier in White Sulphur Springs, West Virginia. The event features an excellent lineup of speakers during the industry presentations on Monday and Tuesday, and it is always a great event for networking and education. Click [here](#) to learn more and register.

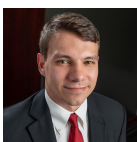
As always, thank you for reading.



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Co-Editor, *Currents*

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● [The Supreme Court's EPA Ruling is a Big Setback for Fighting Climate Change, but Not a Death Knell](#)

"The ruling opens the door to more litigation, however, which could help the fossil fuel industry delay moves to decarbonize the economy."

Why this is important: The Supreme Court's opinion in *West Virginia v. EPA* rejected EPA's attempt to restructure the entire electric generating system in the U.S. The Court said that such a huge change could not be undertaken by an administrative agency without clear direction from Congress, particularly when Congress had considered, and rejected, similar regulatory schemes in the past. The Court left the way clear for Congress to do exactly what EPA had proposed in its Clean Power Plan if the votes to do so are there, but it appears they are not. If you missed it, you can [click here](#) to read our more in-depth coverage of this important decision. --- [David L. Yaussy](#)

● [U.S. Department of Labor Takes Action to Reduce Miners' Exposure to Silica Dust as Work Continues on an improved Health Standard](#)

"MSHA launched unprecedented effort to protect miners from serious illnesses such as black lung disease, silicosis."

Why this is important: The Mine Safety and Health Administration (MSHA) has a new enforcement initiative to address hazards from respirable crystalline silica, a common mineral found in sand, stone, concrete and mortar. In coal mines, silica can occur in cutting rock around coal seams. Respirable crystalline silica – particles 100 times smaller than ordinary beach sand – become airborne during cutting, sawing, grinding, drilling, and crushing stone and rock and can enter miners' lungs. In the coal fields, silica and coal dust exposure can lead to black lung. MSHA plans a program with spot inspections at mines with a silica overexposure history and a general increased enforcement of silica hazards. At metal and nonmetal mines, if hazards are not timely abated, MSHA will issue 104(b) withdrawal orders. At coal mines, the agency will focus on changes to dust control and ventilation plans. For all mines, the agency plans to focus sampling on processes that present the highest silica risks. At coal mines, that is shaft and slope sinking, extended cuts and developing crosscuts. And at metal and nonmetal mines, sampling will focus on miners working to remove overburden. This new program will involve most extractive industries in the U.S. --- [Mark E. Heath](#)

● [Making History: U.S. LNG Outpaces Russian Natural Gas via Pipeline in Europe](#)

"European reliance on the United States for energy relief has increased ever since Russia's invasion of Ukraine as many countries have made an effort to cut ties with the powerhouse country to apply pressure in an effective manner."

Why this is important: The record-breaking exports of LNG by shale gas producers to European customers demonstrates the ongoing importance of clean-burning natural gas to our domestic economy, as well as those of our allies. The export of LNG as a substitute for coal and oil to generate electricity in European countries will help reduce the amount of greenhouse gas emissions worldwide. This mobile energy source also provides a potent tool of diplomacy. During these times of international unrest, our

abundant supply of low-cost shale gas promotes greater domestic and international security. --- [William M. Herlihy](#)

● [Energy-Rich U.S. Faces Electricity Shortages](#)

"NERC says predicted above-normal temperatures and drought conditions will 'contribute to high peak demands as well as potential increases in forced outages for generation and some bulk power system equipment.'"

Why this is important: The author correctly notes that NERC's 2022 Summer Reliability Assessment reflects areas throughout the country (predominantly the West and Midwest) that are at risk of potential blackouts due to insufficient firm resources to support load. While the increase in intermittent, renewable resources coupled with the retirement of fossil fuel-generating resources certainly contributes to the gap in available supply, factors such as higher-than-normal temperatures and drought conditions are also significant contributors. The author suggests some mix of fossil fuel and renewable resources would address these issues; however, an additional way to close the gap is by increasing demand response and energy efficiency measures to encourage and incentivize customers to use less energy. --- [Carrie H. Grundmann](#)

● [Pioneering Recycling Turns Mixed Waste into Premium Plastics with No Climate Impact](#)

"The recycling method is inspired by the natural carbon cycle and could eliminate the climate impact of plastic materials, or even clean the air of carbon dioxide."

Why this is important: Millions of tons of carbon-containing waste are burned in incinerators or buried in landfills every year. This carbon can be captured, combined with hydrogen, and become the building blocks for new plastics, instead of using virgin fossil fuels. The difficulty in doing so is the amount of energy involved in gasifying the carbon through high heat, and the production of the hydrogen that is combined with carbon gases. At present, the cost of producing plastics in this manner is greater than using oil and gas, but with co-generation and lower costs for renewables, this process might become viable. --- [David L. Yaussy](#)

● [Virginia Coal Production Climbs](#)

"War in Ukraine adds to demand already bolstered by higher steel production."

Why this is important: Virginia coal production is up 15.5 percent this year, and that's due primarily to metallurgical coal used in steelmaking around the world. Virginia coal production has evolved to almost all met coal over the past 10 years. The increase in met coal in Virginia is double the Appalachian basin's total increase in coal mined, which is up 8 percent over 2021. Most of Virginia met coal is exported through coal docks in Norfolk, which ships 60 percent of the met coal exported from the United States. The war in Ukraine, disputes between China and Australia, and increased need for steel around the world have led to the increases in production and pricing. Currently, using metallurgical coal is the only way to produce new steel, and it remains a commodity of which the U.S. has vast reserves. --- [Mark E. Heath](#)

● [FERC Proposes 'First-Ready, First-Served' Interconnection Rules to Help Spur New Generation, Storage](#)

"The federal agency also proposed extreme weather grid reliability requirements and reports from transmission providers on extreme weather assessments."

Why this is important: The Federal Energy Regulatory Commission ("FERC") previously announced that it planned to address interconnection issues prohibiting new resources from coming online in an efficient manner. Many projects experience a multi-year delay in achieving interconnection, resulting in numerous projects dropping out. Last week, FERC proposed certain actions intended to address the backlog and shorten the interconnection timeline, including considering projects in clusters, considering co-located energy and storage as a single interconnection request, and imposing conditions to weed out speculative projects that may never come online. FERC's goal is bring more resources, both energy and storage, online more quickly. The author notes that the FERC proposal, if implemented, would establish a baseline of best practices for all Regional Transmission Organizations ("RTOs") and Independent System Operators ("ISOs") around the country. At the same time, the FERC proposal would not stifle continued innovation by RTOs/ISOs around the country. The proposal is now subject to a 100-day comment period. --- [Carrie H. Grundmann](#)

● [Companies' Use of Renewable Energy Certificates Masks Inaction on Carbon Emissions](#)

"Market-based instruments lead to inflated claims of Paris Agreement alignment."

Why this is important: Many companies purchase renewable energy credits, or RECs, to offset their greenhouse gas emissions. However, most renewable energy is only available when the sun and the wind allow production. At other times, fossil fuels and nuclear are called in as back-up, and keeping them up and running for availability as needed can reduce the benefits of the renewables. That means the RECs may not represent the reductions in emissions the companies claim. --- [David L. Yaussy](#)

● [Inadequate Charging Networks Could Thwart EV Adoption Goals](#)

"Their conclusion comes after they examined the effects of shocks -- sudden unanticipated events -- on electric vehicle charging infrastructures."

Why this is important: Significant efforts have been made to encourage consumers to move to electric vehicles ("EV") in an effort to address environmental concerns. As EV sales increase, the network to support the vehicles must be robust and resilient. According to a study led by Professor Peng of the National University of Singapore's College of Design and Engineering, researchers found shocks to parts of the EV charging network can have a ripple effect in other parts of the charging network. Such disruptions have the potential to negatively impact consumer confidence in EVs. A strategically planned infrastructure is essential to the success of the EV market. As policymakers provide incentives to increase EV sales, they would be wise to extend that same effort into ensuring a proper charging system is in place. If they fail to do so, consumer confidence and EV sales will decline. --- [Anmarie Kaiser Robey](#)

● [EIA Lowers 2022 US Coal Export Projection Amid War Uncertainty](#)

"As the Russia-Ukraine war fuels energy market volatility, the US Energy Information Administration lowered its 2022 US coal export projection to 81 million st, down 5% from the previous projection and 4.8% below 2021."

Why this is important: As world energy commodities continue to see upward pricing, the U.S. Energy Information Agency on June 7 lowered its estimates for United States exports of coal this year by five percent. The agency expects an increase in U.S. steam coal production to 600 million tons as coal-fired plants replace low stockpiles. However, the agency sees steam coal production declining to 453 million tons in 2023 as electrical generation from coal drops to 19.8 percent of U.S. electric power production. The 2023 percentage will be a record low for coal-fired electricity generation. Along with falling natural gas prices, some of the decline in coal will be made up from renewable energy. Renewables are projected to generate 22 percent of U.S. power in 2022 and increase 24 percent in 2023. It was 20 percent in 2021. --- [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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