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Issue 29, 2020

● [ExxonMobil, Partners Discover Carbon Capture Technology for Industrial Sources](#)

"A possible breakthrough in technology that could capture more than 90% of carbon dioxide emitted from industrial sources has been announced from scientists at ExxonMobil, University of California, Berkeley and Lawrence Berkeley National Laboratory."

Why this is important: Users of fossil fuels would remove the greatest impediment to their use if they could eliminate or greatly reduce carbon dioxide emissions. Cost of removing CO₂ has been the biggest roadblock so far. ExxonMobil, UC-Berkeley and Lawrence Livermore Labs announced that they have developed a material that is much more effective at removing CO₂ from smokestacks under a variety of conditions, potentially reducing costs and moving carbon capture closer to a reality. --- [David L. Yaussy](#)

● [2019 U.S. Coal Production Falls to Its Lowest Level Since 1978](#)

"Weekly coal production estimates from the U.S. Energy Information Administration show the United States is on pace for an even larger decline in 2020, falling to production levels comparable with those in the 1960s."

Why this is important: U.S. coal production in 2019 was 706 million tons, the lowest total since 1978 when a national coal strike was ongoing. That was a 7 percent decline from 2018's 756 million tons. Now, 2020 production likely will be 29 percent lower. Also, in the past three years, Kansas, Arkansas and Arizona have ceased producing coal. --- [Mark E. Heath](#)

● [Amid 'Heightened Tensions,' U.S. Government Issues Warning to Critical Infrastructure Providers](#)

"The U.S. government issued a cybersecurity alert to operators of critical infrastructure, outlining 'immediate actions' that should be taken during a 'time of heightened tensions' to avoid being compromised by a cyberattack."

Why this is important: We've reported in prior issues of Currents that cyberattacks against critical infrastructure are continuing to be a source of concern for government regulators. Now, the U.S. government has issued a cybersecurity alert to operators of critical infrastructure that outlines steps that

should be taken immediately to combat against the risks of a cyberattack. The alert was issued jointly by the National Security Agency and the Department of Homeland Security's Cybersecurity and Infrastructure Security Agency. Among other things, it warned that "[c]ivilian infrastructure makes attractive targets for foreign powers attempting to do harm to U.S. interests or retaliate for perceived U.S. aggression." This article is important because it takes a dive into the alert, quoting several of its significant points, and also discusses the reactions of several cybersecurity specialists. The article also notes the fact that cybersecurity alerts are becoming an almost daily occurrence in the utility sector, a problem we have covered in prior issues of *Currents*. --- [Nicholas P. Mooney II](#)

● [WV Coal Production Down 30% Due to Impact of Pandemic](#)

"Because of the recession, because the demand for energy has fallen off, demand for electricity has fallen off, we've seen a 30% drop in coal production so far this year."

Why this is important: West Virginia coal production is down 30 percent this year with the worldwide decline in both steam and metallurgical coal markets. Steam markets have been especially hard hit as coal's share of U.S. electric power generation is down to 18 percent as gas and renewable use for power generation surges. The coal decline also will impact state tax revenues. --- [Mark E. Heath](#)

● [How the Nuclear Industry is Getting Past a Tough U.S. Power Market](#)

"Nuclear proponents hope to meet the need for carbon-free sources of energy for industrial processes that are difficult to decarbonize, like aluminum or cement manufacturing."

Why this is important: Nuclear energy is the most feasible source of large-scale, zero-carbon, and reliable electricity for the foreseeable future. It has suffered from high costs and public opposition, which has led to few nuclear plants being built worldwide. The nuclear industry hopes to change this and expand beyond pure electricity production by developing smaller, modular plants that can be put into service for a wide variety of projects, such as desalination, hydrogen production, and process heat. --- [David L. Yaussy](#)

● [Deutsche Bank Tightens Fossil Fuel Lending Policies](#)

"Deutsche Bank, said it would end business worldwide with the companies most exposed to coal mining by 2025 at the latest, as part of a revamp of its policies on financing the fossil fuel industry."

Why this is important: Deutsche Bank has just announced a further cutback in involvement with energy companies. On July 27, the bank announced it will end business with major coal companies worldwide by 2025. "Major" is defined as a company having 50 percent or more revenues from coal. The German bank also will stop financing arctic oil and oil sands. The bank now plans to review its support of U.S. and Asia power producers. Environmental groups continue to pressure banks and investment groups to stop financing coal and oil projects in their fight against global warming. --- [Mark E. Heath](#)

● [Artificial Intelligence Platform Detects Power Grid Flaws and Wildfire Dangers Better and Faster than Humans](#)

"StartX startup Buzz Solutions out of Stanford, California just introduced its AI solution to help utilities quickly spot powerline and grid faults so repairs can be made before wildfires start."

Why this is important: Imagine that your company has installations distributed across hundreds of miles, any one of which could generate hundreds of millions of dollars in liability if it failed. Now imagine

that it takes you six to eight months, and dozens of employees, to identify and correct potential faults. Finally, imagine that you could replace your current risk-management approach with something that identifies potential faults in a matter of hours or days, and frees up your employees for other work. There is no question you would do it; in fact, it's conceivable that, at some point, you would be negligent if you didn't. For many businesses, implementing artificial intelligence thus will become less a matter of whether to do it but how to do it. --- [Joseph V. Schaeffer](#)

● [With Coal in Crisis, Will Virginia be Saddled with Millions in Mine Cleanup Costs?](#)

"An anticipated wave of related bankruptcies could imperil the Commonwealth's finances, due to King Coal's decline."

Why this is important: COVID-19 continues to ravage the U.S. coal industry with both metallurgical and steam coal markets declining. That has led to some environmental groups questioning the stability of environmental reclamation bonds should coal companies fail in the downturn. A study of Virginia bonding in 2012 revealed a loss of two small coal companies could endanger the fund, which does not cover the full cost of reclamation at mine sites. Reclamation costs could then fall on other coal companies or state taxpayers. One example given from 2017 was A&G Coal Co., with \$26 million in self bonding and a potential of \$134 million in reclamation liabilities in Virginia. Also, 70 percent of Virginia permits were concentrated in three large companies. --- [Mark E. Heath](#)

● [Energy Question of the Week](#)

Last Week's Question and Results

Has your business/employer implemented any of the following environmental programs?

Recycling or Conservation Programs - 19%
LEED Building Certifications - 14.3%
Carbon Neutrality Programs - 14.3%
Mitigation and Adaptation Strategies - 9.5%
All of the Above - 19%
None of the Above - 14.3%
Do Not Know - 9.5%

Which do you believe is the most reliable source of electric generation?

Coal

Select

Hydroelectric

Select

Natural Gas

Select

Nuclear

Select

Solar

Select

Wind

Select

Other

Select

Do Not Know

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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