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Issue 36, 2020

● [Corona-Induced CO2 Emission Reductions are Not Yet Detectable in the Atmosphere](#)

"Based on current data measured in the energy, industry, and mobility sectors, restrictions of social life during the corona pandemic can be predicted to lead to a reduction of worldwide carbon dioxide emissions by up to eight percent in 2020."

Why this is important: The global economic shutdowns and socially distant summer (is this a hashtag?) may have had less of an impact on greenhouse gas emissions than you would think. According to one climate group, cumulative reductions of the same magnitude would be required every year to reach the goals of the Paris Climate Agreement by 2030, i.e. 16 percent in 2021, 24 percent in 2022, etc. On top of this, the long life of CO2 prevents these reductions in the atmosphere from being detected for several months. Researchers warn that fundamental technological changes on a global scale will be required if the Paris Agreement is to be fulfilled. --- [Joseph C. Unger](#)

● [How the Coronavirus Crisis Forced the Largest Oil Supply Cut in History](#)

"Yet what was not understood at the beginning of March was that this battle for market share was being launched into a market that was rapidly shrinking owing to the virus."

Why this is important: This article's attention-grabbing headline about the largest oil supply cut in history unfortunately elides an equally interesting point—that it was preceded by a marked increase in production that threatened to tear apart OPEC+, the 23 countries that make up OPEC and its partners. The reason was that those countries had initially increased production in response to a free fall in the price of oil as the COVID-19 pandemic spread across the globe in early March. For Russia, in particular, the increase was based on the strategic gambit that its lower production costs would allow it to better weather the storm than U.S. shale, and thus recapture a market share that had been lost in the previous years. But, as the article notes, no one seems to have fully appreciated the precipitous drop in demand that came along with the COVID-19 pandemic, as people stayed at home and limited personal and business travel. And so, with President Trump serving as mediator, the OPEC+ countries came to an agreement that returned their output to approximately pre-pandemic levels. --- [Joseph V. Schaeffer](#)

● [Plugging Abandoned Oil Wells is One 'Green New Deal' Aspect Loved by Both Republicans and Democrats](#)

"Because state programs have indirectly subsidized oil and gas drilling for years by allowing companies to set aside funds for the future estimated cost of capping wells, sufficient funding usually doesn't exist to retire and plug wells left behind by bankruptcy."

Why this is important: The United States has more than 3 million abandoned oil and gas wells, 2 million of which are unplugged. The unplugged wells are a large source of methane gas, which is a greenhouse gas contributing to climate change. The U.S. Government Accountability Office estimates the total cost to plug abandoned wells in the country at \$435 billion. With oil and gas revenue declining, owners of those wells have insufficient resources to do so on their own. The recession in the oil and gas industry is creating a new market for jobs plugging those wells. Over 100,000 oil and gas workers have been laid off. Several states have created programs for laid off oil and gas workers to cap the abandoned wells. Both Republicans and Democrats are looking to create a federal program to cap the wells also. --- [Bryan S. Neft](#)

● [Pipelines, Energy Storage Among 60+ Projects Expedited by Trump Order Waiving Environmental Regulations](#)

"The projects under consideration include highway construction, fossil fuel extraction facilities and pipelines, energy storage, mining, water delivery and wildfire mitigation projects."

Why this is important: Environmental reviews and permit challenges have recently devastated private sector pipeline projects. Earlier this year, construction of the Atlantic Coast Pipeline was canceled after estimated costs nearly doubled in part because of legal challenges to various permits. Relieving public sector projects of some of these burdens could provide needed economic relief to several parts of the U.S. However, environmental groups have promised legal challenges to President Trump's executive order and every project that would benefit. --- [Joseph C. Unger](#)

● [Murray Coal Gets New Name, New Management](#)

"The new company is the largest privately owned coal operator in the United States with active mines in Alabama, Kentucky, Ohio, West Virginia and Utah."

Why this is important: Murray Energy has completed its Chapter 11 bankruptcy proceeding and emerged as American Consolidated Natural Resources ("ACNR"). The bankruptcy eliminated \$8 billion in debt and liabilities, and the new company will be led by Robert D. Moore, President and CEO. The new company, now the largest privately owned coal company in America, has mines in Alabama, Kentucky, Ohio, West Virginia, and Utah. It also operates mines owned by Foresight in Illinois and by Murray Metallurgical Mines in other states. ACNR will now produce 35 million tons of coal a year and employ 4,000 miners. Pre-petition, the company produced 46.4 million tons. --- [Mark E. Heath](#)

● [Trump to Include North Carolina in Offshore Drilling Moratorium, Senator Says](#)

"Our coastal communities and our tourism are vital to our state's economy, and I'm thankful to President Trump," added Tillis, who is facing a tough reelection fight this November."

Why this is important: The federal government is extending its moratorium on offshore oil and gas drilling to the coast of North Carolina, joining Florida, Georgia and South Carolina. Coastal offshore drilling is unpopular in coastal states dating back to the Deepwater Horizon spill in 2010. It also contributes to a declining level of tourism when viewed from coastal communities. Not unexpectedly, the Trump administration has not extended the moratorium to "blue" states in the Northeast and Mid-Atlantic regions. --- [Bryan S. Neft](#)

● [Nikola's Troubles Raise Questions for Tesla and Elon Musk on Battery Day](#)

"Problems with Nikola started to appear when short-selling firm Hindenburg Research issued a report that questioned whether Nikola has any significant proprietary technology behind its plans to build electric trucks and whether the company misled investors."

Why this is important: Hindenburg Research made waves—and prompted a threatened defamation case—when it accused the electric truck startup Nikola of engaging in a Theranos-like fraud. So far, the accusations have led to increased SEC scrutiny and the resignation of Nikola's highly visible founder, Trevor Milton. But, they now seem to be spreading out beyond Nikola to prompt questions about the battery technology underlying the electric vehicle darling, Tesla. During the company's so-called Battery Day, however, Tesla founder Elon Musk predicted substantial improvements in battery technology that would decrease cost by more than 50 percent while also expanding range. Whether those predictions come true is another matter, but the existence of the question at all highlights how concerns about one company in an emerging industry can quickly spread to others. --- [Joseph V. Schaeffer](#)

● [Energy Question of the Week](#)

Last Week's Question and Results

How has your energy consumption changed since COVID-19?

Increased significantly - 10.5%
Increased slightly - 10.5%
No change - 15.8%
Decreased slightly - 36.8%
Decreased significantly - 15.8%
Do not know - 10.5%

Should the U.S. institute a carbon cap and trade system?

Yes, strongly support

Select

Yes, moderately support

Select

Neutral

Select

No, moderately oppose

Select

No, strongly oppose

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

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