



Share



Tweet



Share



## Issue 32, 2020

### ● [Trump Administration Approves Arctic National Wildlife Refuge for Land Leasing, Oil Drilling](#)

*"The Trump administration continues to roll back environmental protections and opening doors for the fossil fuel industry in hopes of reducing U.S. dependence on foreign fuels even as those policies put the environment at risk."*

**Why this is important:** The article details the U.S. Department of Interior's ("DOI") approval of a lease program to allow oil drilling and testing in the Arctic National Wildlife Refuge ("ANWR") along Alaska's North Slope Coastal Plain. Drilling in ANWR, a unique and arguably environmentally sensitive wilderness, has been debated for decades, generally pitting Alaska state officials and the extraction industries on the one side and environmentalists and Native Alaskans on the other. Importantly, the DOI land-lease program for ANWR reflects and crystallizes the broader Trump administration policy of aggressively advocating for the fossil fuel industry at, according to critics, the expense of environmental protection. Notwithstanding that, actual production in ANWR, if valid oil sources are confirmed, likely would not begin for eight years and only if anticipated litigation can be overcome. --- [Derrick Price Williamson](#)

---

### ● [U.S. Coal Stockpiles Steadily Increase](#)

*"The US Energy Information Administration has reported that after reaching their lowest level in more than a decade in March 2019, US coal stockpiles steadily increased to 152 million t in April 2020, recovering to levels not seen in 3 years."*

**Why this is important:** U.S. coal stockpiles at electric power plants in April rose to 152 million tons, which is a 114-day supply on average. These stockpiles are at the highest level in three years while coal-fired electric generation's share of the electricity supply is at a 42 year low. In 2020, 377 million tons of coal will be used to generate electricity in the U.S., the lowest tonnage since 1972. A root cause of the growth of the stockpiles is that coal in 2020 will be the fourth most dispatched fuel for electric generation at 18 percent -- behind gas at 40 percent, nuclear at 21 percent and renewables at 20 percent. The U.S. Energy Information Agency expects coal to rebound to 22 percent of generation in 2021, but high stockpiles will keep demand from U.S. coal mines lower than normal. These statistics are reflected in the number of mine closings and idlings across the U.S. --- [Mark E. Heath](#)

---

### ● [Contractor Sues MVP Over Pipeline Construction](#)

*"The companies have been fighting over costs associated with building the under-construction \$5.7 billion natural gas pipeline in West Virginia."*

**Why this is important:** A pipeline construction company is suing a Pittsburgh-based joint venture, Mountain Valley Pipeline, to be paid nearly \$104 million to build the Mountain Valley Pipeline in Virginia and West Virginia. The construction firm is seeking to have the pipeline sold to satisfy mechanics' liens and other claims made in the lawsuit. The MVP joint venture responded that the matter is in dispute and has approved only a small payment to the construction firm. The embattled joint venture is characteristic of the endemically poor state of the shale gas industry, which is contracting significantly due to the coronavirus pandemic. --- [Bryan S. Neft](#)

---

## ● [The Battle for Control of Virtual Power Plants is Just Beginning](#)

*"As virtual power plants develop, there is a growing debate about the degree to which the future of distributed energy management will be controlled by large utilities or third-party aggregators."*

**Why this is important:** This is a fascinating article about the practical problems, and opportunities, presented by distributed energy resources. When multiple small generators, such as home solar systems, are feeding into the electrical system, who is controlling and benefiting from that power generation? Will it be the power companies, who are supplying the transmission facilities that make power sharing possible, or will individual generators be allowed to aggregate their power generation and negotiate as a unit with the power companies for the electricity they are supplying to the grid? This is something that is being resolved state by state and grid by grid in our messy and creative federal system. --- [David L. Yaussy](#)

---

## ● [Grid Security Group Calls for Declassified Threat Information, New Federal Agency Focused on Resilience](#)

*"The report recommends Congress develop a new independent agency staffed by cybersecurity and defense experts, and 'a profound overhaul of the communication of classified threat information to utilities.'"*

**Why this is important:** The report issued by the NCGR provides a detailed analysis of how to protect the electricity grid from natural events, systemic failures, cyber-attacks and extreme electromagnetic events, both natural and man-made. The NCGR Report makes nine specific recommendations for protecting the grid, including the recommendation that Congress pass a Resilience Investment Tax Credit and establish a bipartisan caucus on grid security. The NCGR Report can be found [here](#). --- [Nicholas S. Preservati](#)

---

## ● [Mining Giant BHP Signals Shift Away from Coal as Profits Dip](#)

*"Recently installed chief executive Mike Henry noted a 'year marked by the challenges' linked to civil unrest in Chile – the world's largest producer of copper – and the coronavirus pandemic."*

**Why this is important:** Global mining giant BHP has announced it is looking to shift away from steam coal as the glut of steam coal worldwide continues. BHP announced its annual profit for the year, which ended in June 2020, dropped by 4 percent, or \$300 million, to \$8 billion. The worldwide mining company announced it wants to focus on coking coal used for steelmaking instead of steam coal. This will mean BHP is looking to exit two proposed new steam coal mines in Australia and one in Columbia. BHP's competitors, Rio Tinto and Anglo American, have announced similar plans to move away from steam coal. Steam coal remains under significant economic pressure in the U.S. and worldwide. --- [Mark E. Heath](#)

---

## ● [What Can Plastics Learn from the Energy Industry?](#)

*"This shift, a term we call the materials transition, is the process through which we account for – and seek to minimise – the costs of extracting and disposing of raw materials consumed in the global economy."*

**Why this is important:** The article posits that the plastics industry must shift its production away from the wasteful practices of large industrial societies such as the United States in order to achieve global sustainability goals and to minimize the costs of extracting and disposing of raw materials used to produce plastics. The article appears to favor sustainability of natural resources as a response to climate change and global warming. --- [Bryan S. Neft](#)

---

## ● [The Bitcoin Halving, What was It and Why Did It Happen?](#)

*"Something of this nature, called 'halving', took place on the 11th of May 2020 in the world of pioneering crypto-token Bitcoin."*

**Why this is important:** This article is important because it explains the process of cryptocurrency mining and the reward given to successful miners. The article explains the May 11, 2020 halving in which the amount of Bitcoin reward was cut in half and the fact that this halving operates on a somewhat predictable time schedule. This article likens this cryptocurrency halving to a doubling in the cost of cryptocurrency mining. It compares this to a doubling in the costs to run oil wells or to mine iron and gold and explains the probable result on the price of those commodities. --- [Nicholas P. Mooney II](#)

---

## ● [Chevron Makes Investment in Nuclear Fusion Start-Up](#)

*"Chevron Technology Ventures' investment in fusion is an opportunity to enhance the company's focus on a diverse portfolio of low-carbon energy resources with the capacity to provide communities across the globe access to affordable, reliable, and ever-cleaner energy."*

**Why this is important:** Advancements in nuclear fusion technology will allow for an increase in energy production with zero greenhouse gas emissions and less long-lived radioactive waste than what is produced through conventional nuclear fission. Stable nuclear fusion has been achieved, but the amount of energy it takes to produce reactions currently outweighs how much power is generated. ITER, the world's largest nuclear fusion project, is supposed to become the world's first reactor capable of self-burning plasma and would ideally generate up to 10 times the amount of heat that it consumes. ITER is achieving to generate power by 2030. China's development of an "artificial sun" fusion reactor made waves in 2019 and early 2020, with a target to begin generating power by 2040. Fusion technology could become a key investment as the transition from fossil fuels progresses. --- [Joseph C. Unger](#)

---

## ● [Green Hydrogen Could be the Final Piece in a Zero-Emissions Future](#)

*"Hydrogen extracted from water with renewables-generated electricity by an electrolyzer could be the best GHG-free alternative, analysts told Utility Dive."*

**Why this is important:** "Green" hydrogen (produced by electrolysis powered by renewables, rather than stripped from natural gas) is seen as an important component of the future energy mix. When excess renewable electricity is used to produce hydrogen, which can be stored and used at a later date, the hydrogen acts as a battery that can later emit carbon-free power. Transporting and using that hydrogen remains an issue, but a number of projects are presently being developed to produce and distribute green hydrogen. Greater use of hydrogen, in transportation and otherwise, is expected by 2030 and beyond. --- [David L. Yaussy](#)

---

## ● [Kentucky Coal Production and Employment Numbers Continue to Plummet](#)

*"A review of the Kentucky Quarterly Coal Report (2020-Q2)."*

**Why this is important:** The COVID-19 pandemic and economic slowdown continues to ravage the U.S. coal industry. New quarterly numbers from Kentucky show just how much damage has been done. Total coal employment at Kentucky's mines at the end of second quarter on June 30, 2020 was 3,760. That number is down 38.9 percent from last year and down 18 percent from the first quarter 2020. Those numbers are a combination of Kentucky's eastern and western coalfields -- underground and surface. Total production for second quarter was 4.3 million tons, east and west combined. That production is down 54.8 percent from 2019 and 20.8 percent from the first quarter of 2020. For the first six months of 2020, Kentucky produced 11.3 million tons. As a comparison of how far things have changed, in the first quarter of 2009, Kentucky employed 19,315 at mines and produced 30.5 million tons. In the full 2009 year, Kentucky produced 107 million tons. --- [Mark E. Heath](#)

---

## ● [Widespread Electric Vehicle Adoption Would Save Billions of Dollars, Thousands of Lives](#)

*"Northwestern University researchers have combined climate modeling with public health data to evaluate the impact of electric vehicles on U.S. lives and the economy."*

**Why this is important:** This study strengthens the argument that the United States needs to transition away from ICE vehicles to EV's. In addition to avoiding increased temperatures associated with climate change and securing our energy independence by being able to rely on domestic sources of electricity generation (coal, natural gas and local renewables), this study highlights the rarely discussed component of rising health care costs. The study found that if EV's replaced 25 percent of ICE vehicles, the U.S. would save approximately \$17 billion in health care costs each year. If 75 percent of ICE vehicles are replaced, the annual savings increase to \$70 billion. --- [Nicholas S. Preservati](#)

---

## ● [America Needs to Stage a Come-back in Nuclear Energy Exports](#)

*"Long considered the global leader in nuclear reactor technology, the United States has been ceding its competitive position to the likes of Russia and China over the past three decades."*

**Why this is important:** Until July of this year, funding nuclear power exports had been prohibited in the U.S. since the 1970s under a policy promulgated by the Overseas Private Investment Corporation (now called the International Development Finance Corporation). In contrast, Russia has been accelerating its nuclear export programs and accounts for two-thirds of the globally exported nuclear projects under construction. In 2019, the Department of Commerce estimated that the international civil nuclear energy industry will be valued at \$740 billion over the next 10 years. An aggressive nuclear financing policy will allow the U.S. to take advantage of an expanding industry and would promote advancements in nuclear energy technology. --- [Joseph C. Unger](#)

---

## ● [Energy Question of the Week](#)

### **Last Week's Question and Results**

What do you consider to be the most important component of electric generation?

Should FERC take over the permitting of high-voltage electrical transmission lines from states?

**Yes, Strongly Support**

---

Reliability - 31.4%  
Cost - 22.9%  
Renewable/Environmental - 14.3%  
Dispatchability - 11.4%  
Other - 8.6%  
Do Not Know - 11.4%

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**

---

**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.**

---

**If you would like to subscribe to this weekly e-blast or know someone who would, please [email us](#) with contact information and CURRENTS in the subject line. We will add you or your acquaintance to the email list.**

**If you have any energy questions, please feel free to [contact us](#).**

---

This is an attorney advertisement. Your receipt and/ or use of this material does not constitute or create an attorney-client relationship between you and Spilman Thomas & Battle, PLLC or any attorney associated with the firm. This e-mail publication is distributed with the understanding that the author, publisher and distributor are not rendering legal or other professional advice on specific facts or matters and, accordingly, assume no liability whatsoever in connection with its use.

Responsible Attorney: Michael J. Basile, 800-967-8251