

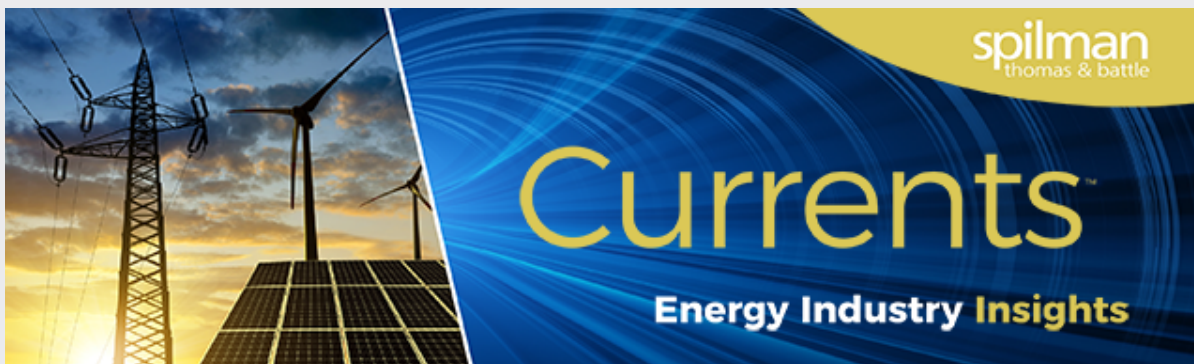
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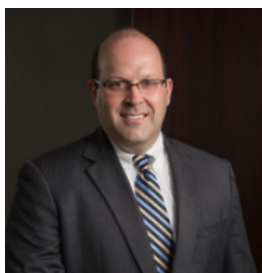


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Issue 45, 2020

● [Welcome](#)



Welcome to *Currents*, our weekly publication providing insights to the latest energy news and U.S. EIA statistics.

Currents is different from other e-newsletters in that it not only provides current energy articles, but it also explains the significance of every article. Each article is reviewed by one of Spilman's energy lawyers, who then provides a succinct summary of why the article is important and how it may affect the energy sector.

If there are topics of interest that you would like to see covered in greater detail, please [contact us](#). We thank you for your interest in *Currents* and we invite you to participate in the Currents Energy Question of the Week found below.

[Nicholas S. Preservati](#)
Co-Chair, Energy Practice Group

● [Emissions Growth Slower than Worst-Case Projections](#)

"New research reveals that emissions are not growing as fast as the UN's Intergovernmental Panel on Climate Change's assessments have indicated -- and that the IPCC is not using the most up-to-date climate scenarios in its planning and policy recommendations."

Why this is important: The Intergovernmental Panel on Climate Change ("IPCC") was established, in part, by the United Nations to assess climate change based upon the most accurate and up-to-date science and data. The IPCC is perceived to have exceptional scientific credibility and its assessments are

the foundation of numerous national and global climate policies. The fact that emissions are not growing nearly as fast as projected by the IPCC suggests that the IPCC needs to alter its method of making projections and governments need to reconsider their climate policies that are based upon the IPCC's projections. This does not mean that the IPCC's projections and the resulting climate policies should be outright abandoned. What it does mean is that the climate policies need to be adjusted to reflect the accurate state of emission growth. --- [Nicholas S. Preservati](#)

● [Demand for Australian Coal Set to Fall in China in 2021](#)

"Asked about over 50 vessels anchored off Chinese ports waiting to offload coal from Australia, Chinese Foreign Ministry spokesperson Zhao Lijian said Chinese customs had found many cases where the imported coal didn't meet China's environmental protection standards."

Why this is important: China is continuing to refuse Australian coal due to a diplomatic dispute expected to last into 2021 until the two countries resolve their differences. Currently, there are 50 vessels off China with 3.4 million tons of Australian coal that China now says does not meet environmental standards. The standoff is affecting steam and coking coal. Recently, China announced it will buy 28.72 million tons of coal worth \$1.4 billion from India. These developments continue to hurt Australian coal mining and its export sales. --- [Mark E. Heath](#)

● [From Maryland to California and Beyond, Rate Design Innovations are Boosting the Energy Transition](#)

"Success with time-of-use rates can allow utilities to start integrating more variable and distributed generation, leading to more sophisticated time-varying rates."

Why this is important: As utilities around the country deploy Advanced Metering Infrastructure ("AMI") or smart meters, the article notes that this leads to innovations with rate design. Time of use ("TOU") rates are one such example. TOU rates harness the granular data from AMI to incentivize users to reduce usage during periods of high demand in favor of lower priced periods. Not only does this reduce customer bills, but it can reduce system peak demand. TOU rates also can allow utilities to integrate more variable and distributed generation, i.e., renewable energy, by sending pricing signals to customers to use electricity during the hours where these resources are readily available. Utilities will build on these TOU rates to develop even more sophisticated rates that take advantage of the data provided by AMI technologies. It is left to be determined if, or over what timeframe, these benefits outweigh the cost to utility customers of the investment in AMI. --- [Carrie H. Grundmann](#)

● [Premier Warns Coal Jobs on the Line as China Dispute Deepens](#)

"Australian diplomatic relations with China have rapidly deteriorated throughout the year but hit a new low this week when a 'repugnant' social media post about alleged Australian war crimes was shared by the Chinese Foreign Ministry."

Why this is important: As mentioned above, the dispute between China and Australia has continued and is causing a strong economic impact in Queensland, where coal mining royalties help fund its budget. This week, China accused Australia of "war crimes" in a post that shows the dispute will continue to disrupt coal sales to China. China has put royalties on Australian coal and refused to let ships carrying its coal from dock and unload. The dispute is causing job losses, and now royalties to Queensland's government will decline from \$3.74 billion to \$1.64 billion this year, and steam coal prices are down 33.4 percent and coking coal is down 24.5 percent. In addition, Moody's recently downgraded Queensland's credit outlook. --- [Mark E. Heath](#)

● [How Alex Liegl's Layer1 Mines Bitcoin to Clean Up America's Energy Grid](#)

"He's betting \$50 million in funding from the likes of billionaire Peter Thiel that he's found the cheapest juice out in west Texas, where wind turbines outnumber oil wells."

Why this is important: This video gives a quick look at the work of Layer1 in West Texas. A Bitcoin mining company with aspirations to be the largest in the country, Layer1 has set up operations in west Texas, where the inexpensive electricity needed for mining is in ready supply. Mining Bitcoins or other cryptocurrencies requires large amounts of electricity and produces large amounts of heat. Ordinarily, the temperatures in west Texas make it nearly impossible to cool the computing equipment used in mining cryptocurrency. But, Layer1 has created a novel liquid cooling system that allows them to operate in the west Texas heat. To power the mining, Layer1 purchased an electricity substation. When the surrounding power grid strains under the load of peak usage, Layer1 shuts down mining, allowing its electricity to flow onto the grid. --- [Nicholas P. Mooney II](#)

● [Expanding Local Solar and Storage Could Save Ratepayers Nearly a Half a Trillion Dollars](#)

"Advanced Grid Planning Tool lays out a roadmap for how to most cost-effectively transition to a clean grid by 2050."

Why this is important: A report commissioned by Vote Solar (a proponent of expanding solar energy) proposes that increased solar deployment, primarily in local rooftop and community solar (which is normally combined with battery storage), is the most cost-effective way to transition to a clean energy economy by 2050. Utilizing a propriety tool developed by Vibrant Clean Energy, the report indicates that a significant increase in solar will reduce costs, transition more quickly to clean energy, and create jobs. Not surprisingly, the results of this report support Vote Solar's mission to increase renewables and transition the grid to clean energy, although potential net costs of that transition to customers remain a concern to many. --- [Carrie H. Grundmann](#)

● [China State Grid Sees New Coal Plant Restrictions After 2026](#)

"China could still add another 100 to 200 gigawatts of coal power generation through 2025 before it places the limitations on new plants."

Why this is important: China, with the largest coal-fired electric generation fleet in the world, recently announced it will go carbon neutral by 2060. The switch could cost \$7.9 trillion. China will continue to complete 100 to 200 GW in coal-fired generation plants under construction by 2025 and will then begin restrictions on coal-fired plants. Debate continues on whether it will first close small inefficient coal-fired generation plants before focusing on larger coal-fired plants. China's Premier has decreed the world's largest country will be carbon neutral in 40 years. --- [Mark E. Heath](#)

● [West Virginia Coal Association President Bill Raney Retiring](#)

"Bill Raney is an icon to those of us that have worked in and around the mining industry and to many throughout the state of West Virginia," said Heath Lovell, the association's board chairman."

Why this is important: Bill Raney is retiring as the President of the West Virginia Coal Association after 43 years working with groups representing the coal industry in West Virginia. Raney has been President since 1992. Prior to joining a predecessor group, the WV Mining and Reclamation Association, Raney worked as a mine inspector. Chris Hamilton will assume the job of President with Raney's retirement. --- [Mark E. Heath](#)

● Energy Question of the Week

Last Week's Question and Results

What wattage of lightbulb do you typically purchase for your home?

100w (LED 18w) - 17.9%
75w (LED 13w) - 23.1%
60w (LED 10w) - 25.6%
40w (LED 9w) - 10.3%
Other - 10.3%
Do not know - 12.8%

What is your primary source of energy news and information?

Television

Select

Newspaper

Select

Internet

Select

Industrial/Environmental Newsletters

Select

Work/School

Select

Other

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](#).

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