

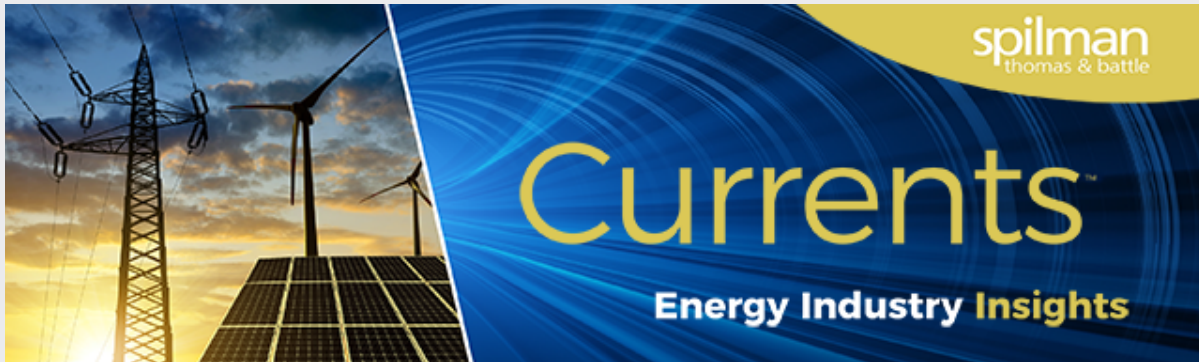
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## Volume 5, Issue 16

### ● **Welcome**



Welcome to Volume 5, Issue 16 of *Currents*. Have you participated in our energy surveys? Check out the latest question and last week's results at the bottom of this e-newsletter.

As always, thank you for reading.

[Nicholas S. Preservati](#)

Co-Chair, Energy Practice Group

### ● **[Shot Heard Across Texas: San Antonio Gets a Temporary Restraining Order Against ERCOT](#)**

*"CPS Energy, the municipal electric utility serving San Antonio and the surrounding area, has won the first skirmish against the Electric Reliability Council of Texas, the state grid operator, over charges resulting from the deep freeze in February."*

**Why this is important:** February's cold snap completely disrupted ERCOT, the Texas electric grid, and drove spot prices for power astronomically high, sometimes for days on end. Texas does not have a capacity market, which would have required electric power producers to have sufficient power reserves on hand at a reasonable cost. That meant electricity generators who could produce power were paid huge amounts when the demand was greatest. That cost was passed on to consumers, who are looking at large power bills. The inevitable result is going to be litigation over who will pay, and how much. ---

[David L. Yaussy](#)

## ● [Two WVU Business School Reports Highlight Coal's Steady Decline but Continued Economic Value](#)

*"The biggest losses fall in the central basin, BBER says, tied to lower worker productivity stemming in part from harder-to-reach seams that are more expensive to extract."*

**Why this is important:** Two economic reports from West Virginia University show coal production is declining, but it still creates significant economic activity in the state. The first report on production was requested by the federal Appalachian Regional Commission. The study found that from 2005 to 2020, production in the Appalachian coal fields from Pennsylvania to Alabama declined by 65 percent, while U.S. production nationally dropped 54 percent. The report believes the decline was greater, particularly in West Virginia mining areas, due to thinner seams that are harder to mine and the impact of increased natural gas supplies. A second WVU report requested by the WV Coal Association measured the economic impact of coal and its use for electrical generation in West Virginia. That report found that coal mining still has a \$9.1 billion impact in the state combining direct, indirect and induced impacts. Mining produces 27,000 jobs with \$2.1 billion in wages and \$514 million in tax revenue. The eight coal-fired electrical generation plants in West Virginia had a \$4.8 billion impact, with 6,600 jobs, \$725 million in wages and \$97 million in tax revenue. --- [Mark E. Heath](#)

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## ● [Google to Power Virginia Data Centers with 24/7 Clean Energy from AES](#)

*"AES announced a 10-year agreement to be the sole supplier of energy to three Google data centers in Virginia, providing clean power around the clock through a 500-MW portfolio of resources."*

**Why this is important:** The move by Google to power its data centers in Virginia with 100 percent renewable energy moves the company into compliance with certain requirements of the recently enacted Virginia Clean Economy Act ("VCEA"), which seeks to move Virginia to 100 percent carbon-free electric grid by 2050. Under the VCEA, certain large customers in Virginia have the option to procure their own 100 percent renewable energy or to pay Dominion Virginia Power, the incumbent electric utility, to procure 100 percent renewable energy on their behalf. This move by Google not only aligns it with the VCEA, but also supports Google's 2018 commitment to power its data centers 100 percent through renewable energy. --- [Carrie H. Grundmann](#)

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## ● [Nuclear Reactors Could Provide Plentiful Zero-Carbon Hydrogen, If Only We Let Them](#)

*"This lowers the carbon footprint, and can result in the subsequent hydrogen being classified as 'blue hydrogen.'"*

**Why this is important:** Hydrogen production is color-coded depending on its carbon footprint. Grey hydrogen is produced using fossil fuels, blue hydrogen is produced using non-renewable sources with a small carbon footprint, and green hydrogen is produced using renewable sources. Right now, it is not cost effective to produce green hydrogen from traditional renewable sources. However, hydrogen from nuclear power could prove to be the best option because it is low-carbon and deployable at a large scale. --- [Joseph C. Unger](#)

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## ● [Greece's Last Coal Plant Project Actually Converting to Natural Gas by 2025](#)

*"Greece's Public Power Corp., the country's biggest energy company, has announced that its coal-fired thermal power plant Ptolemaida 5 will be converted to gas in 2025, three years earlier than planned."*

**Why this is important:** Greece is the tenth European country to have either already stopped burning coal for electrical generation or to have scheduled to stop doing so by 2025. The country's last lignite coal-fired electrical generation plant is under construction and is scheduled to begin operation in 2023. Its owner announced it will switch it to natural gas by 2025, and some are doubting it will ever burn any lignite. The high cost of European Union CO2 certificates is listed as one of the causes for the change. The Greek utility building the Ptolemaida 5 plant already has announced it will cease burning lignite coal at all its other Greek electrical generation plants by 2023. --- [Mark E. Heath](#)

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## ● [Equity, Security and Load: FERC Conference Considers the Challenges and Potential of Electrification](#)

*"U.S. electricity load could double by 2050."*

**Why this is important:** It is easy to announce carbon neutrality in 30 years, as President Biden has done. Figuring out how to do that, from the perspective of adequate electricity generation capacity, power delivery, and grid security, is the devil in the details. The Federal Energy Regulatory Commission is attempting to address the technical challenges that will come with a major overhaul of the way energy is produced and used in America. --- [David L. Yaussy](#)

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## ● [DOE Awards \\$19M to 13 Initiatives in Fossil-Fuel Areas to Produce Rare Earth Elements and Critical Minerals](#)

*"Facing persistent shortages in domestic supply, the US has been forced to rely on imported materials, leaving clean energy technology production at greater risk of disruption."*

**Why this is important:** Rare earth metals ("REMs") are critical to the manufacturing of batteries and other clean energy technologies. The U.S. formerly led the globe in production of REMs; however, China now dominates the REM market. As the number one threat to U.S. interests, it is paramount to move away from relying on Chinese supply chains if the U.S. expects to have a reliable supply of REMs to fuel the expanding clean energy technology industry. --- [Joseph C. Unger](#)

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## ● [Manchin Reintroduces Funding Bills For Abandoned Mine Cleanup, Economic Development](#)

*"U.S. Sen. Joe Manchin reintroduced two bills to commit over \$1 billion in federal funding for reclamation projects and economic development in coal communities."*

**Why this is important:** West Virginia Senator Joe Manchin introduced two bills last Thursday, April 29 to commit \$1 billion to clean up abandoned mine sites and provide economic development to communities hurt by declining coal production. The RECLAIM Act and the Abandoned Mine Lands Reclamation Fee Extension Act are supported by the United Mine Workers of America and environmental groups as ways to clean up abandoned sites, while providing jobs for laid off miners. --- [Mark E. Heath](#)

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## ● US Nuclear Power Plant Retirement Risk Fluctuates with Policy, Power Prices

*"With a nuclear power plant prematurely retired in New York April 30 and the fate of two other plants in Illinois hanging in balance, the complexion of the US nuclear power fleet is in flux at a time when CO2 emissions reduction is high on the national agenda."*

**Why this is important:** Natural gas is not just killing steam coal. It is also a threat to nuclear power. New York is closing a nuclear plant and replacing it with two large gas-powered generators, despite the state's push to eliminate greenhouse gas emissions. The reason given for the plant's closure is safety, but the plant had been struggling financially, in part due to competition from low-priced gas. --- [David L. Yaussy](#)

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## ● Tennessee Valley Authority Plans to Shut Coal Plants by 2035

*"The Tennessee Valley Authority, a U.S.-owned utility, confirmed it plans to shut four remaining coal plants by 2035, the year by when President Joe Biden wants the nation's power grid to be decarbonized to fight climate change."*

**Why this is important:** The Tennessee Valley Authority ("TVA") has announced it wants to close its last coal-fired electrical generation plants by 2035, which it says are at the end of their useful lives. In 2005, TVA generated 57 percent of its electricity from coal, and last year that number was down to 14 percent. In 2019, the utility announced plans to close one of its last five coal-fired plants, Bull Run, in 2023. At its board meeting today, the utility plans to discuss closing its last 4 coal-fired plants – Shawnee in Kentucky and Cumberland, Gallatin and Kingston in Tennessee – by 2035. That date also matches a deadline set by the Biden administration for a decarbonized electrical grid. A formal plan to close the 6,000 MW in coal-fired generation will be voted on later. TVA has been replacing coal-fired plants with nuclear, natural gas and wind generation. It believes some closed coal-fired plant sites could be attractive sites for small modular nuclear reactors that are being developed now. --- [Mark E. Heath](#)

## ● Energy Question of the Week

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

*What is the distance between your residence and your power plant/renewable resource?*

Less than 1 mile - 13.4%  
1 to 10 miles - 19.4%  
11 to 50 miles - 19.4%  
Greater than 50 miles - 13.4%  
Other - 13.4%  
Do not know - 20.9%

Should FERC oversee permitting of high voltage transmission lines that cross state borders?

### **Strongly support FERC oversight**

Select

### **Moderately support FERC oversight**

Select

### **Moderately oppose FERC oversight**

Select

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**Strongly oppose FERC oversight**

Select

---

**Other**

Select

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**Do not know**

Select

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## ● **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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**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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