



September 7, 2017

● [Groundbreaking Held for New Methanol Plant in Kanawha County, West Virginia](#)

"US Methanol expects it will open its first American facility, Liberty One, in mid-2018, which will be capable of producing 200,000 metric tons of methanol a year on the 11-acre site. Once the facility is completed, approximately 50 people will be hired on a permanent basis."

Why this is important: The US Methanol announcement here in the Kanawha Valley is a "poster-project" showcasing downstream economic development directly related to shale gas production in the Appalachian region. USM will be converting methane into approximately 200,000 metric tons of methanol - a base chemical component used in a diverse array of consumer products from gasoline and fertilizer to pharmaceuticals and LED/LCD screens - per year. Thus, the project lays the foundation for additional downstream economic development site locations focused on manufacturers engaged in the use of methanol in the production of such end products. This is precisely the vision that will maximize the economic impact of our rich shale resources by revitalizing our once dominant chemical and manufacturing segments.--- [Michael J. Basile](#)

● [Walden Lays Out Ambitious Fall Agenda](#)

"House Energy and Commerce Chairman Greg Walden will push an ambitious fall legislative agenda that could include a major restructuring of the Department of Energy and a rewrite of the controversial renewable fuel standard."

Why this is important: The DOE is operating under the same policy instructions it received from Congress in 1977. While Congress has approved individual bills tasking the EPA with certain duties, it has never provided the EPA with policy instructions since President Nixon created the agency by executive order in 1970. Chairman Walden is considering reauthorization legislation for the DOE that will change the way it is organized and operated in order to allow it to more effectively address the nation's current energy issues. If successful, Chairman Walden hopes that the DOE reauthorization legislation will serve as a guide to Congress's authorization legislation for the EPA. --- [Nicholas S. Preservati](#)

● [OPEC Deal Could Be Extended Beyond March 2018](#)

"The crude oil production cut deal that OPEC, Russia, and several other producers agreed to late last year could get yet another extension. This extension would push the deal beyond the March 31, 2018 end date that was agreed earlier this year, according to Russia's Energy Minister Alexander Novak, speaking to news agency TASS."

Why this is important: Since the first announced crude oil output cut of late 2016, and its subsequent extension through the end of March 2017, OPEC and Russia must be questioning whether their efforts are meaningfully impacting global oil inventories, global demand and, perhaps most importantly, reducing the global market threat of the U.S. shale oil producers. Despite widespread disagreement between investors and economists alike on the impacts of their actions, OPEC and Russia appear to be

considering whether a second extension is needed for their plans to finally take hold. Meanwhile, U.S. shale oil producers appear to have slashed production costs and increased output since the production cuts took effect. It will be important to see how long OPEC and Russia remain committed to their strategy if U.S. shale suppliers begin to replace OPEC and Russian producers in their traditional markets such as Asia. --- [Travis H Eckley](#)

● [Meet Wheeling's David Zatezalo, President Trump's Nominee For MSHA Chief](#)

"Now, he's hoping to take that experience as a 'working coal man' with him to Washington to lead the federal Mine Safety and Health Administration."

Why this is important: MSHA regulates the safety of all mining in the U.S. - coal and all other minerals extracted. The agency has had an acting director for more than eight months and is in need of permanent, stable leadership. Mr. Zatezalo has held almost every job in coal mining from general laborer to President, CEO and Chairman of the Board of Rhino Energy. In his career, he also has been Chairman of the Ohio and Kentucky Coal Associations. He will bring valuable insights in how to improve MSHA and the safety of America's miners. --- [Mark E. Heath](#)

● [Australia Faces Heightened Blackout Risks Next Summer: Electricity Operator](#)

"Australia faces more blackouts over the coming southern hemisphere summer following the closure of a major coal-fired power station and even as the world's biggest battery is in place, the nation's energy market operator warned on Tuesday."

Why this is important: Yet another developed nation is finding it difficult to bridge the gap between utopian ideal and practical reality on its power grid. Australia's shuttering of its Engie Hazelwood coal fired plant, even after offsets for new wind power and the world's largest battery, has left a net loss of 1,100 MW of capacity. The report predicts additional blackouts during peak summer demand and has prompted the Australian government to seek delaying the 2022 planned closure of the Liddell coal fired plant until at least 2027. --- [John C. \(Max\) Wilkinson](#)

● [How an Investment in Croatian Gas Could Bolster American Security](#)

"Still, there is a way to make Europe more energy independent with the help of American energy exports and the construction of new import facilities in Europe. One potential new entry point for American liquefied natural gas is Croatia's Krk Island. A planned LNG import facility there would initially accommodate delivery of two billion cubic meters of gas a year."

Why this is important: Continuing the country's policy of limiting Russia's energy influence over Central and Eastern Europe, President Trump endorsed the plan to build a liquefied natural gas terminal in Croatia earlier this summer. Not surprisingly, Russia actively has resisted the project, the result of which provides another market for U.S. shale gas, closer relations between the European Union and America, and potential job growth on both sides of the Atlantic. --- [Gerald E. \(Gee\) Lofstead, III](#)

● [Gulf Coast NGL Processors, Refineries Walloped in 'Most Costly' U.S. Disaster](#)

"For the energy complex, processing plants and refineries were taking the biggest hits, with flooding expected to continue along the upper Texas coast and inland through Louisiana for the next few days."

Why this is important: Gulf Coast refineries were temporarily shut down by Hurricane Harvey. This not only disrupted flows of refined gasoline, but also NGL feed stocks such as ethylene. Future storms could have a more devastating effect on these vulnerable facilities that are concentrated on the Gulf of Mexico coast. This is a major reason why the construction of NGL storage and refining facilities in the Appalachian Basin are critical to reliable sources of feed stocks for both domestic manufacturing as well as export. --- [William M. Herlihy](#)

Pruitt Tightens Political Reins on Key Operations

"U.S. EPA plans to shift its environmental justice and environmental review operations closer to Administrator Scott Pruitt, according to agency employees, a move that critics say politicizes those offices."

Why this is important: The National Environmental Policy Act ("NEPA") Office and the Environmental Justice Office are being moved from the Enforcement and Compliance Division to the Policy Division of the EPA. This move ensures that policy decisions made pursuant to NEPA will garner closer scrutiny by EPA Administrator Scott Pruitt. It is also the initial step in eliminating the EPA's Environmental Justice programs that many believe have been used as political tools by the prior administration to hinder fossil fuel development. --- [Nicholas S. Preservati](#)

LNG Market Size to Reach \$20.6 Billion by 2025 | Growth Rate: 12.7%: Grand View Research, Inc.

"Rising focus on development and expanding gas pipeline infrastructure and growing demand for natural gas from downstream sectors is a crucial driving factor for the industry."

Why this is important: Global economic growth is pushing the demand curve for LNG outward, but short-term midstream bottlenecks will prevent the realization of optimal price profiles. With FERC again possessing a quorum, approval of midstream projects represents both an imperative for growth of the natural gas industry and a promising option for investors. --- [Thomas J. O'Neill](#)

CNX Coal Resources and OMNIS to Develop First Solid Energy Refinery to Produce Clean Coal

"Today, CNX Coal Resources LP and OMNIS Bailey, LLC announced a partnership to build a first-of-a-kind solid energy refinery. The refinery will be used for processing waste coal at CONSOL's Bailey Mine Complex and converting it into high-quality, Clean Carbon Fuel."

Why this is important: CNX and OMNIS' innovative fine coal refuse refinement process promises to potentially revolutionize the coal industry. With three major beneficial outcomes, the joint solid energy refinery represents the cutting edge of clean carbon energy production. The refinery will further reduce combustion impurities in an already high BTU, high quality coal product, enhancing the fuel's energy performance and substantially reducing its combustion waste residue. The use of coal fines for fuel in turn reduces the need for coal production facilities to require large coal fine refuse impoundments, shrinking both the physical size and water discharge footprints of such structures. Finally, the "impurities" removed are actually fossilized plant mineral matter which USDA testing has shown to remediate mineral-depleted farm topsoil. Thus the non-carbon removal process creates a second marketable product capable of use as a farm soil fertilizer to bolster plant growth and nutritionally superior food products. --- [John C. \(Max\) Wilkinson](#)

Lawsuit Challenges Mountain Valley Pipeline, FERC's Eminent Domain Authority

"Opponents of the Mountain Valley Pipeline are turning to the courts to protect their property, even before FERC approves it, something the commission is too short-handed to do."

Why this is important: This lawsuit in the Federal District Court for the Western District of Virginia challenging FERC's authority to use its eminent domain powers is a potential roadblock to ongoing efforts to construct an effective pipeline system to distribute shale gas produced from the Appalachian Basin. Without such authority, the ability to construct such pipelines will be stymied by the complex and varied real property rights that exist in this region. --- [William M. Herlihy](#)

Interview with Scott Rotruck Regarding Energy and Growth in the Region

"Pete Holloway, CFP and Senior VP with Hazlett, Burt & Weston interviews [Scott Rotruck](#), Director of Energy and Transportation

Services with Spilman Thomas & Battle for an edition of the program On Money."

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