



ABRA Update #268 – March 19, 2020

Issue Highlights . . .

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- Pandemic Impacts Agencies and Courts Dealing with Pipeline Issues
- If There's a Recession, What's the Impact on Natural Gas?
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Keeping Abreast of Pipeline Developments in a Time of Uncertainty

Questions have been raised regarding how the current COVID-19 pandemic and economic repercussions that may accompany it will affect ABRA's activities about the Atlantic Coast Pipeline and other such projects. The two following articles discuss some of these impacts. To stay abreast of developments in these uncertain times, stay informed via our weekly *ABRA Update* and daily postings on [ABRA's Facebook page](#). Also, check periodically [ABRA's website](#) and our separate [website for the Compliance Surveillance Initiative \(CSI\)](#). In addition, we will be exploring other ways of communicating needed and timely information when circumstances require. For now, stay safe and healthy. If you have questions, email lewfreeman@gmail.com.

Pandemic Impacts Agencies and Courts Dealing with Pipeline Issues

The impact of the COVID-19 pandemic is having a decisive impact on the activities of regulatory agencies and courts who have jurisdiction over pipeline issues. Within the last few days, the following has occurred:

- The DC Circuit Court of Appeals indefinitely suspended in-person oral arguments. The Court was scheduled to hear on March 31 for a major case challenging the tolling order policy of the Federal Energy Regulatory Commission (FERC's policy of delaying the consideration of appeals of its decisions). The Court will decide on a case-by-case basis whether to hear cases by teleconference, postpone arguments or decide cases based on briefs alone.
- The Federal Energy Regulatory Commission has cancelled its scheduled March 19 meeting and FERC staff began working from home, effective March 16. FERC offices are closed to outside visitors. The next scheduled Commission meeting is April 16. It is uncertain at this time whether that meeting will occur.
- The Virginia Department of Environmental Quality announced this week it is suspending routine field activities, including inspections and monitoring, for the next two weeks, though it will continue to "investigate significant pipeline concerns" during that period.
- The Virginia State Air Pollution Control Board will not hold a Spring meeting. The Board had not yet scheduled the meeting. Whenever the Board next meets a primary agenda item will likely be what to do about the air permit for the Buckingham compressor station for the Atlantic Coast Pipeline, which was vacated in January by the Fourth Circuit Court of Appeals.

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If There's a Recession, What's the Impact on Natural Gas?

Growing speculation about a possible economic recession triggered by the COVID-19 pandemic has begun to raise questions about the impact on the natural gas market. A March 9 commentary by Andrew Bradford, CEO of BTU Analytics, notes that declines in natural gas demand in 2020 could decline by as much as 5%, or 4.2 billion cubic feet per day. Continuing, he says:

“Considering the US gas market was already expected to be long supply following a weak winter 2019-2020, an additional 4.2 Bcf/d is a lot of length to manage into an already long summer gas market. Add in an oversupplied global LNG market and the US gas market could be further awash in supply if demand falters. While US operators are slashing CAPEX (capital expenditures) in the face of falling oil prices, the risk of demand shocks to the system may overwhelm the CAPEX declines.”

For Mr. Bradford's full commentary, click [here](#).

New FERC Commissioner Confirmed

James Danly, General Counsel of the Federal Regulatory Commission (FERC), was confirmed 52-40 by U.S. Senate on March 12 as a FERC Commissioner. Mr. Danly, nominated as a Republican, was supported by all Republican Senators and 3 Democrats, including West Virginia's Joe Manchin. Mr. Danly's confirmation brings the FERC balance to 3 Republicans and 1 Democrat. The White House has yet to put forth a Democrat nominee for the seat vacated last August by Cheryl LaFleur, whose term expired.

Mr. Danly, who joined FERC as General Counsel in 2017, was formerly an energy lawyer in Washington. A 2019 profile of him in E&E News said:

“Danly's credo draws on core tenets of the Federalist Society, an influential group of conservatives and libertarians who believe a regulator's job is to stick to the text of a law and not what it should be, said several attorneys who practice before FERC.”

Solar Energy Was Nearly 40% of New Generating Capacity in 2019

Solar energy accounted for 39.8% of new generating electricity generating capacity in the U.S. in 2019, according to a report released March 17. The *Solar Market Insight Report* was released by the Solar Energy Industry Association and conducted by the consulting firm Wood Mackenzie. The growth in solar capacity, up from 24.7% in 2018, makes solar the largest source of new generating capacity for the first time. Natural gas accounted for 32% of new generating capacity (down from 57% in 2018); wind energy was 27% of new capacity added, up from 17% the previous year. This means that two-thirds of the new electric generating capacity added in 2019 was from renewable sources. For an executive summary of the report, click [here](#).

In the News:

Local/Atlantic Coast Pipeline

Q&A: NRDC attorney on the legal issues behind Atlantic Coast Pipeline challenge

- Energy News Network – 3/19/20
<https://energynews.us/2020/03/19/southeast/qa-nrdc-attorney-on-the-legal-issues-behind-atlantic-coast-pipeline-challenge/>

Can an unusual coalition budge Congress on pipeline reforms?

- Virginia Mercury – 3/17/20
<https://www.virginiamercury.com/2020/03/17/can-an-unusual-coalition-budge-congress-on-pipeline-reforms/>
Virginia, which is home to some of the most contentious pipeline plans, is at the center of the political and legal skirmishes.

FERC urged to stop major projects due to virus spread

- The Recorder – 3/19/20
https://www.abralliance.org/wp-content/uploads/2020/03/FERC-urged-to-stop-major-projects-due-to-virus-spread-Recorder_20200319.pdf

New state report: The climate crisis is coming home to roost in NC

- NC Policy Watch – 3/13/20
<http://www.ncpolicywatch.com/2020/03/13/new-state-report-the-climate-crisis-is-coming-home-to-roost-in-nc/>
Released this week, the 236-page North Carolina Climate Science Report paints a dim picture of the new normal that will likely unfold through the century's end

As the cost of the Atlantic Coast Pipeline soars, renewable energy is the better option for NC

- Charlotte Observer – 3/16/20
<https://www.charlotteobserver.com/opinion/article241177801.html>
Related:
- <https://mountainx.com/blogwire/local-groups-join-call-for-state-climate-emergency-declaration/>

Big Picture:

Governments have 'historic opportunity' to accelerate clean energy transition, IEA says

- Climate Home News – 3/17/20
<https://www.climatechangenews.com/2020/03/17/governments-historic-opportunity-accelerate-clean-energy-transition-iea-says/>
If we're going to take on additional debt to save the global, why invest in the same, dirty sectors and infrastructures that are poisoning our air and wrecking our climate...and which threaten the global economy?
Related:
- <https://thehill.com/opinion/energy-environment/487661-coronavirus-crisis-opens-new-paths-toward-clean-energy>
- <https://thehill.com/opinion/energy-environment/488356-coronavirus-calls-for-an-aggressive-green-new-deal>

FERC approves Jordan Cove, moves to boost transmission

- E&E News – 3/19/20
https://www.abralliance.org/wp-content/uploads/2020/03/FERC-approves-Jordan-Cove-moves-to-boost-transmission-EE-News_20200319.pdf
The action is a major milestone for Jordan Cove, which FERC previously has rejected, but it continues to face major regulatory hurdles at the state level in Oregon.

DOE, other US agencies embrace 'social distancing' to weather coronavirus

- S&P Global – 3/17/20

<https://www.spglobal.com/marketintelligence/en/news-insights/latest-news-headlines/doe-other-us-agencies-embrace-social-distancing-to-weather-coronavirus-57626926>

The coronavirus pandemic is pushing U.S. federal agencies focused on energy to maximize the number of employees working remotely. However, agency representatives stressed that the modified work plans should not deter them from upholding agency missions.

Judge strikes down Ohio fracking on NEPA grounds

- E&E Energywire – 3/16/20

<https://www.abralliance.org/wp-content/uploads/2020/03/Judge-strikes-down-Ohio-fracking-on-NEPA-grounds-EE-Energwire-3-16-20.pdf>

Conservation groups are cheering a federal judge's finding last week that federal agencies improperly authorized hydraulic fracturing in Ohio's Wayne National Forest.

Coronavirus Is Wiping Out Billions In Clean Energy Investments

- Oil Price – 3/18/20

<https://oilprice.com/Energy/Energy-General/Coronavirus-Is-Wiping-Out-Billions-In-Clean-Energy-Investments.html>

Related:

- <https://www.reuters.com/article/us-usa-solar-report-idUSKBN2140F6>

- <https://oilprice.com/Energy/Oil-Prices/Is-The-Oil-Price-Crash-Good-For-Renewable-Energy.html>