



ENERGY ASSURANCE DAILY

Wednesday Evening, January 14, 2015

Electricity

Entergy Reports Alarm Failure Due to Cold Weather at Its 979 MW Indian Point Nuclear Unit 3 in New York Caused Temporary Shutdown January 8

The operators of the Indian Point nuclear power plant in Buchanan, New York, began a temporary, partial shutdown of the unit 3 reactor January 8 after cold weather caused two sets of low-low water level indicators in the plant's refueling water storage tank to cease functioning. One of the indicator lines was unfrozen and returned to service, restoring alarm capabilities. Operators have 7 days from the incident to restore the other alarm or else shut down the reactor. According to the Nuclear Regulatory Commission the unit has been operating at full power since January 9. <http://wamc.org/post/cold-weather-leads-indian-point-3-alarm-failure>

Exelon's 850 MW Dresden Nuclear Unit 2 in Illinois Shut January 13

The unit shut from full power due to a reactor water level transient.

<http://www.nrc.gov/reading-rm/doc-collections/event-status/reactor-status/2015/>

<http://www.nrc.gov/reading-rm/doc-collections/event-status/event/2015/20150114en.html>

NRC Reports Fuel Removed from Entergy's Decommissioned 510 MW Yankee Nuclear Power Plant in Vermont January 12

The Nuclear Regulatory Commission (NRC) stated January 12 that the 368 fuel assemblies in the reactor core of the Yankee nuclear power plant in Vernon, Vermont, were transferred to the facility's spent fuel pool, the first major step in the decommissioning of the power plant.

<http://www.timesargus.com/article/20150113/NEWS03/701139905>

Petroleum

Wisconsin Issues Hours-of-Service Waiver for Propane Carriers January 9 Due to Service Issues on Mid-America's 53,000 b/d East Blue Pipeline

Wisconsin's governor declared an energy emergency January 9, waiving federal and Wisconsin hours-of-service (HOS) regulations on carriers and drivers of commercial motor vehicles while in the process of obtaining and transporting propane within the State. The waiver noted that Mid-America Pipeline's 53,000 b/d East Blue Pipeline, which serves four States in the Midwest, had been operating below capacity with intermittent service interruptions. The pipeline supplies propane from the hub in Conway, KS to terminals in Janesville, WI; Dubuque, IA; and Rockford, IL, which are crucial in supplying propane to southern Wisconsin and the State as a whole. Mid-America said that the service interruptions were the result of the company taking steps to remove product in the pipeline that did not meet specifications. Wisconsin issued the waiver as a precautionary measure due to inventory backup at the Janesville terminal making it difficult for propane transporters to meet demand and comply with HOS requirements. The East Blue pipeline resumed service to most terminals on January 8 and the Janesville terminal resumed normal operations January 10.

[http://www.npga.org/files/WI-HOS_EO%20%23148%20-](http://www.npga.org/files/WI-HOS_EO%20%23148%20-%20Energy%20Emergency%20Due%20to%20Intermittent%20Propane%20Pipeline%20Supplies.pdf)

[%20Energy%20Emergency%20Due%20to%20Intermittent%20Propane%20Pipeline%20Supplies.pdf](http://www.npga.org/files/WI-HOS_EO%20%23148%20-%20Energy%20Emergency%20Due%20to%20Intermittent%20Propane%20Pipeline%20Supplies.pdf)

http://www.gazettextra.com/20150112/gas_terminal_back_to_normal_pipeline_company_spokesman

Canadian Pacific Reports Train Derailment, Minor Propane Leak in Ontario January 13

A Canadian Pacific Railway Ltd (CP) train derailed in northern Ontario on Tuesday, leaking propane and closing down a nearby highway. CP said one car carrying propane had a minor leak, adding that it was still assessing the situation. Police said no injuries were reported at the scene, near Nipigon on the north shore of Lake Superior. The Transportation Safety Board of Canada said its investigators were on their way to the site of the derailment.

http://www.downstreamtoday.com/news/article.aspx?a_id=45996

<http://www.tsb.gc.ca/eng/medias-media/deploiement-deployment/rail/2015/20150113.asp>

Update: Husky Energy's 155,000 b/d Lima, Ohio Refinery Restart May be Delayed by Icy Weather

Husky Energy Inc's Lima, Ohio, refinery is waiting for a thaw in icy weather to enable a full damage assessment and it may not be able to restart this weekend as planned, according to two people familiar with the plant's operations. Husky has made inquiries to competitors about buying products to meet its commitments to customers, according to the sources. The company previously said it planned to restart the plant by the end of the week after halting output following a fire Saturday. The plant would restart without the isocracker, the unit in which the fire occurred, the company previously said.

Reuters, 16:54 January 13, 2015

Update: BP Completes Restart of CDU, Continuing Restart of Reformer at Its 413,500 b/d Whiting, Indiana Refinery January 13

BP Plc completed the restart of a 90,000 b/d crude distillation unit at its Whiting, Indiana, refinery on Tuesday, sources familiar with plant operations said. BP was continuing to restart a 60,000 b/d catalytic reformer at the refinery. The crude unit was shut last week by extreme cold and the reformer was knocked out of production by a weekend power outage.

Reuters, 17:26 January 13, 2015

Update: PES Puts Crude Oil into Circulation at Its 335,000 b/d Philadelphia, Pennsylvania Refinery January 12 after Partial Shutdown Due to Fire

Philadelphia Energy Solutions' (PES) Philadelphia, Pennsylvania refinery was putting crude into circulation at the Girard Point units on Monday ahead of a Tuesday restart. On January 10, a utility system failed and small fires broke out impacting the 200,000 b/d crude unit and other associated units in the Girard Point system.

Reuters, 16:54 January 13, 2015

Marathon Reports FCCU Shut at Its 451,000 b/d Galveston Bay, Texas Refinery January 13

Marathon Petroleum Corp reported the fluid catalytic cracking unit (FCCU) at its Galveston Bay, Texas refinery lost an air blower and shut down, according to a filing with the Texas Commission on Environmental Quality.

Reuters, 14:32 January 13, 2015

Shell Reports Emissions from Pinhole Leak at Its 327,000 b/d Deer Park, Texas Refinery January 14

Royal Dutch Shell Plc reported emissions from a pinhole leak at its Deer Park refinery, according to a filing with the Texas Commission on Environmental Quality. The company said the leak was stopped.

Reuters, 9:52 January 14, 2015

EOG Resources' Restarts Its 90,000 b/d Hawthorn Pipeline in Oklahoma

EOG Resources Inc's Hawthorn pipeline moving Bakken crude oil towards Cushing, Oklahoma, restarted after being shut for two months. Four crude oil trains have arrived at Stroud, Oklahoma, since January 4, according to data from information group Genscape. Another train was set to arrive at Stroud on Tuesday, Genscape said.

Volumes arriving at Stroud feed into the Hawthorn pipeline, which moves crude to Cushing. Genscape said that Hawthorn pipeline flow averages 43,000 b/d this week.

Reuters, 15:34 January 13, 2015

Suncor Energy Defers 40,000 b/d MacKay River 2 Project and White Rose Extension Project Due to Low Crude Oil Prices

Suncor Energy Inc on Tuesday announced spending reductions to its 2015 budget in response to lower crude prices. The company also said it was deferring some projects that haven't yet been sanctioned, such as the second phase of its MacKay River oil-sands project and the White Rose Extension project offshore Newfoundland and Labrador. MacKay River Phase 2 would add 40,000 b/d of bitumen production by 2018 to the project, which currently produces 35,000 b/d. <http://www.suncor.com/en/newsroom/5441.aspx?id=1911200>

Reuters, 16:59 January 13, 2015

<http://www.bloomberg.com/news/2015-01-13/suncor-reduces-capital-spending-cuts-1-000-jobs-on-oil-prices.html>

<http://www.hydrocarbons-technology.com/projects/mackay-river-commercial-oil-sands-project-alberta/>

Oil Traders to Store at Least 25 Million Barrels at Sea as Prices Drop

Some of the world's biggest oil traders have booked supertankers to store at least 25 million barrels at sea in recent days, seeking to take advantage of the drop in crude prices and make a profit down the line. Floating storage levels are expected to increase further in coming weeks as trading companies adopt a strategy that was last used in 2009 when prices fell and led to over 100 million barrels of oil being parked on tankers at sea before stocks were sold off. In the past week, trading firms including Trafigura, Vitol, Gunvor, Koch, and energy major Shell have started booking oil tankers for floating storage for up to 12 months, according to ship industry sources and freight bookings. At least 11 very large crude carriers (VLCCs) have been reported as booked with storage options, rising from around five vessels at the end of last week. Each VLCC can hold 2 million barrels.

<http://www.reuters.com/article/2015/01/13/us-oil-tankers-storage-idUSKBN0KM23K20150113>

EIA Says U.S. 2016 Oil Output Growth Seen Slowest in Five Years

The U.S. Energy Information Administration (EIA) said on Tuesday it expects domestic oil output in 2016 to grow only 2.2 percent, the slowest pace in years, as prices continue to drop. In its first forecast for next year, the EIA said domestic oil production will rise about 200,000 b/d to 9.5 million b/d in 2016. That amount in barrels is the smallest increase since 2011. The EIA held its estimate for 2015 at a rise of 720,000 b/d to around 9.3 million b/d. Output rose to 9.13 million b/d by the end of 2014, according to EIA data.

http://www.rigzone.com/news/oil_gas/a/136735/EIA_US_2016_Oil_Output_Growth_Seen_Slowest_In_5_Years#sthash.hNH4j7Np.dpuf

<http://www.eia.gov/todayinenergy/detail.cfm?id=19571>

Shell Receives Approval to Export Lightly Processed Condensate January 13

Royal Dutch Shell Plc said on Tuesday it received U.S. approval to export a condensate that has undergone minimal processing. Shell had been working with the U.S. Department of Commerce's Bureau of Industry and Security (BIS) on how to ship lightly processed condensate overseas without violating a decades-old crude oil export ban. The BIS regulates export controls. The approval enables Shell to move ahead with exports of condensate that qualifies as an exportable refined product as defined by BIS guidance issued on December 30, the company said. Shell said it would export processed condensate when it was sufficiently profitable.

Reuters, 22:06 January 13, 2015

Natural Gas

Southern Union Reports Inlet Gas Flaring due to Engine Shutdown at Its 140 MMcf/d Keystone Gas Plant in Texas January 11

Southern Union reported flaring of the low pressure inlet gas when unit 23 went down due to an unexpected engine shutdown. Unit 24 went down on low revolutions per minute. Both units were rest and restarted.

<http://www11.tceq.state.tx.us/oc/eer/index.cfm?fuseaction=main.getDetails&target=208404>

Other News

White House Announces Plan to Cut Methane Emissions from Oil, Gas Production

The Obama Administration today announced a new goal to cut methane emissions from the oil and gas sector by 40–45 percent from 2012 levels by 2025. Methane emissions accounted for nearly 10 percent of U.S. greenhouse gas emissions in 2012, of which nearly 30 percent came from the production transmission and distribution of oil and natural gas. Emissions from the oil and gas sector are down 16 percent since 1990 and current data show significant reductions from certain parts of the sector, notably well completions. Nevertheless, emissions from the oil and gas sector are projected to rise more than 25 percent by 2025 without additional steps to lower them. For these reasons, a strategy for cutting methane emissions from the oil and gas sector is an important component of efforts to address climate change. Achieving the Administration's goal would save up to 180 billion cubic feet of natural gas in 2025. <http://www.whitehouse.gov/the-press-office/2015/01/14/fact-sheet-administration-takes-steps-forward-climate-action-plan-anno-1>

U.S. Ethanol Futures Fall to Nine Year Low on Record Supply

U.S. ethanol futures fell to the lowest levels in nearly a decade on Wednesday after Energy Information Administration (EIA) data showed the largest supplies in about a year, traders said. The EIA said ethanol stockpiles surged 1.38 million barrels to 20.23 million barrels in the week ending January 9. The week-on-week spike in supplies of more than 7 percent was the largest since EIA started tracking the data in 2010 while average daily ethanol production increased 29,000 b/d to 978,000 b/d. Reuters, 11:08 January 14, 2015

International News

Mexico's Pemex Reports Gasoline Shortages Due to Pipeline Thefts

Mexico's state-owned oil company, Pemex, reported pipeline thefts have gotten so bad they're causing gasoline shortages in some states. Pemex said thieves repeatedly drilled illegal taps into pipelines carrying gasoline from refineries to distribution centers in north-central Mexico. The company often has to shut down or reduce pressure in pipelines to repair the damage caused by illegal taps. Pemex said it had increased the number of tanker-truck runs to deliver gasoline but the trucks can't replace pipelines in the long term, and are much more costly way to distribute gasoline. Thieves drilled around 2,500 illegal taps in the first nine months of 2014, and stole more than \$1 billion in fuel.

http://www.downstreamtoday.com/news/article.aspx?a_id=46006

Energy Prices

U.S. Oil and Gas Prices			
January 14, 2015			
	Today	Week Ago	Year Ago
CRUDE OIL West Texas Intermediate U.S. \$/Barrel	48.44	48.64	92.37
NATURAL GAS Henry Hub \$/Million Btu	2.89	2.96	4.19

Source: Reuters

Links

This Week in Petroleum from the U.S. Energy Information Administration (EIA)

<http://www.eia.gov/oog/info/twip/twip.asp>

Updated every Wednesday.

Weekly Petroleum Status Report from EIA

http://www.eia.gov/oil_gas/petroleum/data_publications/weekly_petroleum_status_report/wpsr.html

Updated after 10:30 AM & 1:00 PM ET every Wednesday.

Natural Gas Weekly Update from EIA

<http://www.eia.gov/oog/info/ngw/ngupdate.asp>

Updated after 2:00 PM ET every Thursday.

ENERGY ASSURANCE DAILY

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<http://www.oe.netl.doe.gov/ead.aspx>

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