



ENERGY ASSURANCE DAILY

Tuesday Evening, January 27, 2015

Electricity

Major Winter Storm Knocks Out Power to Over 34,000 Customers in Massachusetts January 26–27

A strong snowstorm knocked out power to 20,327 NSTAR and 13,677 National Grid customers in Massachusetts Monday night into Tuesday. National Grid reported all of Nantucket Island lost power (12,700 customers) after severe icing knocked out both of the substation transformers. One transformer has been restored but before the substation is put back in service, all the power lines on the island must be checked for problems and repaired, if needed, before they can be returned to service. Patrols are being hampered by the weather conditions and repairs must wait until the winds subside enough for crews to work safely in the elevated buckets. As of 3:30 p.m. EST, 17,224 NSTAR and 11,925 National Grid customers remained without power. A spokeswoman for ISO New England said the overall power supply was functioning normally. She said the load was running under forecast today, most likely because many business and schools across New England were closed, which reduces demand on the system.

http://www.nationalgridus.com/aboutus/a3-1_news2.asp?Document=9173

<https://www1.nationalgridus.com/PowerOutageMap-MA-RES>

<https://twitter.com/nationalgridus>

<http://outage.nstar.com/outage/outagemap.aspx>

<https://www.bostonglobe.com/business/2015/01/27/thousands-lose-power-story/awXQFhWumraJI78tAJnEeN/story.html>

Entergy's 653 MW Pilgrim Nuclear Unit 1 in Massachusetts Shut Early January 27 Due to Storm-Related Power Outage

Entergy's Pilgrim nuclear unit in Plymouth, Massachusetts could be offline for days after a storm-related outage shut down two of the major lines carrying electricity from the generating facility, according to a spokesperson. The lines failed about 4 a.m. EST, at a time when Pilgrim's output had already been reduced to 20 percent because of storm-related conditions on the electrical grid.

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

<http://www.bostonglobe.com/metro/2015/01/27/pilgrim-nuclear-plant-offline-because-storm-outage/SOy1XyWf47Qbsg4HHzSHTO/story.html>

Update: Exelon's 1,022 MW Clinton Nuclear Unit in Illinois Ramps Up to 90 Percent by January 27

On the morning of January 26 the unit was operating at 73 percent after restarting by January 25. The unit was shut on January 21 after operators discovered elevated water levels in the containment sump, which could be indicative of a small pipe or valve leak inside the containment building.

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

http://www.pantagraph.com/news/local/clinton-nuclear-plant-offline-for-maintenance/article_82a5a3c7-c0d3-57ef-80c3-cbd5109f7e6a.html

NMC's 522 MW Prairie Island Nuclear Unit 1 in Minnesota Shut by January 27

On the morning of January 26 the unit was operating at full power.

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

Update: BrightSource Energy's 184 MW Aggregate Solar Units 8–9 in California Returns to Service by January 26

The unit returned from an unplanned curtailment of 160 MW that began by January 17.

<http://content.caiso.com/unitstatus/data/unitstatus201501261515.html>

FPL Announces Plans to Build Three 74 MW Solar Power Plants in Florida

Florida Power & Light Company (FPL) on Monday announced details about its plans to build substantially more solar energy capacity as part of its ongoing strategy of advancing clean energy while keeping electricity affordable for customers. Before the end of 2016, FPL intends to build three new solar photovoltaic (PV) power plants that are being designed to cost-effectively complement other major system improvements, which include the retirement of some of the company's oldest fossil fuel-burning units and the continued investment in clean, fuel-efficient, 24-hour power generated from U.S.-produced natural gas and zero-emissions nuclear fuel. The three sites are: FPL Citrus Solar Energy Center in DeSoto County, near FPL's first large-scale solar plant; FPL Babcock Ranch Solar Energy Center in Charlotte County; and FPL Manatee Solar Energy Center in Manatee County, on the site of an existing fuel-efficient natural gas power plant that FPL operates.

<http://www.pnnewswire.com/news-releases/fpl-announces-plans-to-install-more-than-1-million-solar-panels-at-three-additional-solar-power-plants-as-part-of-continued-strategy-of-advancing-affordable-clean-energy-in-florida-300025619.html>

Petroleum

United Steelworkers Union Signals U.S. Refinery Workers May Have to Strike January 26

The United Steelworkers union (USW) signaled on Monday a strike by U.S. refinery workers may be necessary to win what it calls a fair contract from oil companies. Union and oil company negotiators met for a sixth day of negotiations on Monday ahead of the current contract expiring at 12:01 a.m. on Sunday in the time zone where each refinery is located. Royal Dutch Shell Plc is leading the talks on behalf of companies ranging from supermajors such as ExxonMobil Corp and BP Plc to smaller companies such as HollyFrontier Corp and Delek. A USW spokeswoman said the union has prepared for a strike. Refineries have also prepared for a possible strike by training temporary replacement workers and by placing trailers on refinery grounds as quarters for the replacement workers. A Shell spokesman said on Monday the company is optimistic a mutually satisfactory agreement with the Steelworkers is possible. The union represents workers at 63 refineries that account for two-thirds of U.S. refining capacity.

Reuters, 12:51 January 27, 2015

Toledo Refining Reports Vessel Leak at Its 160,000 b/d Oregon, Ohio Plant January 24

Toledo Refining reported a vessel (piece of equipment) was leaking sulfuric acid to the ground at its Oregon, Ohio plant on January 24, according to a filing with the National Response Center.

Reuters, 10:40 January 27, 2015

Citgo Reports Compressor Failure, Flaring at Its 427,800 b/d Lake Charles, Louisiana Refinery January 25

Reuters, 10:35 January 27, 2015

Chalmette Restarts FCCU at Its 192,500 b/d Chalmette, Louisiana Refinery Over Weekend

Reuters, 12:08 January 26, 2015

ExxonMobil Reports Minimal Impact on Production from Flaring at Its 149,500 b/d Torrance, California Refinery January 26

Reuters, 19:46 January 27, 2015

U.S. Crude Oil Exports Boosted as Enterprise Signs Term Contracts – Sources

U.S. exports of condensate have been given an important boost after Enterprise Products Partners LP agreed annual contracts with at least two major trading companies to sell the light crude, trade sources said. Enterprise is selling 40,000 b/d under the contracts. It has contracts with Petro-Diamond Singapore and Vitol for 1.2 million barrels of U.S. condensate per month in 2015, according to the trade sources

Reuters, 3:55 January 27, 2015

U.S. Oil Well Shut-Ins Start as Crude Oil Downturn Hits Small Producers

With U.S. crude around \$46 a barrel, oil producers are closing some small old wells, known as strippers, and tens of thousands of similar wells are on the verge of losing money. A further slide could, by some estimates, idle an equivalent of up to 2 percent of U.S. supply, slowing overall output growth more than expected or even leaving it flat. There are about 400,000 stripper wells in the U.S., most with operating costs of between \$20 and \$50 per barrel, according to analysts at Wood Mackenzie. Strippers often produce just a few barrels a day, but together they account for up to 1 million b/d, a ninth of U.S. output. Not all stripper wells are losing money now and those that do may not be shut-in. This is in part because producers can lose their leases forever if they shut wells for more than a few months, so owners are often willing to pump at a loss and store oil until prices rise. Wood Mackenzie estimates that at \$40, about 100,000 to 200,000 b/d are at risk.

Reuters, 7:00 January 27, 2015

Knight Warrior Moves Forward with 100,000 b/d Pipeline Project to Link East Texas Eaglebine/Woodbine Oil Play to Houston

Knight Warrior LLC on Monday announced it reached several key milestones and was moving forward with its 160-mile pipeline. The pipeline, which will link the emerging East Texas Eaglebine/Woodbine crude oil resource play to the Houston refining and export markets, is scheduled for startup in the second quarter of 2016. The project is backed by shipper commitments, including a transportation agreement with Vitol and SEI Energy, LLC. The Knight Warrior East Texas project will consist of a 160-mile, 16-inch diameter pipeline originating in Madison County continuing south through Walker, Grimes, Montgomery, and Harris counties. The pipeline will have an initial capacity of 100,000 b/d, will be expandable up to 200,000 b/d and will serve Eaglebine/Woodbine crude oil producers via two origination stations located near North Zulch and Madisonville, with a third station near Roans Prairie planned to accommodate future production growth in the area. The pipeline will have the capability to segregate and batch crude oil in order to help producers capture value for this premium product.

<http://investor.bkep.com/profiles/investor/ResLibraryView.asp?ResLibraryID=75033&BzID=1505&g=386&Nav=0&LangID=1&s=0>

Natural Gas

Enterprise's 125,000 b/d Appalachia-to-Texas Express Ethane Pipeline Shut Due to Rupture in West Virginia January 26

Enterprise Products Partners LP said an ethane pipeline ruptured in West Virginia on Monday morning and shut the 125,000 b/d Appalachia-to-Texas Express (ATEX) pipeline north of the rupture. A small fire at the site of the rupture was burning off fuel in the pipeline on Monday afternoon and emergency crews were demobilizing, according to an Enterprise spokesman. Enterprise had no estimate as to when repairs would be completed and the shut portion of the line restarted. The 20-inch pipeline was brought into service in January 2014 and transports ethane from the Marcellus/Utica shales in the U.S. Northeast to Texas. The pipeline runs from Washington County in Pennsylvania to Mont Belvieu, Texas, east of Houston, Rainey said. Four natural gas liquids fractionators are connected to the pipeline and two are north of the rupture and two are south of the West Virginia rupture.

Reuters, 18:45 January 26, 2015

Regency Reports AGI Compressor Shut at Its 290 MMcf/d Waha Gas Plant in Texas January 25

Regency reported the acid gas injector (AGI) compressor shut on low first stage pressure due to an amine system upset. Operations discovered the west amine booster pump was not pumping sufficient volume at all times thus creating surges to the main amine pumps. Operations switched to the east booster pump and wrote a work order for maintenance to repair east pump. The AGI compressor was reset and restarted.

<http://www11.tceq.state.tx.us/oc/eer/index.cfm?fuseaction=main.getDetails&target=209211>

DCP Midstream Reports SRU Efficiency below Limit at Its 160 MMcf/d Goldsmith Gas Plant in Texas January 26

DCP Midstream reported the sulfur recovery unit's (SRU) efficiency was below the permitted limit. Operations adjusted the SRU set points and the cause was under investigation.

<http://www11.tceq.state.tx.us/oc/eer/index.cfm?fuseaction=main.getDetails&target=209220>

ExxonMobil Reports Unit Shut at Its 65 MMcf/d Dollarhide Gas Plant in Texas January 26

ExxonMobil reported issues with the Wauk -3 unit. Operations shut the unit to diagnose issues with the engine coolant system. Operations shut in all available flowing wells to reduce and mitigate emissions and mechanics were replacing the engine heads.

<http://www11.tceq.state.tx.us/oc/eer/index.cfm?fuseaction=main.getDetails&target=209273>

Other News

Interior Department Announces Draft Strategy for Offshore Oil and Gas Leasing; Includes Atlantic Lease Sale

The Department of Interior and Bureau of Ocean Energy Management (BOEM) today announced the next step in the development of the nation's Outer Continental Shelf (OCS) Oil and Gas Leasing Program for 2017–2022. The Draft Proposed Program (DPP) includes 14 potential lease sales in eight planning areas – 10 sales in the Gulf of Mexico, three off the coast of Alaska, and one in a portion of the Mid- and South Atlantic. Release of the draft is an early step in a multi-year process to develop a final offshore leasing program for 2017–2022. Before the program is finalized, the public will continue to have multiple opportunities to provide input. The OCS Lands Act requires the Secretary of the Interior to prepare a five-year program that includes a schedule of potential oil and gas lease sales and indicates the size, timing and location of proposed leasing activity as determined to best meet national energy needs, while addressing a range of economic, environmental and social considerations.

<http://www.doi.gov/news/pressreleases/interior-department-announces-draft-strategy-for-offshore-oil-and-gas-leasing.cfm>

International News

Nothing to report.

Energy Prices

U.S. Oil and Gas Prices			
January 27, 2015			
	Today	Week Ago	Year Ago
CRUDE OIL West Texas Intermediate U.S. \$/Barrel	45.47	46.95	95.32
NATURAL GAS Henry Hub \$/Million Btu	2.93	3.09	5.19

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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