



ENERGY ASSURANCE DAILY

Wednesday Evening, January 28, 2015

Electricity

Update: Over 5,000 Customers Remain without Power January 28 after Major Winter Storm Hits Massachusetts January 26–27

Restoration work was continuing after a strong snowstorm knocked out power to over 60,000 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. Significant progress was made overnight restoring power to about two-thirds of affected customers in Nantucket. National Grid expects the remaining customers without power to be restored by midnight. NSTAR said it was working to substantially complete restoration tonight. As of 3:30 p.m. EST, 3,643 National Grid customers and 1,404 NSTAR customers remained without power.

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

<https://twitter.com/nationalgridus>

<https://www1.nationalgridus.com/StateLandingMA>

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

<http://www.nstar.com/residential/>

https://twitter.com/NSTAR_News?original_referer=http%3A%2F%2Fwww.nstar.com%2Fnstar_news%2F&profile_id=56795612&query=null&related=null&tw_i=560268272625782786&tw_p=embeddedtimeline&tw_w=368078744302280704

<http://foxct.com/2015/01/28/12000-without-power-after-blizzard-in-massachusetts/>

Exelon's 855 MW Quad Cities Nuclear Unit 1 in Illinois Reduced to 33 Percent by January 28

On the morning of January 27 the unit was operating at full power.

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

BrightSource Energy's 184 MW Aggregate Solar Units 8–9 in California Reduced by January 27

The unit entered an unplanned curtailment of 160 MW.

<http://content.caiso.com/unitstatus/data/unitstatus201501271515.html>

Petroleum

U.S. Oil Stocks Hit Record High as Supply Glut Fills Storage Tanks - EIA

U.S. crude oil inventories surged 8.9 million barrels last week to 406.7 million barrels, their highest inventory on record, Energy Information Administration (EIA) data showed on Wednesday. The increase marks a third consecutive weekly jump as a global crude glut fills up storage tanks. Analysts had expected an increase of 4.1 million barrels. The bulk of the rise, 5.5 million barrels, occurred in the Gulf Coast (PADD 3) region.

Reuters, 11:43 January 28, 2015

<http://www.eia.gov/>

Update: United Steelworkers Union Rejects Second Refinery Contract Proposal from Oil Companies January 27

The United Steelworkers (USW) union on Tuesday rejected the second proposal for a new U.S. refinery workers contract offered by oil company representatives, saying it failed to adequately address key concerns, according to a text message sent by the union to its members. Negotiations between the USW and refiners were continuing, said a spokesman for Royal Dutch Shell Plc which is the lead negotiator for refinery owners. Shell is leading the talks on behalf of companies including supermajors such as Exxon Mobil Corp and BP Plc and smaller companies such as HollyFrontier Corp and Delek. The union and refineries have both prepared for a possible strike, which the union signaled on Monday may be needed to win concessions from the oil companies.

Reuter, 19:44 January 28, 2015

Component Trip to Shut FCCU for a Week at Husky and BP's 125,600 b/d Toledo, Ohio Refinery January 27 – Source

A 55,000 b/d fluid catalytic cracking unit (FCCU) at BP Plc and Husky Energy's Toledo, Ohio, refinery is expected to be shut for a week after a component tripped, according to a person familiar with the plant. Efforts were underway to increase production at the plant while Husky's refinery in Lima, Ohio, was at reduced rates following a fire, the person said.

Reuters, 18:09 January 27, 2015

Update: BP's CDU Back to Planned Rates at Its 413,500 b/d Whiting, Indiana Refinery January 27 – Sources

A 90,000 b/d crude distillation unit (CDU) was back to planned production levels on Tuesday at BP Plc's Whiting, Indiana, refinery, said sources familiar with plant operations. The CDU, called Pipestill 11C, was knocked out of production on January 22 and restarted on January 30. The other two CDUs at the refinery remained in operation while Pipestill 11C was shut.

Reuters, 16:30 January 27, 2015

Update: Citgo Reports No Impact on Operations after January 25 Compressor Failure at Its 427,800 b/d Lake Charles, Louisiana Refinery

Citgo Petroleum Corp said there was no impact on operations after a compressor failure at its Lake Charles, Louisiana refinery. Citgo reported a compressor failure on January 25.

Reuters, 15:29 January 27, 2015

Total Shuts Unit after Malfunction at Its 225,500 b/d Port Arthur, Texas Refinery January 27

Total Petrochemicals said on Tuesday it shut an unspecified unit following an operational upset during its startup, which led to sulfur dioxide emissions at its refinery in Port Arthur, Texas. Local media earlier reported on Tuesday a chemical release from the refinery prompted officials to issue a shelter in place order for a nearby elementary school. The company said it would continue to monitor the situation but did not identify the refinery unit involved. The refinery on Monday reported it was continuing the startup process of an unnamed unit, according to a filing with state regulators, which identified the sulfur recovery unit as one of the sources of emissions.

Reuters, 16:03 January 27, 2015

Citgo Reports Operations Normal after Process Upset at Its 163,000 b/d Corpus Christi, Texas Refinery January 28

Citgo Petroleum Corp on Wednesday said its Corpus Christi, Texas refinery was operating normally after a loss of boiler no. 3 steam caused a process upset, according to a filing with the Texas Commission on Environment Quality.

Reuters, 10:38 January 28, 2015

Reuters, 18:26 January 27, 2015

Shell Reports Unit Shut at Its 156,400 b/d Martinez, California Refinery January 26

Royal Dutch Shell Plc reported a unit shut at its Martinez, California, refinery on January 26, according to a filing with Contra Costa County Health Services.

Reuters, 11:03 January 28, 2015

Husky Energy Shelves Fall Shutdown of Its 155,000 b/d Lima, Ohio Refinery, Postpones Crude Flexibility Project – Source

Husky Energy Inc has shelved plans to shut its refinery in Lima, Ohio on October 1 after postponing a crude flexibility project for two years, according to a person familiar with the facility's operations. The company decided to delay the \$300 million project because of low crude oil prices and unexpected costs following an explosion this month the person said late Tuesday. The project was originally designed to allow for the processing of up to 40,000 b/d of heavy crude feedstock from Western Canada starting in 2017. Construction was expected to begin this year, starting with a 40-day refinery-wide shutdown starting on October 1, but now the work is not expected to start until 2017, with a completion date in 2019, the source said. The company has instead planned smaller-scale maintenance work for March 2016. Earlier this month, the refinery's 26,000 b/d isocracker unit was destroyed after an explosion at the refinery caused a large fire. The unit needs to be replaced, which is expected to take months and limit production at the facility by roughly 25,000 barrels, the source said.

Reuters, 10:15 January 28, 2015

Kinder Morgan Says Freedom Pipeline Project from Texas to California is Gaining Refiner Interest

Kinder Morgan Inc's proposed Freedom Pipeline project, which would add 200 miles to an existing 740-mile natural gas pipeline and convert it to move West Texas crude oil to Southern California, is getting more interest from U.S. West Coast refiners, the Unit President of the company's natural gas pipeline unit said on Wednesday. The company first proposed the \$2 billion project in 2012 but shelved it in May 2013 for lack of shipper interest. The revamped proposal includes adding a topping unit at the front end in Wink, Texas that would produce processed condensate as well as gasoils and residual fuels to create crude blends that better match the Alaska North Slope (ANS) crude that California refineries typically process. The new proposal also involves shipping ultra-light crude that could be exported from California. The Unit President did not say whether Kinder Morgan has or is awaiting U.S. government approval to export condensate with enough processing to qualify as an exportable refined product.

The new proposal includes

Reuters, 11:48 January 28, 2015

Update: Tanker with 1 Million Barrels of Kurdish Crude Oil Leaves U.S. Waters after 6-Month Dispute

After being stuck in legal limbo for six months, a tanker loaded with 1 million barrels of Kurdish crude oil headed east on Tuesday to leave U.S. waters after Baghdad and the Kurds reached a deal to share oil revenue. The United Kalavrta tanker, which had been anchored in the U.S. Gulf of Mexico since July, was headed to Gibraltar, said the vessel's operator, Marine Management Services, based in Greece. It added that it has not received any orders to discharge the cargo. Last week, motions filed in a Houston, Texas, court by lawyers for Iraq and the Kurdistan Regional Government showed the vessel would soon have to move to another destination in order to pass special surveys designed to maintain its class certification. Lawyers also told the court it was possible an agreement over the cargo would likely be reached after Iraq's government unveiled its proposed 2015 budget to parliament. Those meetings were held earlier on Tuesday. The cargo's U.S. buyer refused to accept delivery after Iraq filed a lawsuit to block the sale.

http://www.downstreamtoday.com/news/article.aspx?a_id=46154

Natural Gas

DCP Midstream Reports Broken Flange at Its 160 MMcf/d Goldsmith Gas Plant in Texas January 27

DCP Midstream reported an emergency shutdown of the sulfur plant due to a broken flange on the NR1 reheater drop. The damaged flange was repaired and operations placed the sulfur recovery unit back online, ending flare event.

<http://www11.tceq.state.tx.us/oc/eer/index.cfm?fuseaction=main.getDetails&target=209347>

Other News

Sasol to Delay Gas-to-Liquids Plant in Louisiana to Conserve Cash

Sasol will delay a decision to invest in its gas-to-liquid project in Louisiana to conserve cash after oil prices tumbled, the firm said on Wednesday. Sasol's share price has fallen about 34 percent since Brent crude slumped in June last year. The company said it would proceed with its \$8.1 billion investment in an ethane cracker in Louisiana. http://www.downstreamtoday.com/news/article.aspx?a_id=46173

EPA Approves Argentina Joining Biofuel Credit Program

On Tuesday, the Environmental Protection Agency (EPA) said it has approved a request from Argentina's Biofuels Chamber (Carbio) for an "Alternative Renewable Biomass Tracking Requirement," which sets out environmental standards needed for foreign producers to join the U.S. Renewable Fuel Standards program. The approval comes three years after the South American country, the world's top exporter of biodiesel made from soybean oil, applied to earn RIN (Renewable Identification Numbers) alternative fuel credits, used by U.S. refiners, importers and others to prove they are complying with biofuel blending requirements.

<http://www.epa.gov/otaq/fuels/renewablefuels/documents/carbio-decision-document-2015-01-27.pdf>

http://www.downstreamtoday.com/news/article.aspx?a_id=46152

International News

Nothing to report.

Energy Prices

U.S. Oil and Gas Prices			
January 28, 2015			
	Today	Week Ago	Year Ago
CRUDE OIL			
West Texas Intermediate U.S.	44.05	47.50	97.43
\$/Barrel			
NATURAL GAS			
Henry Hub	2.95	2.92	5.69
\$/Million Btu			

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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