



ENERGY ASSURANCE DAILY

Friday Evening, February 12, 2016

Electricity

Update: Entergy's 653 MW Pilgrim Nuclear Unit 1 in Massachusetts at Full Power by February 12

On the morning of February 11 the unit was operating at 12 percent. The plant was shut on February 7 as a precautionary measure due to a winter snowstorm.

<http://www.nrc.gov/reading-rm/doc-collections/event-status/reactor-status/2016/>
<https://twitter.com/PilgrimNuclear>

Update: Cabrillo Power's 330 MW Encina Gas-fired Unit 5 in California Returns to Service by February 11

The unit returned from an unplanned outage that began by February 9.

<http://content.caiso.com/unitstatus/data/unitstatus201602111515.html>

TVA Abandoning Plan for New Reactors at Its Idled Bellefonte Nuclear Plant in Alabama

The Tennessee Valley Authority (TVA) is giving up on plans to construct new reactors at its unfinished, multibillion-dollar Bellefonte Nuclear Plant in northeast Alabama. Construction began at Bellefonte in 1974 and has been on hold since 1988. TVA began considering plans for a new type of reactor at the plant about a decade ago. Local media reported Friday that TVA said it will inform federal regulators that it plans to abandon that possibility, too.

Reuters, 1:46 February 12, 2016

Petroleum

PES Cuts Production By 10 Percent at Its 335,000 b/d Philadelphia, Pennsylvania Refinery Due to Weak Margins February 11 – Source

Philadelphia Energy Solutions (PES) cut output by 10 percent at its refinery in Philadelphia, Pennsylvania due to weak margins, according to a person familiar with the plant's operations. The refiner also diverted a cargo of crude oil destined for the facility to a storage facility outside the city due to the run cuts, the source said.

Reuters, 5:28 February 11, 2016

HollyFrontier Reports Emissions at Its 70,300 b/d Tulsa East, Oklahoma Refinery February 5

HollyFrontier Corporation reported excess hydrogen sulfide to flares 1 and 2 at its Tulsa East, Oklahoma refinery, according to a filing with the Oklahoma Department of Environmental Quality.

Reuters, 10:58 February 11, 2016

ExxonMobil's 560,500 b/d Baytown, Texas Refinery Running 75,000 b/d below Capacity – Sources

ExxonMobil Corp's Baytown, Texas, refinery is running at about 75,000 b/d below the plant's nameplate capacity and 100,000 b/d below normal production levels, sources familiar with plant operations said on Thursday. The Baytown refinery has a current production level of 485,000 b/d, the target set by ExxonMobil, the sources said. The plant has a nameplate capacity of 560,500 b/d, according to the U.S. Energy Information Administration, and normally runs between 585,000 and 590,000 b/d, according to the sources. There are currently no problems with the refinery's production units that would account for the cut in production, the sources said.

Reuters, 6:21 February 11, 2016

Update: PBF Expects FCCU Startup to Begin March 15 at ExxonMobil's 149,500 b/d Torrance, California Refinery

PBF Energy said on Thursday it expects startup activities on a shut fluid catalytic cracking unit (FCCU) at ExxonMobil's Torrance refinery near Los Angeles, California, to begin March 15. The restart will pave the way for PBF to complete its acquisition of the facility by the second quarter of this year. The FCCU was shut in February 2015 following an explosion and has since remained under repair. The restart will take 35 days, including a 15-day period in which Exxon is required to prove the unit is fully operational. PBF said in September that it would acquire the refinery for \$537.5 million.

Reuters, 7:13 February 11, 2016

U.S. Oil Drillers Cut Rigs to Lowest Level in 6 Years – Baker Hughes

U.S. energy firms this week cut oil rigs for an eighth week in a row to the lowest levels since January 2010, data from Baker Hughes Inc showed on Friday. Some analysts forecast the rig count will decline for a few more months before recovering later this year when they expect crude prices to rise. Drillers removed 28 oil rigs in the week ended February 12, bringing the total rig count down to 439, Baker Hughes said. That compares with 1,056 oil rigs operating in same week a year ago.

Reuters, 1:33 February 12, 2016

California Commission Rejects Valero's Oil-by-Rail Project at Its 145,000 b/d Benicia Refinery February 11

Valero Energy Corp's proposed oil-by-rail project at its northern California refinery was rejected on Thursday by the Benicia Planning Commission. Valero first proposed building the rail facility at its Benicia refinery to offload up to 70,000 b/d of inland U.S. and Canadian heavy crude three years ago. Valero can ask the Benicia City Council to override planners and approve a permit for the project.

Reuters, 1:29 February 12, 2016

Natural Gas

Update: SoCalGas Reports Natural Gas Leak Plugged at Its Aliso Canyon Facility in California February 11; Initiates Process of Permanently Stopping the Leak

Southern California Gas Co. (SoCalGas) on Thursday announced that it has temporarily controlled the flow of natural gas at the leaking well at its Aliso Canyon storage facility outside Los Angeles. It will continue to work in coordination with the California Division of Oil, Gas and Geothermal Resources (DOGGR), and other agencies during the process of permanently sealing the well. On December 4, 2015, SoCalGas commenced drilling a relief well to stop the natural gas leak by plugging the leaking well at its base. On February 11, the relief well intercepted the base of the leaking well, and the company began pumping heavy fluids to temporarily control the flow of gas out of the leaking well. DOGGR officials and representatives from other state and local agencies were at the site to observe the operation. The leak and the flow of gas will be declared ended once DOGGR has confirmed that the well has been permanently sealed. Cement will need to be injected from the relief well into the leaking well at its base in order to permanently seal it, which could occur over the next several days. The process by which DOGGR will confirm that the leaking well is permanently sealed could take several additional days after the cement is injected. The company is also continuing its preparations to drill a back-up relief well as a precautionary measure and will continue these efforts at least until the leak has been stopped permanently, the timing of which has not been determined yet.

<https://www.alisoupdates.com/1443738468372/SoCalGas-Temporarily-Controls-Flow-of-Gas-021116-2.pdf>

Update: Tennessee Gas Pipeline Extends Force Majeure Due to Pipeline Failure near Falfurrias, Texas; Estimates Restart February 29

Tennessee Gas Pipeline Company (TGP) on Friday said work was continuing related to the pipeline failure in MLV 403-1 to MLV 404-1 near Falfurrias, Texas (Segment 409). Further inspections will be required to return to service the valve section on line 1 from MLV 403 to MLV 404, the company said. The current estimate of the return to service date is now February 29. TGP initially declared force majeure on January 27 and estimated a return to service on February 15.

http://pipeline2.kindermorgan.com/Notices/NoticeDetail.aspx?code=TGP¬c_nbr=358542&date=2/12/2016&subject=¬c_type=-1¬c_sub_type=-1¬c_ind=C

http://pipeline2.kindermorgan.com/Notices/NoticeDetail.aspx?code=TGP¬c_nbr=358393&date=1/28/2016&subject=¬c_type=-1¬c_sub_type=-1¬c_ind=C

Tennessee Gas Pipeline Reports Emergency Repair Work at Station 249 near Carlisle, New York February 16

Tennessee Gas Pipeline Company (TGP) on Friday reported it had discovered an issue and needs to perform maintenance on a unit at Station 249 near Carlisle, New York. Repair work has been scheduled for Tuesday, February 16 and the expected duration of the outage is approximately 12 hours. TGP is estimating the impact to be up to 50 MMcf at STA 245.

http://pipeline2.kindermorgan.com/Notices/NoticeDetail.aspx?code=TGP¬e_nbr=358540&date=2/12/2016&subject=¬e_type=-1¬e_sub_type=-1¬e_ind=C

U.S. Natural Gas Rig Count Falls 2 to 102 – Baker Hughes

The number of rigs drilling for natural gas in the U.S. fell by 2 this week to 102, data from Baker Hughes showed on Friday. Horizontal rigs—the type most often used to extract oil or gas from shale—fell by 25 to 433.

Reuters, 1:02 February 12, 2016

Other News

Valero Energy Sues U.S. EPA over Biofuels Plan

Valero Energy Corp filed lawsuits against the U.S. Environmental Protection Agency (EPA) on Friday to push the regulator to alter a U.S. policy designed to boost use of renewables in transportation fuels. Valero filed a challenge with the U.S. Court of Appeals in Washington to review the EPA's latest Renewable Fuel Standard plans for 2014–2016. It separately asked the court to reopen its standards from 2010 and 2007, according to court documents dated February 12. Oil refiners are required to meet EPA targets for biofuel use. Those without adequate capacity to blend ethanol with gasoline have to buy compliance credits in a thinly traded market.

Reuters, 1:03 February 12, 2016

International News

Venezuela's Paraguana Complex Operating at 560,000 b/d – Union Leader

Venezuela's 955,000 b/d Paraguana refinery complex was operating at around 560,000 b/d, an oil workers' union leader said on Thursday, citing an internal report. The 645,000 b/d Amuay refinery was operating at around 310,000 b/d, while the adjacent 310,000 b/d Cardon refinery was at 250,000 b/d.

http://www.downstreamtoday.com/news/article.aspx?a_id=51054

Energy Prices

U.S. Oil and Gas Prices			
February 12, 2016			
	Today	Week Ago	Year Ago
CRUDE OIL			
West Texas Intermediate U.S.	29.27	30.81	50.65
\$/Barrel			
NATURAL GAS			
Henry Hub	2.12	2.05	2.85
\$/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

Energy Assurance Daily provides a summary of public information concerning current energy issues. Published Monday through Friday to inform stakeholders of developments affecting energy systems, flows, and markets, it provides highlights of energy issues rather than a comprehensive coverage. *Energy Assurance Daily* is updated online Monday through Friday after 5:00 p.m. ET. For more information, visit the Infrastructure Security and Energy Restoration (ISER) website at:

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

Please direct comments and questions to: ead@oe.netl.doe.gov