



ENERGY ASSURANCE DAILY

Thursday Evening, February 19, 2015

Major Developments

Update: CSX Continues Response to Oil Train Derailment in West Virginia, Notifies Officials of Plans to Bypass Site; FRA Says Speed Not a Factor in Derailment

CSX notified West Virginia officials of its plans to use alternate rail lines to bypass the scene of a crude oil train derailment and continue deliveries, including crude oil deliveries, to eastern Virginia, according to the West Virginia Division of Homeland Security and Emergency Management. A CSX train carrying North Dakota crude to Plains All American's crude oil transloading terminal in Yorktown, Virginia, derailed on Monday, near Mount Carbon, West Virginia. Twenty-seven cars derailed and 19 cars caught fire. As of Thursday morning, at least one small fire continued to burn at the scene. Response teams have removed the rail cars that were not involved in the derailment and were beginning to remove derailed cars that have not been involved in the fires. When safe to do so, CSX will begin transferring oil from the damaged cars to other tanks for removal from the site. Response crews are continuing to deploy environmental protective and monitoring measures on land, air and in the nearby Kanawha River as well as a creek near the tracks. The crews were able to deploy about 500 feet of containment boom as a precautionary measure. No rail cars entered the Kanawha River in this incident. The Federal Railroad Administration said Thursday the CSX train was going 33 mph at the time of Monday's crash and speed doesn't appear to be a factor in the derailment. The speed limit was 50 mph.

<http://www.uscgnews.com/go/doc/4007/2464810>

<http://www.csx.com/index.cfm/media/press-releases/wednesday-february-18-update-west-virginia-derailment/>

<http://abcnews.go.com/US/wireStory/feds-speed-factor-oil-train-crash-29082526>

<http://wmky.org/post/what-we-know-three-days-after-fayette-co-oil-train-derailment>

Reuters, 12:32 February 19, 2015

Update: FCCU Ordered to Remain Shut as Investigation Continues into Explosion, Fire at ExxonMobil's 149,500 b/d Torrance, California Refinery

The California Department of Industrial Relations has opened an investigation into the explosion and fire at ExxonMobil's Torrance, California refinery and issued an order forbidding ExxonMobil from operating the fluid catalytic cracking unit (FCCU) until the investigation has been completed. The department said the shutdown of the unit could last up to six months. On Wednesday evening the company said it was continuing to operate units that had not been affected by the explosion. Trade publication OPIS, citing an unidentified source, reported that the explosion occurred in the electrostatic precipitator (ESP), which reduces FCCU particulates, as contract workers were working on the FCCU to fix the expanders. The source added that an injection of ammonia on top of the flue gas stream caused a pressure buildup, which resulted in the ESP unit explosion. The unit could take up to a year to replace, the source said. The price of gasoline in Los Angeles surged to its highest level in about 18 months on fears that local supply would tighten in the coming weeks as result of the incident.

Reuters, 19:58, February 19, 2015

Electricity

Update: Over 12,000 Georgia EMC Customers Remain without Power February 19 after Southeast Winter Storm

12,378 Georgia EMC customers remained without power Thursday, down from a peak of 134,000 customers, after a winter storm producing snow and ice moved across the Southeast starting Sunday night and continuing into Monday and Tuesday. In total, the storm knocked out power to over 622,000 customers across seven states. Georgia EMC estimates that the majority of customers will be restored by midnight tonight.

<http://georgiaemc.com/storm-center/current-outages>

<http://georgiaemc.com/emcs-make-more-progress-overnight>

Duke Energy Asks Carolinas Customers to Reduce Electricity Use through Friday Due to Historic Low Temperatures

Duke Energy officials on Wednesday asked customers in North and South Carolina to conserve electricity use through Friday to help reduce high-energy demand on the electric grid caused by historic low temperatures forecasted for the Carolinas. The most critical time to reduce electricity usage will be Thursday and Friday between 5 a.m. and 10 a.m. EST.

<http://finance.yahoo.com/news/duke-energy-asks-carolinas-customers-200800183.html>

<https://www.facebook.com/duke.energy>

Constellation's 1,120 MW Nine Mile Point Nuclear Unit 2 in New York Shut on February 18

The unit shut from full power due to rapidly rising reactor water level.

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

<http://www.nrc.gov/reading-rm/doc-collections/event-status/event/2015/20150219en.html>

SunEdison and TerraForm Announce Completion, Start of Operation of 81.6 MW Regulus Solar Facility in California

SunEdison, Inc. on Wednesday announced the successful completion and start of operation of the Regulus solar facility in Kern County, California. Regulus is composed of approximately 250,000 SunEdison Silvantis solar photovoltaic (PV) panels to ensure maximum reliability and performance.

<http://investors.sunedison.com/phoenix.zhtml?c=106680&p=irol-newsArticle&ID=2017982>

Petroleum

U.S. Refining Strike May Extend to Tesoro's Oil Terminals in Port of Long Beach, California

United Steelworkers members who help run crude terminals at the Port of Long Beach are threatening to join a national oil workers' strike at U.S. refineries. Union members at the Port of Long Beach are negotiating their own contract with Tesoro Logistics. The group will meet with members of the International Longshore and Warehouse Union on Wednesday to discuss whether they would honor a walkout, he said. Tesoro Logistics unloads crude oil at marine terminals in Long Beach for delivery to Tesoro's Carson and Wilmington refineries in Southern California. Its Pier B berths can discharge 32,000 barrels per hour through a 24-inch line to tanks. Another terminal, Berth 121, is capable of unloading tankers carrying 2 million barrels, according to regulatory filings. Tesoro says it has a contingency plan that would allow it to safely operate its facilities with trained and qualified staff should a strike occur.

<http://www.hydrocarbonprocessing.com/Article/3428749/Latest-News/US-refining-strike-may-extend-to-California-oil-port.html>

Phillips 66 Plans to Restart FCCU at Its 200,000 b/d Ponca, Oklahoma Refinery February 21

Phillips 66 shut the fluid catalytic cracking unit (FCCU) at its Ponca City, Oklahoma refinery this week after the unit overheated, according to a person familiar with the plant's operations. The refinery plans to restart the unit Saturday, the person said. Phillips 66 previously said planned maintenance was underway at the plant.

Reuters, 15:37 February 18, 2015

Update: Motiva May Begin Restarting CDU at Its 600,250 b/d Port Arthur, Texas Refinery February 19; Hydrocracker May Restart Next Week - Sources

Motiva Enterprises may begin restarting a 195,000 b/d crude distillation unit (CDU) on Thursday, sources familiar with plant operations said on Wednesday. The refinery also plans to restart a hydrocracking unit by early next week, the sources said.

Reuters, 17:33 February 18, 2015

Update: Shell Says FCCU Not Shut, At Planned Rates at Its 327,000 b/d Deer Park, Texas Refinery February 18

Royal Dutch Shell Plc said Wednesday that a 70,000 b/d fluidic catalytic cracking unit (FCCU) was not shut at its joint-venture Deer Park, Texas, refinery. The unit went out of production on February 8, sources told Reuters. Shell has previously declined to discuss the unit by name or provide an update on its status until Wednesday. Reuters, 22:27 February 18, 2015

Citgo Says Operations Unhurt By Acid Leak at Its 427,800 b/d Lake Charles, Louisiana Refinery February 15

Reuters, 19:18 February 18, 2015

Monroe Energy Repairs Naphtha Line at Its 185,000 b/d Trainer, Pennsylvania Refinery February 18

Monroe Energy, a subsidiary of Delta Airlines, has repaired a problem on a line attached to the naphtha unit at its Trainer refinery just outside Philadelphia, Pennsylvania, a person familiar with the operations said. The refinery's naphtha unit is already down, having been idled earlier this month for planned maintenance, according to a trader. The company required additional manpower to resolve the situation, which officials feared could lead to larger problems at the facility, the person said.

Reuters, 11:22 February 18, 2015

U.S Crude Stocks at Record High; Cushing Stock Increase Highest in Six Years – EIA

U.S. crude inventories rose more than twice expected levels last week to fresh record highs as stockpiles at Cushing, Oklahoma, rose the most in six years, data from the Energy Information Administration (EIA) showed on Thursday. Crude inventories rose 7.7 million barrels to 425.6 million in the week to February 13, compared with analysts' expectations for an increase of 3.2 million barrels. It was the sixth straight week of builds to record highs for the time of year.

Reuters, 12:00 February 19, 2015

Update: North Dakota Rig Count Down to New Low of 127 February 19

The number of drilling rigs operating in North Dakota's oil fields fell to a new low of 127 on Thursday, according to state data. The rig count was 186 for the corresponding period last year. On January 12, the state had 159 rigs, the lowest since November 2010. North Dakota needs at least 130 rigs actively drilling new wells in order to maintain current levels, the director of the Department of Mineral Resources said in January.

Reuters, 5:47 February 19, 2015

Sunoco Reports Its 60,000 b/d Eaglebine Express Pipeline, 70,000 b/d Granite Wash Extension Project in Texas Became Operational in Fourth Quarter 2014

Reuters, 8:50 February 19, 2015

<http://www.sunocologistics.com/Customers/Business-Lines/Crude-Oil-Pipeline-System/55/>

Natural Gas

Regency Reports AGI Compressor Shut at Its 290 MMcf/d Waha Gas Plant in Texas February 17

Regency reported the acid gas injector (AGI) compressor shut on high dehydrator coalescer level and the glycol pump lost prime. Operations reprimed the pump and placed back it in service. The compressor was reset and restarted.

<http://www11.tceq.state.tx.us/oc/eer/index.cfm?fuseaction=main.getDetails&target=210359>

Other News

Nothing to report.

Pemex Says It Won't Ship Finished Gasoline or Diesel by Pipeline Amid Wave of Thefts

Mexico's state oil company, Pemex, says it will no longer use pipelines to ship finished, usable gasoline or diesel amid a wave of fuel theft. Pemex, believes that last year it lost more than a billion dollars worth of fuel to thieves who drilled thousands of illegal taps into pipelines. Pemex said Tuesday it will only ship semi-refined fuels through its pipelines. The final refinement stage will be performed at distribution terminals and tank farms, before the fuels are distributed to gas stations and industrial facilities. Pemex warned drivers Tuesday not to buy fuels from unauthorized sources "given that because they are not fully processed, they could damage motors."

http://www.downstreamtoday.com/news/article.aspx?a_id=46487

Energy Prices

U.S. Oil and Gas Prices			
February 19, 2015			
	Today	Week Ago	Year Ago
CRUDE OIL West Texas Intermediate U.S. \$/Barrel	51.07	50.65	102.76
NATURAL GAS Henry Hub \$/Million Btu	2.93	2.85	5.74

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>

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