



ENERGY ASSURANCE DAILY

Thursday Evening, February 20, 2014

Electricity

EIA Projects 60 Gigawatts of Coal-fired Generation to be Retired by 2020

In its Annual Energy Outlook 2014, the U.S. Energy Information Administration (EIA) is projecting 60 gigawatts of coal-fired power plant capacity will be retired by 2020 due to new emissions regulations and low natural gas prices that are leading utilities to shut down coal-fired power plants and open new ones that burn natural gas. Because the Environmental Protection Agency's Mercury and Air Toxics Standards (MATS) take effect in 2015, the EIA forecasts that 90 percent of the power plants expected to shut down by 2020 will actually be shut down by 2016. To comply with MATS, coal-fired power plants will likely have to install flue gas desulfurization equipment (scrubbers) or dry sorbent injection systems by 2016, which cost hundreds of millions of dollars each, depending on the size of the plant. At the end of 2012 there were 1,308 coal-fired generating units in the United States, totaling 310 GW of capacity.

<http://www.eia.gov/todayinenergy/detail.cfm?id=15031>

<http://www.climatecentral.org/news/flurry-of-coal-power-plant-shutdowns-expected-by-2016-17086>

PPL's 154 MW Corette Coal-fired Power Plant in Montana Shuts after Asbestos Leak

PPL's J.E. Corette power plant in Billings, Montana, will remain offline until an onsite remediation and evaluation of repairs are completed after the company shut down the coal plant when a steam tube failed on the boiler and damaged asbestos-containing insulation February 3. The company brought workers back to the power plant in a "piecemeal" as contractors cleaned areas of the plant. Then on February 12, a strong wind blew around insulation and metal sheeting that had been on the side of building, making the clean areas difficult to identify, so the company again sent workers home as a precaution for health and safety. A company spokesman said he does not know when the plant will return to operations.

http://billingsgazette.com/news/local/corette-power-plant-shuts-down-after-asbestos-leak/article_aa3c4217-9947-530f-88ee-fe0cb0569a9e.html

Update: Entergy's 813 MW FitzPatrick Nuclear Unit in New York at Full Power by February 20

Entergy Corp. said it cut power to 75 percent from full power on Wednesday to fix a small leak in the main condenser.

<http://www.nrc.gov/reading-rm/doc-collections/event-status/reactor-status/2014/>

Reuters, 7:39 February 19, 2014

AES's 175 MW Redondo Gas-fired Unit 6 in California Shut by February 19

The unit entered an unplanned outage.

<http://content.aiso.com/unitstatus/data/unitstatus201402191515.html>

Petroleum

Citgo Reports Fire in CDU at Its 157,000 b/d Corpus Christi Refinery February 19

A fire was put out on Wednesday at a crude distillation unit (CDU) that was shut for an overhaul, the company said. The unit was undergoing a turnaround that started on February 6 and no hazardous materials were released. Other units at the plant continued to operate normally after the fire on the CDU. Local media reported later Wednesday that operations had returned to normal at the refinery.

Reuters, 16:26 February 19, 2014

Reuters, 19:07 February 19, 2014

Shell Reports Normal Operations February 20 at Its 327,000 b/d Deer Park, Texas Refinery after Upset February 19

Royal Dutch Shell Plc on Thursday said its refinery in Deer Park, Texas, had experienced an operational upset in an unspecified unit on Wednesday. The company had earlier reported a pressure transmitter malfunction on Wednesday at the refinery, according to a notice the refinery filed with the National Response Center.

Reuters, 9:36 February 20, 2014

http://www.nrc.uscg.mil/reports/rwservlet?standard_web+inc_seq=1074546

Phillips 66 Reports Unspecified Material Combustion at Its 139,000 b/d Wilmington, California Refinery February 19

Phillips 66 reported an unspecified material combustion due to unknown reasons at its Los Angeles-area refinery in Wilmington, California, on Wednesday, according to a filing with state pollution regulators. The filing did not specify whether the malfunction caused any production impact.

Reuters, 21:26 February 19, 2014

Judge Strikes Down Law Allowing Nebraska Governor to Approve Route of TransCanada's Keystone XL Oil Pipeline February 19

A judge has struck down a Nebraska law that gave Nebraska's governor authority to approve the route of the Keystone XL oil pipeline and to allow TransCanada to seize land via eminent domain from Nebraska landowners. The Keystone XL pipeline would carry oil sands 1,179 miles from Alberta to the Midwest, passing through Nebraska. TransCanada said on Thursday it was disappointed by the ruling and was considering how to proceed with its pipeline.

<http://www.usatoday.com/story/money/business/2014/02/19/keystone-pipeline-nebraska/5616213/>

Reuters, 11:34 February 20, 2014

Tesoro Reports 75 Barrel Crude Oil Spill from Pipeline in North Dakota February 19

Tesoro Corp. says an excavator struck an oil pipeline near Cartwright, North Dakota, spilling about 75 barrels of crude oil. The company said the release of oil was stopped and about 70 barrels worth of oil had been recovered.

<http://www.usatoday.com/story/news/nation/2014/02/20/oil-spill-nd-montana/5637655/>

BNSF Railway to Take Bids to Buy Up to 5,000 Safer Oil Railcars

BNSF Railway Co plans to buy its own fleet of up to 5,000 new crude oil tank cars with safety features that exceed the latest standards adopted by the industry more than two years ago, the company said on Thursday. The company plans to seek bids from railcar makers for up to 5,000 new tank cars with more safety features than those that already meet stronger industry standards, such as thicker walls, thicker ends, and more protection of safety and pressure valves.

Reuters, 11:02 February 20, 2014

American Railcar Says Its Alabama Tank Railcar Manufacturing Facility Is Maxed Out

American Railcar Industries' Alabama tank railcar manufacturing facility hit its maximum output, the company's interim Chief Executive said on Thursday. The company was looking at ways to increase output of so-called "jacketed" tank cars, or those that meet current industry safety standards. New regulations may require retrofits of older railcars and a more fortified design for new ones, which could vastly increase railcar orders for manufacturers.

Reuters, 10:59 February 20, 2014

Natural Gas

Natural Gas Futures Trade at 5-Year Record of \$6.40/MMBtu Before Falling February 20

U.S. March natural gas futures for delivery at the Henry Hub in Louisiana traded as high as \$6.40 per MMBtu in early trading February 20, a five-year peak, before dropping by more than 8 percent to a low of \$5.882 at 10:36 a.m. EST after the inventory data were released. Inventories of natural gas fell by 250 Bcf last week, data from the U.S. Energy Information Administration showed, but many traders expected a number closer to 260 Bcf. Total stocks in underground storage are at 1.443 Tcf, 40 percent lower than where they were a year ago at the same time. The largest draw was recorded in the East region, which reported a 129 Bcf decline. Some analysts predict that another bout of frigid weather next week will drive end-of-season inventories to below 1 Tcf, the lowest in more than 10 years.

Reuters, 11:46 February 20, 2014

Southern Union Reports Flaring Due to Low Pressure Compression at Its Keystone Gas Plant in Texas February 18

Southern Union reported it flared inlet low pressure gas coming into the plant due to insufficient low pressure compression. The gas from the plant was backed out to help minimize emissions and the field units were worked on to help control the gas.

<http://www11.tceq.state.tx.us/oc/eer/index.cfm?fuseaction=main.getDetails&target=194362>

Other News

Update: Duke Energy Ordered to Stop Water Flow after Toxins Found to be Leaking from Second Pipe at North Carolina Coal Ash Dump

The North Carolina Division of Water Resources ordered Duke Energy to stop the flow of contaminated water coming out of a pipe that runs under a coal ash dump at its retired Eden coal-fired power plant February 18, after learning that the groundwater containing unsafe levels of arsenic is still pouring into the Dan River.

<http://www.bdtonline.com/apnational/x1783679477/Toxins-leaking-from-second-pipe-at-N-C-coal-ash-dump>

International News

Nothing to report.

Energy Prices

U.S. Oil and Gas Prices			
February 20, 2014			
	Today	Week Ago	Year Ago
CRUDE OIL West Texas Intermediate U.S. \$/Barrel	103.30	100.27	94.39
NATURAL GAS Henry Hub \$/Million Btu	5.96	5.29	3.23

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