



ENERGY ASSURANCE DAILY

Tuesday Evening, February 24, 2015

Electricity

Update: 16,000 VEC Customers Remain without Power in Tennessee February 24 after Weekend Ice Storm

Volunteer Energy Cooperative (VEC) crews continued working to restore power to the 40,000 customers in Tennessee who lost power Saturday due to ice and snow laden trees falling into power lines. As of 9:30 a.m. EST, 16,000 customers remained without power. VEC said as the work is performed, additional damage is discovered that needs to be repaired and the focus is on replacing poles so that lines can be restrung.

<https://www.facebook.com/volunteerenergycoop?ref=hl>

<http://vec.org/crews-working-to-restore-power-in-wake-of-storm/>

Update: Constellation's 1,120 MW Nine Mile Point Nuclear Unit 2 in New York Ramps Up to 77 Percent by February 24

On the morning of February 23 the unit had restarted and was operating at 12 percent. The unit shut from full power on February 18 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>

Exelon's 1,134 MW Limerick Nuclear Unit 1 in Pennsylvania Shut on February 23

The unit was shut from full power on a reactor high pressure signal.

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

<http://www.nrc.gov/reading-rm/doc-collections/event-status/event/2015/20150224en.html>

Entergy's 1,207 MW Grand Gulf Nuclear Unit 1 in Mississippi Reduced to 75 Percent by February 24

On the morning of February 23 the unit was operating at 92 percent.

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

Update: Dynegy's 335 MW El Segundo Gas-fired Unit 3 in California Returns to Service by February 23

The unit returned from an unplanned outage that began by January 2.

<http://content.aiso.com/unitstatus/data/unitstatus201502231515.html>

Dominion Virginia Power Customers Set All-time Record for Electricity Usage February 20

As a result of record-breaking low temperatures, Dominion Virginia Power's 2.5 million customers on Friday established an all-time record for electricity usage. Dominion supplied a peak of 21,651 MW of electricity at 8 a.m. on Friday. That is an increase of more than 1,500 MW over the previous peak, which was a summer mark of 20,061 MW set on July 22, 2011. The previous winter peak of 19,870 MW was set on January 8, 2015. For the 24-hour period on Friday, customers also used a record amount of electricity. During that span, the company delivered 450,432 MW hours of electricity. The previous mark of 431,923 MW hours was set on February 16, 2014.

<https://www.dom.com/residential/dominion-virginia-power/news/news-releases/136989>

NRC Begins Special Inspection at SCE&G's 966 MW Summer Nuclear Unit 2 Construction Site in South Carolina February 23

The U.S. Nuclear Regulatory Commission (NRC) began a week-long inspection of Summer nuclear plant's unit 2 construction site February 23, following an incident during the week of February 9 in which Chicago Bridge & Iron workers accidentally damaged the containment vessel bottom head while drilling into concrete. The NRC inspection team will review the events and any potential effects on containment vessel integrity among other things, while an NRC representative reported that the damage appeared to be minor.

<http://www.nrc.gov/reading-rm/doc-collections/news/2015/15-004.ii.pdf>

Petroleum

Update: CN Rail Derailment Shows Inadequacy of New Tank Cars – Transportation Safety Board of Canada

A Canadian National Railway Co. (CN) train derailment in northern Ontario on February 14 that set on fire seven of its 100 new-model tank cars carrying crude oil shows the need for tougher rail car standards, the Transportation Safety Board of Canada said on Monday. The accident blocked traffic on its main cross-country line for several days. The 29 cars that derailed were CPC-1232 tankers, meant to be safer than the older DOT-111 crude tankers. The Transportation Safety Board of Canada, however, said the derailed CN cars performed much like the older cars. It said the walls of at least 19 cars were breached or partially breached in the accident, releasing oil. The train was moving at a restricted speed of 38 mph.

<http://www.tsb.gc.ca/eng/medias-media/communiqués/rail/2015/r15h0013-20150223.asp>
http://www.downstreamtoday.com/news/article.aspx?a_id=46572

Update: No Talks Expected This Week in U.S Refinery Strike – Sources

Talks to end the U.S. refinery strike are not expected to resume this week, sources familiar with the negotiations said on Monday after the number of plants hit by walkouts increased over the weekend. Face-to-face meetings between the United Steelworkers union (USW) and lead refinery owner representative Shell Oil Co might remain on hold until the second week of March, the sources said. The halt in talks comes after the USW pulled workers from three Motiva Enterprises refineries in Louisiana and Texas co-owned by Shell. About 6,550 workers are walking picket lines at 15 plants, including 12 refineries that account for one-fifth of U.S. refining capacity. Refiners are using trained replacement workers, primarily managers and engineers, to keep plants running close to normal. In a text message on Monday night sent to union members and the news media, the USW called on Shell to return to the negotiating table. In a letter to employees, Shell said the major sticking point in the talks was the USW's push to shift daily maintenance work from non-union contractors to union members. The company said it offered a 6.5 percent increase in pay to the USW over the three years of the agreement. In a letter on Monday night, Tesoro Corp Executive Vice President Keith Casey urged striking workers to return to work at company refineries on the West Coast. Casey also said Tesoro is preparing to restart its 166,000 b/d refinery in Martinez, California, which has been shut since February 6 for a planned multi-unit overhaul. Workers are also striking at the Shell refinery and chemical plant in Deer Park, Texas, and at plants in California, Indiana, Kentucky, Ohio, Texas, and Washington owned by BP Plc BP.L, Lyondell Basell, Marathon Petroleum Corp, and Tesoro.

Reuters, 21:48 February 23, 2015

Update: President Obama Vetoes TransCanada's 830,000 b/d Keystone XL Pipeline February 24

Nearly two weeks after Congress approved TransCanada's Keystone XL pipeline, President Obama has officially vetoed the bill calling for its construction. The proposed Keystone XL pipeline is a 1,179-mile pipe that would carry 830,000 barrels of crude oil daily from Canadian oil sands to oil refineries on the Gulf Coast of Texas. The cost of the project has ballooned to \$8 billion since it was first proposed in 2008, and though an earlier Keystone bill died in the Senate last year, the Republican-controlled Congress passed it this January. Now that the bill has been vetoed, Congress will need to assemble a two-thirds majority vote in both houses to override the president's decision.

<http://www.theverge.com/2015/2/24/8103205/obama-keystone-xl-pipeline-veto-white-house-congress>

Update: Motiva Preparing HCU Restart at Its 600,250 b/d Port Arthur, Texas Refinery February 23 – Sources

Motiva Enterprises was preparing on Monday to restart the 60,000 b/d hydrocracking unit (HCU) at its Port Arthur, Texas, refinery, said sources familiar with plant operations. The HCU was shut on February 16 by a malfunction. A Motiva spokeswoman said a strike by United Steelworkers union members, which began on Saturday, has not affected maintenance projects at the refinery.

Reuters, 18:25 February 23, 2015

Update: Phillips 66 Restarts Crude Unit at Its 238,000 b/d Linden, New Jersey Refinery February 24

Phillips 66 restarted the crude unit after unexpected delays at its Bayway refinery in Linden, New Jersey, a person familiar with the facility's operations said on Tuesday. The restart of the crude unit was expected to begin on Monday, but previous attempts to restart the unit met with problems, including frozen lines. The company planned on shutting down the unit for about a week of planned maintenance on February 4.

Reuters, 14:22 February 24, 2015

Phillips 66 Reports Process Upset at Its 146,000 b/d Borger, Texas Refinery February 23

Reuters, 17:53 February 23, 2015

Valero Reports Operations Normal at Its 88,000 b/d Houston, Texas Refinery after Scrubber Outage February 23

Valero Energy Corp reported a brief outage of the scrubber's caustic feed system at its Houston, Texas, refinery during cold temperature conditions. Valero said the caustic feed system was cleared and returned to normal operation.

Reuters, 19:06 February 23, 2015

Marathon Reports Unit Shut for Work at Its 84,000 b/d Texas City, Texas Refinery February 23

Marathon reported while shutting down a unit for maintenance an RV began to relieve to the flare vent system at its Texas City, Texas, refinery.

Reuters, 17:22 February 23, 2015

Update: PAR Petroleum Says Its 94,000 b/d Kapolei, Hawaii Refinery Back to Normal Rates February 23 after Process Unit Shutdown February 20

Reuters, 16:57 February 23, 2015

Tesoro Resumes Work at Its 166,000 b/d Martinez, California Refinery; Pre-Turnaround Work Progressing at Its 120,000 b/d Anacortes, Washington Refinery February 23

Tesoro Corp said it resumed work at its refinery in Martinez, California. The refinery is currently idle and operating as a terminal for customer supplies. Tesoro had previously announced a plan to shut the plant while workers represented by the United Steelworkers were on strike. Tesoro also reported pre-turnaround work was progressing at its Anacortes, Washington refinery, according to a company labor information website.

Reuters, 20:19 February 23, 2015

Reuters, 20:59 February 23, 2015

ExxonMobil Reports Unplanned Flaring at Its 149,500 b/d Torrance, California Refinery February 24

Reuters, 8:41 February 24, 2015

Marathon Aims to Integrate Its 451,000 b/d Galveston Bay and 84,000 b/d Texas City Refineries in Texas

Marathon Petroleum Corp is aiming to integrate its Texas refineries as part of a plan to increase diesel fuel output, the chief executive said on Tuesday. The company plans to take its Galveston Bay refinery and its adjacent Texas City refinery and "merge them from a process standpoint and build one hydrotreater between the two." Marathon had already disclosed plans to add hydrotreating capacity at Galveston Bay, idle its smallest and oldest fluid catalytic cracking unit, and expand export capabilities. The company plans to push export capacity to 400,000 b/d by the end of 2015, up from 345,000 b/d last year.

Reuters, 11:22 February 24, 2015

BP Exported Super-Light Crude Oil from Texas – ClipperData

BP Plc exported nearly 670,000 barrels of minimally processed super-light crude oil from the Houston Ship Channel more than a week ago, according to ClipperData, an industry firm that tracks crude movements. The 667,638-barrel cargo left Enterprise Products Partners' ship channel docks on February 15 bound for The Netherlands, according to ClipperData. The shipment's documentation said the cargo was processed condensate – a super-light form of crude – from the Eagle Ford shale in South Texas. BP declined comment on the shipment or whether the company is among several companies that received U.S. government approval to export condensate that has undergone enough processing to qualify as a refined product.

<http://finance.yahoo.com/news/bp-exported-super-light-crude-222528866.html>

Alon Delays Oil-by-Rail Project in California to 2016

Alon USA Energy has delayed the startup of an oil-by-rail project at its shuttered California refinery to 2016 from late 2015, according to a company presentation on Tuesday. Alon's project at its 70,000 b/d Bakersfield refinery, approved last September by Kern County planners, aims to rail in 140,000 b/d of light inland U.S. and heavy Canadian crude. The company also aims to restart the refinery next year if economically feasible.

Reuters, 12:09 February 24, 2015

Natural Gas

Update: Tallgrass Energy Lifts Force Majeure on Its 1.8 Bcf/d Rockies Express Mainline Segment 250 February 23

Tallgrass Energy Partners LP on Monday lifted the force majeure on segment 250 of its Rockies Express natural gas pipeline. The company declared the force majeure on February 21 after a defect was identified on its mainline upstream of the Steele City compressor station in Nebraska. Meanwhile, a force majeure on segment 300 of the pipeline, declared on January 29, remains in effect, the company said in a website posting.

<http://pipeline.tallgrassenergylp.com/Pages/NoticeDetail.aspx?pipeline=501&type=CRIT>

Reuters, 19:21 February 23, 2015

Enterprise, Anadarko, DCP Midstream and MarkWest Form Joint Venture for Panola NGL Pipeline in Texas

Enterprise Products Partners L.P., Anadarko Petroleum Corporation, DCP Midstream Partners, LP, and MarkWest Energy Partners, L.P. today announced the formation of a joint venture under which Enterprise will assign 45 percent ownership interest in its wholly owned Panola Pipeline Company, LLC. The interest will be evenly divided among Anadarko's affiliate, WGR Asset Holding Company LLC, DCP Midstream Partners, and MarkWest. Enterprise will continue to serve as operator of the Panola Pipeline and own the remaining 55 percent interest. The Panola Pipeline, which transports natural gas liquids (NGL), originates in Carthage, Texas and extends 181 miles to Mont Belvieu, Texas. Following a successful open season, Enterprise recently announced plans to install 60 miles of new pipeline, as well as pumps and other associated equipment as part of an expansion project designed to increase capacity by 50,000 b/d. The incremental capacity is expected to be available in the first quarter of 2016.

<http://phx.corporate-ir.net/phoenix.zhtml?c=80547&p=irol-newsArticle&id=2019367&highlight>

ExxonMobil Reports Unit Shut at Its 65 MMcf/d Dollarhide Gas Plant in Texas February 23

ExxonMobil reported the P-9 unit shut on high discharge pressure due to a frozen aftercooler. All flowing wells were shut in to reduce and mitigate emissions. Operators were thawing aftercooler.

<http://www11.tceq.state.tx.us/oc/eer/index.cfm?fuseaction=main.getDetails&target=210513>

Other News

Nothing to report.

Libya's Sarir and Messla Oilfields Stopped by Power Cut – AGOCO

Production has stopped at Libya's Sarir and Messla oilfields after a power cut, operator AGOCO said on Tuesday. The oilfields had been restarted over the weekend after the company repaired a pipeline damaged by an attack by suspected Islamic militants, which had taken them offline for more than a week. The pipeline carries crude from the fields to Libya's port of Hariga, one of only two Libyan ports still exporting oil. An industry source said on Monday that volumes on the pipeline were 30,000 b/d, down slightly from Sunday due to a failure of a power turbine station at the Messla field, which is connected to Sarir. Oil exports had fallen to less than 200,000 b/d in early February, down from as high as 800,000 b/d in October and a fraction of up to 1.3 million b/d Libya exported prior to the ousting of Muammar Gaddafi in 2011.

Reuters, 6:53 February 24, 2015

Energy Prices

U.S. Oil and Gas Prices			
February 24, 2015			
	Today	Week Ago	Year Ago
CRUDE OIL West Texas Intermediate U.S. \$/Barrel	49.13	50.99	103.17
NATURAL GAS Henry Hub \$/Million Btu	3.19	2.73	6.21

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