



ENERGY ASSURANCE DAILY

Monday Evening, March 10, 2014

Electricity

Update: Over 46,000 Duke Energy Customers in North Carolina Remain Without Power March 10 After Winter Storm Hit Area March 6–7

Duke Energy crews in North Carolina continued to restore power to the more than 405,000 customers who were affected by the severe ice storm that hit the area March 7. As of 3:30 p.m. today, 46,132 customers remained without power. Duke Energy said it hopes to have service restored to the remaining customers by Wednesday night.

<http://www.duke-energy.com/news/releases/2014030901s.asp>

<http://outagemap.duke-energy.com/ncsc/default.html>

<http://myfox8.com/2014/03/09/about-40k-duke-customers-without-power-in-guilford-co-less-than-100k-in-nc/>

<http://www.newsobserver.com/2014/03/10/3689832/thousands-of-north-carolinians.html>

FERC Directs Development of Physical Security Standards on Electric Utilities March 7

The Federal Energy Regulatory Commission (FERC) took action March 7 to provide for the resilience of the transmission grid by directing the North American Electric Reliability Corporation (NERC) to develop reliability standards requiring owners and operators of the Bulk-Power System to address risks due to physical security threats and vulnerabilities. The reliability standards directed by the FERC order require owners and operators of the Bulk-Power System to take at least three steps to protect physical security. First, owners and operators must perform a risk assessment of their system to identify facilities that, if rendered inoperable or damaged, could have a critical impact on the operation of the interconnection through instability, uncontrolled separation, or cascading failures of the Bulk-Power System. Second, owners and operators of critical facilities must evaluate potential threats and vulnerabilities to those facilities. Finally, owners and operators must develop and implement a security plan to address potential threats and vulnerabilities. NERC has 90 days to submit the proposed standards.

<http://www.ferc.gov/media/news-releases/2014/2014-1/03-07-14.asp>

Update: Constellation's 1,120 MW Nine Mile Point Nuclear Unit 2 in New York at Full Power by March 9

On the morning of March 8 the unit was operating at 73 percent after restarting by March 7. The unit experienced a hot shutdown from full power due to a loss of uninterruptible power supply on March 4.

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

Progress Energy's 710 MW Robinson Nuclear Unit 2 in South Carolina Shut by March 8

On the morning of March 7 the unit was operating at full power.

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

Nebraska Public Power District's 764 MW Cooper Nuclear Unit in Nebraska Reduced to 57 Percent by March 10

On the morning of March 9 the unit was operating at 70 percent, down from full power on March 8.

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

Wolf Creek's 1,165 MW Wolf Creek Nuclear Unit 1 in Kansas Shut by March 10

On the morning of March 7 the unit was operating at full power.

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

Exelon to Spend \$400–500 Million in Power Reactor Upgrades

Exelon operates 17 of the 100 commercial power reactors in the U.S., and expects to spend \$400 million to \$500 million in upgrades after the disaster at Japan's Fukushima plant. Some of the upgrades include using an industry standard for hose fittings, pump types, and other basic backup equipment; reanalyzing for flood risk, including the chance of failure of an upstream dam; and improving the vents that are supposed to allow excess steam and hydrogen to escape early in an accident, when there is very little radioactive material in the gas to be vented. Reuters, 9:36 March 10, 2014

Petroleum

ExxonMobil's 238,600 b/d Joliet, Illinois Refinery Malfunctions Due to Fire Damage March 7

A malfunction at Exxon Mobil Corp's Joliet, Illinois refinery on Friday was due to fire damage on instrumentation, the company said in a notice filed with the Illinois Emergency Management Agency. The malfunction triggered the refinery's safety flare system which burned off nitrogen oxide, according to the notice. An ExxonMobil spokesperson said there was a brief fire at the Joliet refinery a week ago. Reuters, 16:59 March 09, 2014

Flint Hills Reports Leak at Its 289,097 b/d Corpus Christi, Texas Refinery March 8

Flint Hills reported a leak under insulation on an overhead slop oil line in the mid crude unit at its Corpus Christi refinery. A heavy oil and water spill mixture collected on the ground below where the leak was occurred. A hot zone was established around the spill that had collected on the ground and fence line monitoring was conducted downwind of the event. No readings were detected. The spill that collected on the ground due to the leak on the overhead slop oil line was cleaned up. Reuters, 2:47 March 9, 2014

Tesoro High Plains Pipeline in North Dakota Extends Binding Open Season Until April 4

Tesoro Logistics LP announced today it was extending its binding open season for firm priority capacity on the Tesoro High Plains Pipeline system (THPP) until April 4. Tesoro also announced that to maximize the number of potential shippers on the system, the size of bid tranches would be reduced to 5,000 b/d, for both phase 1 and phase 2. The proposed THPP capacity expansion would be executed in two phases: phase I will provide incremental capacity to transport up to approximately 70,000 b/d of crude oil from various locations in North Dakota, south of Lake Sakakawea, including Johnson's Corner, Keene, Blue Buttes, and Charlson Station, to Ramberg Station by July 1, 2014. Phase II will provide incremental pipeline capacity of up to 90,000 b/d from Ramberg to Stampede, with an expected in-service time frame of second half of 2015. Concurrent with the start of the open season, Tesoro also announced its proposal to expand the Bakken Area Storage Hub (BASH) terminal facility. Tesoro is also extending the time for potential customers to submit offers for BASH storage space until April 4. Initial storage capacity at BASH is expected to be at least 1million barrels of crude oil with the first 360,000 barrels of working storage capacity currently under construction anchored by Tesoro Refining & Marketing Company LLC. <http://www.tesorologistics.com/phoenix.zhtml?c=242247&p=irol-newsArticle&ID=1907434&highlight>

Energy Transfer Announces Open Season for Bakken Transportation Service from North Dakota to Midwest, Gulf Coast Refineries

Energy Transfer Partners, L.P. on March 7 announced the launch of a binding open season for a crude oil pipeline from multiple receipt points in North Dakota to various Midwest and Gulf Coast refineries and terminals, including Sunoco Logistics Partners L.P.'s crude oil terminal in Nederland, Texas. The binding open season will commence on March 12. <http://ir.energytransfer.com/phoenix.zhtml?c=106094&p=irol-newsArticle&ID=1907280>

Shell Restarting Unit at Its 255,000 b/d Scotford, Alberta Upgrader Facility March 7

Royal Dutch Shell Plc was restarting an unspecified unit at the upgrader facility at its Scotford refinery near Edmonton, Alberta, it said in a message posted on a community information line on Friday. Shell runs a 255,000 b/d oil sands upgrader facility and a 100,000 b/d refinery at Scotford. Reuters, 18:04 March 7, 2014

Canadian Natural Resources Faces Environmental Charges over Hydrogen Sulphide Gas Release from Its Horizon Oil Sands Upgrader Facility in Alberta

Canadian Natural Resources Ltd. (CNRL) was facing 11 environmental charges over the August 2012 release of hydrogen sulphide gas from its Horizon oil sands upgrader facility in northern Alberta. The Alberta government alleged that CNRL released the gas, failed to use its equipment properly, failed to report what happened properly, and provided misleading information to the government and the Fort McKay First Nation.

<http://www.nanaimodailynews.com/business/oilsands-giant-cnrl-faces-alberta-charges-over-hydrogen-sulphide-gas-release-1.885825#>

Natural Gas

Enbridge Reports AGIs Trip at Its Tilden Gas Plant in Texas March 8

Enbridge reported acid gas injector (AGI) no. 2 tripped due to a low right bank oil flow shut down. Lubrication oil was leaking out of the lubricators in front of the compressors and AGI no. 3 tripped on high suction pressure. AGI no. 1 tripped during start-up due to a faulty emergency shutdown valve. The W/K inlet gas was curtailed to reduce gas flaring and AGI no. 3 was restarted. AGI no. 1 was started several times but could never stabilize. The emergency shutdown valve was repaired and AGI no.1 was restarted and stabilized. AGI no. 3 was taken offline in anticipation of the start-up of AGI no. 2 which tripped several times due to a fourth stage oil divider block valve malfunction. Mechanics removed the valve and found it plugged with Teflon. The valve was replaced and AGI no. 2 was restarted and stabilized.

<http://www11.tceq.state.tx.us/oc/eer/index.cfm?fuseaction=main.getDetails&target=195172>

Regency Reports Power Blip at Its 290 MMcf/d Waha Gas Plant in Texas March 8

Regency reported a third party power blip at its Waha plant. Once power was restored, the plant lined out, and the acid gas injector (AGI) compressor restarted. The AGI flare and AGI volume meter were in service during the downtime of the compressor system.

<http://www11.tceq.state.tx.us/oc/eer/index.cfm?fuseaction=main.getDetails&target=195173>

Other News

Nothing to report.

International News

Libyan Rebels Warn of ‘War’ if Navy Attacks North Korean Oil Tanker March 9

Armed protesters in eastern Libya traded threats with the government on Sunday in a tense stand-off over the unauthorized sale of oil from a rebel-held port. A North Korean-flagged tanker, the Morning Glory, on Saturday docked at the port of Es Sider and had loaded \$36 million of crude oil, according to local daily al-Wasat. The Prime Minister said the military will bomb the 37,000-tonne vessel if it tries to leave. Officials said on Sunday that the navy and pro-government militias had dispatched boats to stop the tanker from getting out. The rebels said any attack on the tanker would be “a declaration of war.” Libya’s government has tried to end a wave of protests at oil ports and fields that have cut oil output to 230,000 b/d from 1.4 million b/d in July.

<http://www.reuters.com/article/2014/03/09/libya-oil-idUSL6N0M60FH20140309>

Libya Restarts Production at 340,000 b/d El Sharara Oil Field March 10

Libya has restarted oil production at the El Sharara field after the end of a protest, state National Oil Corp. (NOC) said on Monday. Output was at 150,000 b/d on Monday and would reach full capacity of 340,000 b/d by Tuesday afternoon, an NOC spokesman said.

Reuters, 8:56 March 10, 2014

Energy Prices

U.S. Oil and Gas Prices			
March 10, 2014			
	Today	Week Ago	Year Ago
CRUDE OIL West Texas Intermediate U.S. \$/Barrel	102.62	102.88	91.24
NATURAL GAS Henry Hub \$/Million Btu	4.90	4.74	3.54

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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