



ENERGY ASSURANCE DAILY

Wednesday Evening, March 11, 2015

Electricity

Update: PSE&G's 1,096 MW Salem Nuclear Unit 1 in New Jersey at Full Power by March 11

On the morning of March 10 the unit was operating at 50 percent, reduced from 65 percent on March 7.

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

Update: TVA's 1,126 MW Sequoyah Nuclear Unit 2 in Tennessee at Full Power by March 11

On the morning of March 10 the unit was operating at 62 percent, after restarting and ramping up to 2 percent by March 7. On March 2, the unit experienced an automatic reactor/turbine trip from full power.

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

<http://www.nrc.gov/reading-rm/doc-collections/event-status/event/2015/20150303en.html>

Update: Exelon's 1,163 MW Byron Nuclear Unit 1 in Illinois Restarts by March 9, Ramps Up to Full Power by March 11

On the morning of March 10 the unit was operating at 29 percent after restarting and ramping up to 5 percent by March 9. The unit was shut from full power due to the main power transformer bushing short.

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

<http://www.nrc.gov/reading-rm/doc-collections/event-status/event/2015/20150304en.html>

PG&E to Submit Safety Report to NRC on Its 1,087 MW Diablo Canyon Nuclear Plant in California March 12

Pacific Gas and Electric Co. (PG&E) will submit research to federal regulators on Thursday analyzing the threat of earthquakes at its Diablo Canyon plant near San Luis Obispo, California. PG&E said the new analyses re-confirm that the Diablo Canyon plant can safely withstand extreme natural events, including potential earthquakes, tsunamis, and flooding. The NRC called on all U.S. commercial nuclear power plants to perform such work following the events that occurred in 2011 at the Fukushima Daiichi plant in Japan. The hazard re-evaluations used the latest regulatory guidance, scientific methods and models, site-specific information, and independent expertise to re-evaluate the impacts that earthquakes, large waves, and flooding could have on the Diablo Canyon facility. The NRC will review the re-evaluation and provide guidance on how and when PG&E should perform an additional risk evaluation that examines the probability of earthquakes potentially damaging plant safety equipment.

http://www.pge.com/en/about/newsroom/newsdetails/index.page?title=20150309_new_analyses_show_diablo_canyon_safe_from_extreme_natural_events

FirstEnergy's The Illuminating Company to Invest \$281 Million in 2015 to Strengthen Electric System in Ohio

FirstEnergy Corp. expects to invest approximately \$281 million in 2015 on distribution and transmission infrastructure projects in The Illuminating Company's northeast Ohio service territory. Major projects scheduled for 2015 include installing voltage-regulating equipment, building new substations, rebuilding and upgrading circuits, and the inspection and replacement of utility poles and other equipment.

https://www.firstenergycorp.com/newsroom/news_releases/-281-million-will-be-spent-in-2015-in-the-illuminating-company-s.html

Mississippi Power Announces ‘First Fire’ of Gasifiers at Its Kemper Energy Facility; Major Step toward Expected 2016 Completion

Mississippi Power announced its Kemper County energy facility successfully performed the “first fire” and associated activities of the project’s gasifiers last week. The gasifiers are designed to convert lignite coal to synthesis gas, or syngas, for use in power generation. The burners for both of the project’s gasifiers functioned as predicted in their first test, completing another important step toward finishing the project, which is expected in the first half of 2016. Another major milestone is expected to be achieved with the production of syngas when lignite is added to the gasifier later this year.

<http://mississippipowernews.com/2015/03/09/first-fire-of-kemper-gasifiers-a-success-major-step-toward-expected-2016-completion/>

Petroleum

Update: Houston Ship Channel Remains Partially Closed March 11; Exxon’s 560,500 b/d Baytown, Texas Refinery Cuts Rates

The U.S. Coast Guard on Wednesday said the Houston Ship Channel remained partially closed after a collision on Monday between a tanker carrying 216,000 barrels of gasoline additive methyl tertiary-butyl ether (MTBE) and a bulk carrier near Morgan’s Point, just south of Baytown. An unknown amount of MTBE spilled upon impact, and the Coast Guard said flammable vapors emitting from the damaged tanker needed to be contained by dense foam and a tarp before the tanker could be moved. The Coast Guard said Wednesday that crews had begun executing plans to contain the vapors and remove the liquid cargo. When the complete, the channel would be allowed to re-open. The bulk carrier was moved on Tuesday. The closure affects vessels entering or exiting a large section of the ship channel from Baytown to Houston that is home to number of large refineries. ExxonMobil Corp said on Wednesday that it cut production rates at its 560,500 b/d Baytown, Texas refinery. Exxon said the company was working with the U.S. Coast Guard and the Port of Houston to resume crude shipments to the refinery as soon as possible. Royal Dutch Shell said it was evaluating the closure’s impact on its 327,000 b/d Deer Park, Texas refinery and had contingency plans in place to mitigate any impact the closure may have on operations. LyondellBasell said its 263,776 b/d Houston, Texas refinery had experienced no operational impacts. A port agent for the Houston Pilots said 43 inbound and 33 outbound vessels were waiting to move on Wednesday, up from 36 inbound and 28 outbound on Tuesday. Those include all kinds of ships, from oil tankers to bulk carriers. The port agent said the hope was to get traffic moving by daybreak on Thursday. Ship traffic in and out of Galveston, Texas City, and Bayport on the south end of the ship channel is unaffected by the closure.

<http://www.uscgnews.com/go/doc/4007/2475958/>

<http://www.ctcac.us/go/doc/4703/2476526/1-Ship-Moved-Work-on-Puncture-Ongoing-in-Ship-Channel-Collision>

<http://www.ctcac.us/go/doc/4703/2477422/Salvage-plans-underway-for-tanker-in-Houston-Ship-Channel>

Reuters, 13:11 March 11, 2015

Reuters, 11:48 March 11, 2015

Reuters, 18:09 March 10, 2015

Update: USW Says Talks to End U.S. Refinery Strike ‘Moving Along’ March 10

The United Steelworkers union (USW) said on Tuesday that renewed talks with oil companies for a settlement to the 38-day work stoppage were “moving along.” A meeting in Houston, Texas between negotiators for the USW and Shell Oil Co, representing U.S. refinery owners, ran into Tuesday night. Fitch Ratings warned on Tuesday that an extended strike could squeeze refiners with walkouts during peak summer demand for gasoline. Tighter gasoline supply could translate into higher retail prices for drivers, but lower profits for those refiners who cannot maintain production with temporary replacement workers. So far, refiners have kept their plants running with a mix of managers and engineers. Fitch said reductions in refinery production due to the strike could hit hardest those companies with the most plants affected, including Shell. In a new three-year pact, the USW has said it wants to preserve past safety protections and regain jobs lost to non-union contractors. Shell and other refiners have said they want to preserve management rights to staff plants as they see fit.

<http://www.reuters.com/article/2015/03/11/us-refineries-labor-strike-idUSKBN0M704Q20150311>

Parsley Energy Reports Explosion Kills 3 Workers at Oil and Gas Field in Texas March 10

An explosion killed three people and injured one at an oil and gas field in West Texas, a spokesman for well owner Parsley Energy Inc. said on Wednesday. The Occupational Safety and Health Administration said it was investigating the rig explosion about 50 miles south of Midland that involved contractors at Mason Well Service firm.

Reuters, 13:21 March 11, 2015

<http://www.newswest9.com/story/28355717/officials-on-the-deadly-accident-in-upton-county>

<https://www.facebook.com/pages/Upton-County-Office-of-Emergency-Management/548112121878048>

BP Shuts FCCU for Repairs at Its 431,500 b/d Whiting, Indiana Refinery over Weekend – Sources

The 65,000 b/d fluidic catalytic cracking unit (FCCU) has been shut for repairs for the second time in two weeks. The unit was shut last week by a pump failure. The broken pump was replaced, but the sources said the FCCU failed to perform as expected so it was shut again late on the weekend.

Reuters, 19:34 March 10, 2015

East Coast Refinery Utilization Rates Rebound Following Outages – EIA

East Coast refinery utilization rates were up 19.5 percentage points, climbing to 81.8 percent last week, according to U.S. Energy Information Administration (EIA) data released Wednesday. The jump was expected as refineries recovered from a series of cold weather outages that drove utilization down.

Reuters, 10:47 March 11, 2015

<http://www.eia.gov/>

Kinder Morgan Commissioning 50,000 b/d Condensate Splitter at Its Houston Ship Channel Complex; Expects to be at Capacity Later this Month

Kinder Morgan Inc is commissioning the first of two condensate splitters at its Houston Ship Channel complex after months of delays, and expects to be at capacity later this month. The first of two 50,000 b/d splitters was originally targeted to start up last summer, but a manufacturer's delay in delivering a major component pushed commissioning to late 2014. Bad weather and more vendor delays further delayed startup until this month. The second 50,000 b/d splitter remains on target to start up in July. BP Plc has a 10-year deal with Kinder Morgan to buy all the output from both splitters to sell domestically or internationally.

Reuters, 15:17 March 10, 2015

Golden Eagle Trucking Spills 1,680 Gallons of Brine into North Dakota Creek March 9

The North Dakota Department of Health announced March 9 that a truck overflow caused about 1,680 gallons of brine to spill in Williams County and affect a nearby creek. Officials were working on a remediation plan and investigating the impact of water quality.

<http://www.kxnet.com/story/28348307/nearly-17k-gallons-of-brine-spill-inwilliams-county>

Union of Concerned Scientists, Investors demand Oil Companies Disclose Climate Risks

The Union of Concerned Scientists (UCS) in a report said five major oil and gas companies aren't doing enough to disclose risks from climate change to the U.S. Securities and Exchange Commission (SEC), including sea level rise and storm surge. While the report looks at five refineries in particular, there are 120 oil and gas facilities across the country situated within 10 feet of today's high tide line. The report uses storm surge modeling and geospatial data to map risks associated with flooding at coastal refineries, and examines several ways in which climate change increases storm surge flooding risks at coastal facilities, including rising seas and increasing storm intensity. The SEC has asked public companies to disclose such climate-related risks to investors, yet many companies fail to do so in their filings to the agency. If companies fail to disclose and manage these risks, investors and taxpayers will likely bear the costs of future disasters, the report finds.

http://www.ucsusa.org/news/press_release/investment-groups-oil-companies-climate-risk-0471#.VQBgYfnF-5h

Canada Proposes New Rail Car Standards to Phase out Newer CPC-1232 Cars by 2025

The Canadian government on Wednesday proposed tougher oil tank car standards and said even newer tank cars coming into service now would have to be off the rails by 2025 at the latest. The proposed standards call for hull thickness of 9/16 inch, up from the current 7/16 inch or half inch, depending on car type. Thicker hulls are designed to prevent rupture but rail industry officials have said it would be costlier. Older DOT-111 cars are being replaced in Canada by CPC-1232 cars, but proposed jacketing standards could phase out newer models by 2023 or 2025.

<http://uk.reuters.com/article/2015/03/11/canada-usa-railways-proposals-idUKL1N0WD1YX20150311>

Natural Gas

Regency Reports AGI Compressor Shut at Its 290 MMcf/d Waha Gas Plant in Texas March 10

Regency reported the acid gas injector (AGI) compressor shut on low first stage suction pressure due to low inlet volume. Inlet volumes were reduced while preventative maintenance was being performed on the inlet gas compressor engine. The AGI compressor was reset and restarted when inlet suction pressure was adequate.
<http://www11.tceq.state.tx.us/oce/eer/index.cfm?fuseaction=main.getDetails&target=211162>

Other News

Copper Wire Stolen from Xcel Energy Substation in New Mexico March 1

Officials in Eddy County, New Mexico reported about 4,000 feet of copper wire and several other tools were stolen from an Xcel Energy power plant substation. The thieves gained access to the substation by cutting the lock, according to the county sheriff.

http://www.currentargus.com/carlsbad-news/ci_27676653/38k-equipmenttaken-from-power-plant-substation
<https://www.facebook.com/pages/Crime-Stopppers-of-Eddy-County/102661212968>

International News

Tanker Lifts 1 Million Barrels of Crude Oil at Libya's Hariga Port – Oil Official

A tanker lifted one million barrels of crude oil at the eastern Libyan Hariga port, an oil official said on Wednesday. Another tanker was expected to dock at the port later this week. The port had resumed work after Libya fixed a pipeline damaged in a blast last month.

Reuters, 8:06 March 11, 2015

Energy Prices

U.S. Oil and Gas Prices			
March 11, 2015			
	Today	Week Ago	Year Ago
CRUDE OIL West Texas Intermediate U.S. \$/Barrel	48.01	49.71	100.51
NATURAL GAS Henry Hub \$/Million Btu	2.73	2.93	4.63

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