



ENERGY ASSURANCE DAILY

Friday Evening, March 13, 2015

Electricity

Update: PSE&G's 1,096 MW Salem Nuclear Unit 1 in New Jersey Reduced to 61 Percent by March 13

On the morning of March 12 the unit was operating at full power.

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

CAISO Selects PG&E to Develop Two New Transmission Substations in California

Pacific Gas and Electric Co. (PG&E) on Thursday announced it was selected by the California Independent System Operator Corporation (CAISO) to build, own, and operate two new electric substations in California's Central Valley and South Bay. The new high voltage substation at Wheeler Ridge Junction will help improve electric service reliability in Bakersfield during hot summer months, and the new Spring substation will help improve service reliability and grid resiliency for customers in the Morgan Hill area. The projects will be operational in 2020 and 2021, respectively.

http://www.pge.com/en/about/newsroom/newsdetails/index.page?title=20150312_pge_wins_right_to_develop_two_new_transmission_substations

Petroleum

USW Says Tentative Deal Reached to End Refinery Strike March 12

The United Steelworkers (USW) union and oil companies have reached a tentative deal to end the largest U.S. refinery strike in 35 years. The deal, which still needs to be ratified, may not end strikes right away at all refineries as local union chapters could still need to sort out pending issues. Lead industry negotiator Royal Dutch Shell Plc said union members are set to vote on the agreement in coming days. The new agreement for about 30,000 workers would last four years, a year longer than previous agreements. The tentative contract language addresses worker fatigue, the use of contractors versus unionized labor, and a more favorable schedule for annual wage increases over the four years. The contract would cover refineries owned by ExxonMobil Corp, BP Plc, Valero Energy Corp, and Chevron Corp among others. Only one plant, Tesoro's 166,000 b/d refinery in Martinez, California, was shut by the strike as it was already undergoing maintenance when the walkout started. Tesoro said it supports the tentative agreement and was in position to restart its refinery when workers return.

<http://www.usw.org/news/media-center/releases/2015/usw-reaches-tentative-agreement-with-oil-industry-agreement-with-shell-sets-pattern-for-industry>

Reuters, 22:53 March 12, 2015

Reuters, 18:28 March 12, 2015

Update: Houston Ship Channel Reopens March 13 after Shutdown Due to Fog

The Houston Ship Channel reopened to all inbound and outbound vessel traffic on Friday after shutting on Thursday afternoon due to heavy fog. The channel was partially shut from midday Monday to early Thursday after a collision between a tanker carrying a gasoline additive and a bulk ship carrying steel.

Reuters, 11:12 March 13, 2015

Motiva Considers Deferred CDU Overhaul for July at Its 600,250 b/d Port Arthur, Texas Refinery – Sources

Motiva Enterprises may further delay a planned overhaul of its second largest crude distillation unit (CDU) at its Port Arthur, Texas refinery to July. Preparations for a 45-day overhaul of the 195,000 b/d VPS-4 CDU are about four weeks behind schedule due to the USW strike. Before the strike began on February 21, Motiva had planned to start the CDU overhaul in June. During the VPS-4 overhaul, nine other units are planned to be shut for overhaul including a 54,000 b/d coking unit and a 49,000 b/d catalytic reformer. While VPS-4 is shut, the refinery's other two CDUs, are scheduled to remain in operation with a combined throughput of 400,000 b/d. The timing of the CDU overhaul is also contingent on successful completion of an overhaul of the refinery's 92,000 b/d fluidic catalytic cracking unit (FCCU). That unit's return has been delayed by problems restarting a heater, the sources said.
Reuters, 13:29 March 13, 2015

ExxonMobil Confirms Boiler Related Flaring at Its 238,600 b/d Joliet, Illinois Refinery

Reuters, 13:11 March 13, 2015

Total Shuts Small CDU, Reports Flange Leak at Its 225,000 b/d Port Arthur, Texas Refinery March 12

Total shut the 74,000 b/d crude distillation unit (CDU) at its Port Arthur, Texas, refinery on Thursday night for about 10 days of repairs. Total decided to perform the work while the plant's 39,600 b/d continuous catalytic reformer (CCR) was shut on Thursday for maintenance. The CCR and an 86,000 b/d naphtha hydrotreater were shut on Thursday morning. Total also reported a flange leak developed on R-1 on Thursday.

Reuters, 15:06 March 12, 2015

Reuters, 10:20 March 13, 2015

Shell Reports HTU, DCU Start-Up at Its 145,000 b/d Anacortes, Washington Refinery March 9

Royal Dutch Shell reported emissions related to startup of the HTU (hydrotreater unit) and DCU (delayed coking unit) on March 9 at its refinery in Anacortes, Washington.

Reuters, 12:42 March 13, 2015

Small Fire Extinguished at Shell's 156,400 b/d Martinez, California Refinery March 13 – Report

A small fire was extinguished at Shell's Martinez, California refinery on Friday, according to a report on mercurynews.com. The fire broke out at about 9 a.m. PDT and was quickly put out by the company employees. The fire did not impact refinery operations, the report added.

Reuters, 14:06 March 13, 2015

Update: Debris Caused Fire at ExxonMobil's 149,500 b/d Torrance, California March 11

A brief fire on Wednesday at ExxonMobil Corp's refinery in Torrance, California, was caused by debris that caught fire, California's occupational safety and health agency said. The debris ignited near an exchanger in a pre-treater unit. ExxonMobil said the fire had no impact on plant operations.

Reuters, 17:03 March 12, 2015

North Dakota Oil Production Drops 35,000 b/d in January

Oil production in North Dakota fell by 35,000 b/d from December 2014 to 1,190,000 b/d in January 2015, monthly data from the state Industrial Commission showed.

Reuters, 13:13 March 12, 2015

Oil Field Explosion Kills One Worker, Injures Another in New Mexico March 12

An explosion at a Mesquite SWD-owned oil field in southeastern New Mexico killed one worker and seriously injured another while loading oil field-related materials into perforated pipe that was being installed into the drilling line. There was no fire following the blast, and the cause of the explosion was under investigation, the sheriff's office said.

http://www.rigzone.com/news/oil_gas/a/137663/Oil_Field_Blast_Kills_One_Worker_Injures_Another_in_New_Mexico#sthash.USmBCaxt.dpuf

U.S. DOE Proposes to Buy Up to 5 Million Barrels of Oil for Strategic Petroleum Reserve

The U.S. Department of Energy (DOE) proposed on Friday to buy up to five million barrels of oil for the Strategic Petroleum Reserve (SPR), a federal web site showed. The proposed purchase would be for delivery in June and July. DOE sold an equivalent amount of oil from the SPR last year.

Reuters, 14:53 March 13, 2015

Natural Gas

Regency Reports AGI Compressor Shut at Its 290 MMcf/d Waha Gas Plant in Texas March 11

Regency reported process issues with the gas treating system causing the plant gas stream to go sour and sales line to be closed. This in turn caused the acid gas injector (AGI) compressor to shut. Gas was recycled through the treating system. Once the gas was within specifications, the sales line was opened, and the AGI compressor was reset and restarted.

<http://www11.tceq.state.tx.us/oc/eer/index.cfm?fuseaction=main.getDetails&target=211240>

ExxonMobil Reports Unit Shut at Its 65 MMcf/d Dollarhide Gas Plant in Texas March 11

ExxonMobil reported the wauk-3 unit shut on underspeed. The unit would not restart so the operator notified mechanics to diagnose. Operations shut in all flowing wells to reduce and mitigate emissions.

<http://www11.tceq.state.tx.us/oc/eer/index.cfm?fuseaction=main.getDetails&target=211272>

Annova LNG Files Request with FERC for Potential NGL Facility in Texas

Annova LNG on Wednesday filed a request with the Federal Energy Regulatory Commission (FERC) to initiate a review of the potential development of a mid-scale natural gas liquefaction and transfer facility at the Port of Brownsville, Texas. The project is contingent upon Annova successfully obtaining all necessary local, state, and federal permits; acquisition of sufficient long-term customer commitments to buy liquefied natural gas from the facility; and broad public support of the project in South Texas. A decision whether to build the facility is expected by the end of 2017.

http://www.exelincorp.com/Newsroom/pr_20150311_Genco_Annova-pre-filing.aspx

Texas LNG Files with FERC to Start Pre-Filing Process for Its 2 Million Tonnes Per Year Brownsville LNG Project

Texas LNG Brownsville LLC (Texas LNG) announced on Monday it became the first LNG export facility proposed for the Brownsville, Texas area to initiate the U.S. Federal Energy Regulatory Commission (FERC) pre-filing process. Texas LNG is planning to build the Brownsville project in two phases, each with LNG production of 2 million tonnes per year. Phase 1 is expected to commence production in 2020 pending FERC's final approval.

<http://globenewswire.com/news-release/2015/03/11/714441/10124369/en/Texas-LNG-Files-with-FERC-to-Commence-Pre-filing-Process-for-Brownsville-LNG-Project-and-Expands-Project-Site-to-625-Acres.html>
http://elibrary.ferc.gov/idmws/file_list.asp

Other News

Nothing to report.

International News

Nothing to report.

Energy Prices

U.S. Oil and Gas Prices			
March 13, 2015			
	Today	Week Ago	Year Ago
CRUDE OIL West Texas Intermediate U.S. \$/Barrel	44.83	50.04	98.36
NATURAL GAS Henry Hub \$/Million Btu	2.82	3.27	4.66

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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