



ENERGY ASSURANCE DAILY

Tuesday Evening, March 31, 2015

Electricity

Southern's 856 MW Hatch Nuclear Unit 1 in Georgia Reduced to 15 Percent by March 31

On the morning of March 30 the unit was operating at 95 percent.

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

PG&E's 641 MW Colusa Generating Station Gas-fired Unit in California Reduced by March 30

The unit entered a planned and unplanned curtailment of 479 MW.

<http://content.aiso.com/unitstatus/data/unitstatus201503301515.html>

Abengoa Solar's 250 MW Mojave Solar Unit in California Reduced by March 30

The unit entered an unplanned curtailment of 125 MW.

<http://content.aiso.com/unitstatus/data/unitstatus201503301515.html>

Petroleum

Valero Reports Process Unit Upset, Flaring at Its 330,000 b/d Port Arthur, Texas Refinery

Valero Energy Corp reported a process unit upset resulted in flaring from the catalytic reformer unit at its Port Arthur, Texas refinery, according to a filing with the Texas Commission on Environmental Quality.

Reuters, 14:08 March 30, 2015

BP Reports Burners Shut at Its 225,000 b/d Cherry Point, Washington Refinery March 23

Reuters, 18:42 March 30, 2015

BP Terminates Gulf of Mexico Rig Contracts Due to Low Oil Prices

BP terminated contracts for two deepwater oil drilling rigs in the Gulf of Mexico as the company cut its exploration budget due to low oil prices. Offshore drilling company Ensco said it had received notice to terminate BP-operated rig DS-4 in the Gulf of Mexico. Seadrill Partners announced this week that BP had also cancelled a contract for the West Sirius field in the same region. BP confirmed the termination of both contracts, saying the rigs were "surplus to requirements following BP's adjustment of capital expenditures in response to the new, lower oil price environment." In February, BP said it would cut capex to \$20 billion in 2015 from \$22.9 billion in 2014.

Reuters, 7:14 March 31, 2015

Irving Oil Applies to Reactivate Its Dartmouth Marine Terminal in Nova Scotia

Irving Oil applied to reactivate its shut marine fueling terminal on the Dartmouth waterfront as the company adjusts to the shutdown of Imperial Oil's nearby Dartmouth refinery. Irving Oil shut down its marine fueling operation at Woodside in 2001. With the Imperial Oil refinery closing and converting to a depot next door, Irving has applied to the Nova Scotia Department of Environment seeking approval to restart its own storage facility, which includes a large wooden dock, pipelines, and tank farms. The Nova Scotia Department of Environment says it received the Irving Oil application to reactivate and upgrade its tankage and fuel storage facility on September 10, 2014. A 60-day review of the project is now underway.

<http://www.cbc.ca/news/canada/nova-scotia/irving-to-reactivate-dartmouth-marine-terminal-1.3015313>

North Dakota Rig Count Drops to 95 on March 31, 2015 from 191 on March 31, 2014 – State Data

Reuters, 9:46 March 31, 2015

North Dakota's New Oil Train Safety Checks Seen Missing Risks

New regulations to cap vapor pressure of North Dakota crude fail to account for how it behaves in transit, according to industry experts, raising doubts about whether the state's much-anticipated rules will make oil train shipments safer. High vapor pressure has been identified as a possible factor in the explosions witnessed after oil train derailments in Illinois and West Virginia in recent weeks. For over a year, federal officials have warned that crude from North Dakota's Bakken shale oilfields contains a cocktail of explosive gas known in the industry as "light ends." The new rules, which take effect on April 1, aim to contain dangers by spot-checking the vapor pressure of crude before loading and capping it at 13.7 pounds per square inch (psi)—about normal atmospheric conditions. The plan relies on a widely-used test for measuring pressure at the wellhead, but safety experts say gas levels can climb inside the nearly-full tankers, so the checks are a poor indicator of explosion risks for rail shipments. It is "well-understood, basic physics" that crude oil will exert more pressure in a full container than in the test conditions North Dakota will use, said the executive director of the Crude Oil Quality Association, which studies how to safely handle fossil fuels. About 70 percent of the roughly 1.2 million barrels of oil produced in North Dakota every day moves by rail to refineries and passes through hundreds of cities and towns along the way. The state controls matter to those communities because there is no federal standard to curb explosive gases in oil trains. North Dakota Department of Mineral Resources officials said that the pressure limit is more stringent than the industry-accepted definition of "stable" crude oil. They also say that they lack jurisdiction over tank cars leaving the state and that the pressure tests are just one of the measures to make oil trains safer. However, given different testing and transport conditions, industry officials say the pressure threshold may need to be lowered to reduce the risks. The National Transportation Safety Board has already encouraged a federal standard for "setting vapor pressure thresholds" for oil trains citing Canadian findings linking such pressure and the size of explosions in train accidents. Meanwhile, the American Petroleum Institute is lobbying lawmakers to resist federal vapor pressure benchmarks and last week urged lawmakers to oppose "a national volatility standard."

Reuters, 7:00 March 31, 2015

Natural Gas

ExxonMobil Begins Production at 300 MMcf/d Hadrian South in Gulf of Mexico

ExxonMobil Corporation on Monday announced it began production in the deepwater Gulf of Mexico at Hadrian South with facilities tied back to the nearby Lucius project, reducing additional infrastructure requirements. Gross production from Hadrian South, ExxonMobil's deepest subsea tie-back in nearly a mile and a half of water, is expected to reach approximately 300 MMcf/d of gas and 3,000 b/d of liquids from two wells. Hadrian South is located approximately 230 miles offshore in the Keathley Canyon area of the Gulf of Mexico in about 7,650 feet of water. ExxonMobil operates Hadrian South; Petrobras and Eni hold 23.3 percent and 30 percent, respectively.

<http://news.exxonmobil.com/press-release/exxonmobil-begins-production-hadrian-south-gulf-mexico>

Williams Seeks FERC Approval for 1.7 Bcf/d Atlantic Sunrise Pipeline Expansion

Williams announced today that Transco filed an application with the Federal Energy Regulatory Commission (FERC) seeking authorization for its Atlantic Sunrise expansion project, which would transport about 1.7 Bcf/d to markets in the Mid-Atlantic and Southeastern U.S. Williams expects to place Atlantic Sunrise into service in the second half of 2017 as part of \$4.8 billion in transmission projects planned to come online through 2017. The project consists of compression and looping of the Transco Leidy line in Pennsylvania and various locations along its mainline between Pennsylvania and South Carolina in addition to a greenfield pipeline segment, referred to as the Central Penn Line, connecting the northeastern Marcellus producing region to the Transco mainline near Station 195 in southeastern Pennsylvania. The greenfield segment will be jointly owned by Transco and a third party.

<http://investor.williams.com/press-release/williams/williams-seeks-ferc-approval-atlantic-sunrise-pipeline-expansion-serve-growin>

Other News

Nothing to report.

Update: Oil Flow on Iraqi Kurdistan's 425,000 b/d Kirkuk-Ceyhan Pipeline Resumes

March 30 – Botas

Crude flow in the Iraqi pipeline carrying Kirkuk and Kurdish oil to Turkey's Mediterranean port of Ceyhan resumed late on Monday after a technical problem was fixed, an official at Turkish state pipeline operator Botas told Reuters. The pipeline was pumping around 425,000 b/d before it was halted on Monday.

Reuters, 4:02 March 31, 2015

Major Power Outage Hits Cities, Provinces across Turkey March 31

A major power outage hit Turkish cities and provinces on Tuesday, including the capital Ankara and Istanbul. The Prime Minister said all possible causes of the outage were being investigated and did not rule out sabotage, but said trouble with transmission lines was the most likely reason for the problem. By Tuesday afternoon, electricity returned to parts of Istanbul. The Energy Minister said about 80 percent of Istanbul's electricity had been restored and he expected power to return to the rest of the country soon.

Reuters, 9:18 March 31, 2015

<http://www.bbc.com/news/world-europe-32130567>

OPEC Oil Output Hits Over 30 Million b/d, Highest Since October

The Organization of the Petroleum Exporting Countries (OPEC) oil supply jumped in March to its highest since October as Iraq's exports rebounded after bad weather and Saudi Arabia pumped at close to record rates. The increase adds to excess supply in the market, despite some signs that the halving of crude prices since June 2014 is encouraging higher oil demand. OPEC supply has risen in March to 30.63 million b/d from a revised 30.07 million b/d in February, according to the survey based on shipping data and information from sources at oil companies, OPEC and consultants.

Reuters, 9:23 March 31, 2015

Update: Libya's Ras Lanuf and Es Sider Oil Ports to Open Soon – NOC Official

Libya two biggest oil ports, Ras Lanuf and Es Sider, will be able to open once security checks are made as forces backing the country's rival government have left the area after months of fighting, a National Oil Company (NOC) official said on Tuesday. The two ports, which can handle a combined 600,000 b/d, are under the control of forces loyal to the internationally recognized government based in the east. The ports were closed in December when fighting broke out between forces loyal to Libya's internationally recognized government and to Libya Dawn.

The region south of the ports is home to several oilfields that were attacked in recent weeks by fighters loyal to the militant group Islamic State. Tripoli-based government forces last week moved out from camps west of Es Sider to tackle a growing threat from Islamic State in Sirte.

Reuters, 9:24 March 31, 2015

Energy Prices

U.S. Oil and Gas Prices			
March 31, 2015			
	Today	Week Ago	Year Ago
CRUDE OIL			
West Texas Intermediate U.S.	47.88	46.79	101.05
\$/Barrel			
NATURAL GAS			
Henry Hub	2.61	2.69	4.48
\$/Million Btu			

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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