



ENERGY ASSURANCE DAILY

Friday Evening, April 17, 2015

Electricity

Update: FirstEnergy's 821 MW Beaver Valley Nuclear Unit 1 in Pennsylvania Restarts, Ramps Up to 48 Percent by April 17

The unit was shut early Wednesday after plant operators determined that one of the reactor's condensate pumps, which move non-radioactive water in the steam generation process, had failed due to a bearing in the motor. On the morning of April 14 the unit was operating at 98 percent.

<http://www.nrc.gov/reading-rm/doc-collections/event-status/reactor-status/2015/20150417ps.html>

<http://www.nrc.gov/reading-rm/doc-collections/event-status/event/2015/20150416en.html>

<http://powersource.post-gazette.com/powersource/companies-powersource/2015/04/15/Overnight-malfunction-forces-partial-shutdown-at-FirstEnergy-s-Beaver-Valley-nuclear-plant/stories/201504150209>

El Segundo Energy Center LLC's 264 MW Gas-fired Units 7 and 8 in California Shut by April 16

The units entered an unplanned outage.

<http://content.caiso.com/unitstatus/data/unitstatus201504161515.html>

Dominion Virginia Power's 500 kV James River Transmission Line Receives State Supreme Court's Support; Awaits Army Corp of Engineers Approval

The Supreme Court of Virginia unanimously upheld the State Corporation Commission's (SCC) order approving Dominion Virginia's construction of a proposed 500 kV transmission line over the James River from Surry to James City County. The company now awaits a decision from the U.S. Army Corp of Engineers to proceed with construction. The project was proposed in June 2012 to ensure reliable service to the Peninsula area in the wake of the upcoming closure of the 159 MW unit 1 and 164 MW unit 2 at its Yorktown Power Station in response to regulations from EPA's 2011 environmental mandates. To maintain compliance with North American Electric Reliability Council standards ensuring the integrity and reliability of the overall electric grid, the company will be forced to regularly initiate rotating blackouts on the Peninsula during periods of peak electric demand. Dominion estimates that this would be necessary 80 times in a typical year, usually on the hottest or coldest days if the line is not in service by the time the two Yorktown coal units are retired. The Virginia Department of Environmental Quality granted an extension of the retirement date for units 1 and 2 for one year until April 2016. The EPA has the authority to issue an Administrative Order (AO) that could allow Units 1 and 2 to operate one additional year until April 2017. Dominion plans to file for the AO later in 2015.

<https://www.dom.com/residential/dominion-virginia-power/news/news-releases/137002>

<https://www.dom.com/corporate/what-we-do/electricity/generation/fossil-fueled-power-stations/yorktown-power-station>

Duke Energy, Camp Lejeune Receives Approval for 13 MW Solar Project in North Carolina

Duke Energy received regulatory approval from the North Carolina Utilities Commission (NCUC) on Tuesday to construct a 13 MW solar farm at Marine Corps Base Camp Lejeune in Onslow County. The project will enable the Department of the Navy and U.S. Marine Corps to meet critical renewable energy and energy security goals, while helping Duke Energy further its commitment to renewable energy in the state. The project is expected to be online in 2015.

<http://www.duke-energy.com/news/releases/2015041601.asp>

DOT Takes Coordinated Action to Increase Safe Transportation of Energy Products

The U.S. Department of Transportation (DOT) today said oil train operators must have detailed information on hand about the possible risks of their cargo in case of an accident and perform more thorough checks before moving on the tracks. The volume of crude oil being shipped by rail has increased exponentially in recent years, and the number of significant accidents involving trains carrying ethanol or crude oil is unprecedented. These actions represent the latest in a series of more than two dozen that DOT has initiated over the last nineteen months to address the significant threat to public safety that accidents involving trains carrying highly flammable liquids can represent. New measures announced Friday are meant to reduce the chance that a routine train mishap would lead to the kind of fiery explosion that followed several other oil train accidents, officials said. The measures were announced jointly by the Federal Railroad Administration (FRA) and the Pipeline and Hazardous Materials Safety Administration (PHMSA). One of the measures, the FRA said, required shippers to account for who handled crude oil involved in any mishap and what the operator knew about the possible volatility of the cargo. Rail operators must also do more to find flawed tanker wheels and quickly have them replaced, the FRA said. Early analysis indicates that a defective wheel contributed to last month's oil train derailment and fire in Galena, Illinois, according to the FRA. A national oil train safety plan is due in coming weeks and will be more comprehensive than Friday's measures.

<http://www.dot.gov/briefing-room/dot-agencies-take-coordinated-actions-increase-safe-transportation-energy-products>

Workers at Marathon's 451,000 b/d Galveston Bay, Texas Refinery Reject Final Contract Offer – USW

Striking workers at Marathon Petroleum Corp's Galveston Bay refinery in Texas City, Texas, rejected the company's final contract offer, an official of the United Steelworkers (USW) said on Thursday. In rejecting the offer, the USW told Marathon it was willing to resume negotiations on Monday in an effort to end the work stoppage that began February 1.

http://www.downstreamtoday.com/news/article.aspx?a_id=47283

Update: BP Completes Restart of FCCU at Its 413,500 b/d Whiting, Indiana Refinery April 16 – Sources

BP Plc completed restarting the 65,000 b/d fluidic catalytic cracking unit (FCCU) at its Whiting, Indiana, refinery, sources familiar with plant operations said on Thursday. The FCCU, which is the smaller of two at the Whiting refinery, was shut for repairs on March 8.

Reuters, 11:48 April 16, 2015

Citgo Reports Flaring at Its 172,045 b/d Lemont, Illinois Refinery

Reuters, 4:06 April 17, 2015

California Imports of Bakken Crude Oil by Barge Set Record in 2014

California imports of Bakken crude oil by barge totaled a record 1.5 million barrels last year, 27 percent greater than the amount that reached the state by rail, the California Energy Commission said on Thursday. Many California refineries do not have the infrastructure necessary to unload crude oil trains and attempts to add rail extensions to those refineries have in some cases been delayed due to opposition from environmental groups. To get the low-cost Bakken crude to California refineries, producers load it onto trains in North Dakota bound for transport terminals in the Pacific Northwest. From there it is loaded onto barges bound for California refineries, which are better equipped to receive crude from sea vessels.

Reuters, 21:06 April 16, 2015

BLM Issues Advance Notice of Proposed Rulemaking for Public Dialogue on Potential Changes to Onshore Oil and Gas Regulations

Secretary of the Interior Sally Jewell today announced that the Bureau of Land Management (BLM) will open a public dialogue on potential changes to federal onshore oil and gas regulations as part of President Obama's strategy to support a balanced, prosperous energy future. The BLM is issuing an Advance Notice of Proposed Rulemaking (ANPR) to seek public comment on potential updates to BLM rules governing oil and gas royalty rates, rental payments, lease sale minimum bids, civil penalty caps and financial assurances. Modernizing the BLM's rate structures can provide critical flexibility, Jewell noted, especially given the dramatic growth of oil development on public and tribal lands, where production has increased in each of the past six years, and combined production was up 81 percent in 2014 versus 2008. Potential changes to BLM's regulations would also respond to concerns expressed by the Government Accountability Office (GAO), Interior's Office of Inspector General, and others that the BLM's existing rules lack flexibility and could be causing the United States to forego significant revenue to the detriment of taxpayers. The ANPR invites the public to submit comments during a 45-day comment period, which will start after the ANPR is published in the Federal Register next week.

<http://www.doi.gov/news/pressreleases/interior-department-seeks-public-dialogue-on-reform-of-federal-onshore-oil-and-gas-regulations.cfm>

Natural Gas

Nothing to report.

Other News

Nothing to report.

International News

Military Withdraws from Yemen Oilfields, Hands Security to Local Tribes

Military units protecting Yemen's Masila oil fields, the country's largest, withdrew on Friday and handed over security responsibilities to armed local tribes, the tribesmen and oil company employees said. Yemen is more than three weeks into a Saudi-led bombing campaign aimed at weakening the Shi'ite Houthi rebel movement allied to Iran. Companies that run the fields include state-owned PetroMasila, Canada's Nexen Energy, and France's Total. http://www.rigzone.com/news/oil_gas/a/138170/Military-Withdraws-from-Yemen-Oilfields-Hands-Security-to-Tribes#sthash.xTes63Ie.dpuf

Oil Flows Rise to 500,000 b/d on Kirkuk-Ceyhan Pipeline from Iraq to Turkey

Oil flows via the Kirkuk-Ceyhan pipeline from Iraq to Turkey's Mediterranean coast have risen to 500,000 b/d in the last 24 hours, a multi-month high, a shipping source said on Friday citing loading data. Exports via the pipeline have been disrupted repeatedly by Islamic militants in northern Iraq as well as by a dispute between Baghdad and the semi-autonomous region of Kurdistan regarding such oil sales. Flows have stabilized in recent months after Iraq and Kurdistan reached a deal on oil exports but have not exceeded 450,000 b/d this year.

Reuters, 4:36 April 17, 2015

Energy Prices

U.S. Oil and Gas Prices			
April 17, 2015			
	Today	Week Ago	Year Ago
CRUDE OIL West Texas Intermediate U.S. \$/Barrel	55.56	51.38	104.22
NATURAL GAS Henry Hub \$/Million Btu	2.58	2.63	4.62

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