



# ENERGY ASSURANCE DAILY

Wednesday Evening, April 30, 2014

## *Electricity*

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### **New Storms Bring Over 110,000 Additional Outages to Georgia, Florida April 29-30**

New storms moved across the Southeast overnight April 29–30, knocking out power to 58,638 Gulf Power customers in Northwest Florida and increasing Georgia Power's customer outage count to 55,035 this morning, up from 2,000 customers yesterday evening. As of 3:30 p.m. EDT, today, Gulf Power and Georgia Power reported 7,291 and 15,445 customer outages respectively, according to utility websites. Gulf Power reported that its remaining customers without power were primarily in Escambia County, which was hit hard by around 2 feet of rain since Tuesday afternoon. The company said it was continuing restoration work as flood waters receded but it may not have power restored to all customers until late tomorrow. On Monday evening and into Tuesday, more than 227,000 customers across the Southeast – including 72,000 Georgia Power customers – lost power when severe storms and tornados impacted the region. As of today, the majority of those outages had been restored.

<http://outagemap.gulfpower.com/external/default.html>

<https://www.facebook.com/GulfPowerCompany>

<https://twitter.com/GulfPower>

<http://outagemap.georgiapower.com/external/default.html>

<https://twitter.com/GeorgiaPower/status/461263073337421824>

### **High Winds Knock Out Power to Over 44,000 Customers in Southern California April 30**

High winds hit the Inland Empire in Southern California on Wednesday, knocking out power to 44,817 customers. As of 12:00 p.m. PDT today, Southern California Edison (SCE) reported 30,909 customers without power, San Diego Gas and Electric reported 11,142, and Los Angeles Department of Water and Power reported 2,766. The winds are expected to continue through Thursday and a Red Flag Warning (RFW) was declared for Orange County through 8 p.m. PDT on Thursday, according to the National Weather Service.

<https://www.sce.com/wps/portal/home/outage-center/outage-map/outage-list-view/>

<http://www.sdge.com/safety/outages/outage-map>

[https://www.ladwp.com/ladwp/faces/header/outageinformation?\\_afLoop=10821335315759&](https://www.ladwp.com/ladwp/faces/header/outageinformation?_afLoop=10821335315759&)

<http://www.wrh.noaa.gov/sgx/>

### **ISO-NE Expects Adequate Resources to Meet Summer 2014 Demand for Power**

ISO New England Inc. said on Tuesday it expects the New England region to have the resources needed to meet consumer demand for electricity this summer. Under summer weather conditions of about 90° F, electricity demand is forecasted to peak at about 26,660 MW. If an extended heat wave were to occur and temperatures reached 95°F, the peak could rise to about 28,965 MW. Both forecasts include the demand-reducing effect of region-wide energy-efficiency (EE) measures acquired through the Forward Capacity Market. If EE measures were not taken into account, the respective peak forecasts would be 28,165 MW and 30,470 MW. If all the generators in New England operate at maximum ability, about 30,900 MW would be available. New England has a variety of capacity resource types it can use to meet peak summer demand and maintain reliability, including generators, demand-response resources, and electricity imports from neighboring power systems.

[http://www.iso-ne.com/nwssiss/pr/2014/2014\\_summer\\_outlook\\_press\\_release\\_final.pdf](http://www.iso-ne.com/nwssiss/pr/2014/2014_summer_outlook_press_release_final.pdf)

## **U.S. Supreme Court Upholds EPA's Cross State Air Pollution Rule Limiting Power Plant Emissions**

The Environmental Protection Agency (EPA) can reinstate limits on power plant pollution that blows across state lines, the Supreme Court ruled Tuesday, handing a defeat to electric utilities that opposed the effort as costly regulatory overreach. The court's ruling breathes new life into a 2011 EPA measure known as the Cross-State Air Pollution Rule, which requires 28 states to reduce emissions that hurt air quality in states located downwind. The regulation stands to affect about 1,000 power plants in the eastern half of the U.S. that may have to adopt new pollution controls or reduce operations. The decision could further threaten the viability of some aging coal plants, which already face other market and regulatory pressures.

<http://online.wsj.com/news/articles/SB10001424052702304163604579531594097453658?mg=reno64-wsj&url=http%3A%2F%2Fonline.wsj.com%2Farticle%2FSB10001424052702304163604579531594097453658.html>

## **Southern Co. Delays 582 MW Kemper Integrated Gasification Combined-Cycle Coal Plant in Mississippi to 2015 Amid Rising Costs**

Southern Co. delayed the startup of its \$5.5 billion coal-gasification power plant in Kemper County, Mississippi, the company said in a filing with regulators on Tuesday. Southern had previously taken \$729 million in charges related to more than \$1 billion in cost overruns at the Kemper County plant, one of only two integrated gasification combined-cycle (IGCC) plants in the nation. Mississippi Power, Southern's smallest utility, owns the facility and plans to complete the gas-fired, combined cycle portion of the project this summer. However, the in-service date for Kemper's complex gasification system has been delayed to the first half of 2015, one year later than initially planned.

Reuters, 19:25 April 29, 2014

[http://www.southerncompany.com/news/dyn\\_pressroom.cshtml?s=43&item=3109](http://www.southerncompany.com/news/dyn_pressroom.cshtml?s=43&item=3109)

## **El Paso Electric Receives EPA Air Permit to Build 176 MW Montana Natural Gas-fired Power Station in Texas**

The Environmental Protection Agency's (EPA) previously issued greenhouse gas permit for El Paso Electric's (EPE) four-unit natural gas-fired Montana Power Station became effective on April 25, 2014 when no appeals were filed prior to the expiration of the appeals period. EPE may now commence construction of the first two units, which it expects to bring online by the summer peak of 2015. These units are designed to work in concert with EPE's 107 MW of solar energy including 60 additional MW of utility-scale solar to be added in 2014, according to EPE's CEO.

<http://www.epelectric.com/about-el-paso-electric/article/update-epa-air-permit-issued-to-build-montana-power-station>

<http://www.epelectric.com/about-el-paso-electric/montana-power-station>

## **TMPA's 470 MW Gibbons Creek Coal-fired Power Plant in Texas Shut Due to Boiler Trip April 29**

Texas Municipal Power Agency's (TMPA) 470 MW Gibbons Creek coal-fired power plant in Texas shut early Tuesday due to an unplanned boiler trip, the company told Texas state regulators in a report. The company did not say in the report when the unit would likely return to service but did note that after completing initial repairs it returned gas ignition in the boiler to service in the afternoon.

Reuters, 10:39 April 30, 2014

## **Update: Entergy's 836 MW Arkansas Nuclear Unit 1 in Arkansas Ramps Up to 69 Percent by April 30**

On the morning of April 29 the unit was operating at 55 percent, from 20 percent by April 28. Unit 1 was reduced to 20 percent, from full power on April 27 due to grid impacts from severe weather.

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

Reuters, 9:52 April 28, 2014

## **SCE&G Reports Cracks Found in Its 966 MW VC Summer Nuclear Power Plant in South Carolina, Reactor Head to be Replaced in 2017**

South Carolina Electric & Gas (SCE&G) officials on April 28 said that a reactor vessel head at the V.C. Summer plant in Jenkinsville, South Carolina, will be replaced in 2017 after small cracks were found in the current reactor vessel head during a planned maintenance outage.

<http://www.thestate.com/2014/04/28/3414974/cracks-found-at-vc-summer-nuclear.html>

## **Update: Exelon's 1,131 MW Byron Nuclear Unit 2 in Illinois at Full Power by April 30**

By the morning of April 29 the unit was operating at 57 percent, down from full power on April 28.

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

## ***Petroleum***

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### **U.S. Crude Inventories Hit Another Record on Gulf Coast Build – EIA**

U.S. crude stocks rose last week to a new record high led by another steep increase on the Gulf Coast, data from the Energy Information Administration (EIA) showed on Wednesday. Crude inventories rose by 1.7 million barrels in the week to April 25 to just under 400 million barrels, the largest volume since 1982 when EIA began collecting data and exceeding the previous peak set in the previous week. The increase was less than the 2.4 million increase expected by analysts. On the Gulf Coast, oil stocks rose by 5.7 million barrels to just over 215 million, also their highest level for the region on EIA records going back to 1990. Crude stocks at the Cushing, Oklahoma, delivery hub fell by 612,000 barrels, EIA said.

Reuters, 11:54 April 30, 2014

### **PBF Energy Expects to Run More Mexican Crude Grades at East Coast Refineries – Company Chairman**

PBF Energy expects its U.S. East Coast refineries to process more Mexican crude grades as a growing glut of inland U.S. crude on the Gulf Coast pushes shipments of Mexican output further north, the company's chairman said on Wednesday. He said Gulf Coast refineries can back out imports as more domestic crude flows to the region from inland shale plays, such as the Eagle Ford shale and Permian Basin in Texas. That will increasingly push Mexican barrels to the East Coast market.

Reuters, 9:55 April 30, 2014

### **PBF Energy Wants Crude-by-Rail Offloading Capability at Its 160,000 b/d Toledo, Ohio Refinery – Company Chairman**

PBF Energy wants to add crude-by-rail offloading capability at its refinery in Toledo, Ohio, to increase crude sourcing flexibility throughout the company's three-refinery system, the company's chairman said Wednesday. The company is increasing rail shipments of North Dakota Bakken and Canadian heavy crude by rail at its Delaware refinery.

Reuters, 9:33 April 30, 2014

### **Flint Hills Reports FCCU Upset at Its 284,172 b/d Corpus Christi, Texas Refinery April 28**

Flint Hills Resources reported an upset at a fluid catalytic cracking unit (FCCU) at the east plant of its Corpus Christi, Texas, refinery, according to a filing with state pollution regulators.

Reuters, 17:29 April 29, 2014

### **Chevron Reports Unit Upset at Its 245,000 b/d Richmond, California Refinery April 26**

Chevron Corp. reported an unspecified unit upset on Saturday at its Richmond, California, facility, according to a filing with the Contra Costa Health Department Hazardous Materials Program that was made public on Tuesday. Chevron lost burners on a unit, the filing added.

Reuters, 20:05 April 29, 2014

### **Sunoco Seeking Public Utility Status to Avoid Local Zoning Hurdles on Its Mariner East NGL Pipeline from Marcellus Shale to Marcus Hook, Pennsylvania**

Sunoco Pipeline L.P. said Tuesday it was withdrawing an application for a controversial pumping station in Chester County, Pennsylvania, on its cross-state Mariner East pipeline. Instead, Sunoco is concentrating on getting the Pennsylvania Public Utility Commission to rule that it is a public utility corporation and therefore exempt from cumbersome local zoning. Sunoco Pipeline was scheduled to appear Thursday before the zoning hearing board in West Goshen, where it has applied for a variance to build a pumping station, one of 17 pump stations along its 299-mile pipeline project. Sunoco wants to open Mariner East this year to transport Marcellus Shale natural gas liquids (NGLs) such as propane and ethane from Western Pennsylvania to Marcus Hook, where it would be exported or distributed locally. The Mariner East project involves repurposing an 8-inch diameter steel pipeline built in 1931 that delivered refined petroleum products from Philadelphia refineries to Western Pennsylvania. Sunoco is repairing the pipeline and installing new pumps and valves along the route.

Reuters, 22:10 April 29, 2014

## **Gibson Energy Receives Support to Build Two 300,000 Barrel Oil Storage Tanks at Its Hardisty Terminal in Alberta**

Gibson Energy Inc. on Wednesday announced it received committed support for two 300,000 barrel crude oil storage tanks at the company's Hardisty Terminal. The two additional tanks contribute to a total of six new tanks being constructed at Hardisty, increasing total storage capacity under development to 2.3 million barrels. The new tanks will be constructed on the Company's eastern Hardisty lands adjacent to the three 400,000 barrel tanks and the 500,000 barrel tank currently under construction. Site preparation and civil work for the two new tanks will commence in the third quarter of 2014. Expected in-service dates for the six new tanks are late 2014 for the first and second 400,000 barrel tanks; early 2015 for third 400,000 barrel tank and the 500,000 barrel tank; and early 2016 for the two 300,000 barrel tanks.

<http://www.gibsons.com/Investors/News-Item-New.aspx?id=1833994>

## ***Natural Gas***

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### **FERC Issues Positive Final Environmental Impact Statement on Cameron LNG Liquefaction Project in Louisiana**

FERC has prepared a final environmental impact statement (EIS) for the Cameron Liquefaction Project proposed by Cameron LNG, LLC and Cameron Interstate Pipeline, LLC. The Project is proposed in Cameron, Calcasieu, and Beauregard Parishes, Louisiana, and would provide Cameron the capability to export about 12 million tons of liquefied natural gas (LNG) per year. Cameron would construct three separate systems that liquefy natural gas; one 160,000-cubic-meter, full-containment LNG storage tank; refrigerant make-up and condensate product storage; a truck loading/unloading area; one marine work dock; minor modifications to existing terminal facilities; 21 miles of 42-inch-diameter pipeline; one 56,820-horsepower compressor station; and ancillary facilities. FERC's environmental staff concludes that construction and operation of the Project would result in some adverse environmental impacts. However, these impacts would be reduced to less-than-significant levels with the implementation of Cameron's proposed minimization and mitigation measures and the additional measures recommended by the FERC staff in the EIS.

<http://www.ferc.gov/industries/gas/enviro/eis/2014/04-30-14-eis.asp>

### **Southern Union Reports SRU Shut at Its Keystone Gas Plant in Texas April 27**

Southern Union reported a digital card in the programmable logic card (PLC) for the sulfur recovery unit (SRU) went out holding the last value of the numbers it had at the time. Technicians cycled the power to the PLC to try to get the card to reboot which shut down the SRU. An ACS (automation control specialist) was needed to clear the programming faults. The ACS changed the faulty card and cleared all faults in the CPU. The SRU was restarted at that time.

<http://www11.tceq.state.tx.us/oc/eer/index.cfm?fuseaction=main.getDetails&target=197512>

## ***Other News***

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Nothing to report.

## ***International News***

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### **Update: Libya's Reopened Zueitina Oil Port to Load First Tanker May 1-3**

Libya's Zueitina oil port will load its first tanker of crude on May 1-3 since reopening after being closed for nearly 10 months due to protests, trading and shipping sources said. A second tanker is in the process of being chartered to load around May 8-10, trading sources said. State National Oil Corp lifted force majeure on the port on April 28 following a recent deal with federalist protesters to reopen the smallest two of four blocked eastern ports. Reuters, 5:22 April 30, 2014

## Energy Prices

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U.S. Oil and Gas Prices			
April 30, 2014			
	Today	Week Ago	Year Ago
<b>CRUDE OIL</b> <b>West Texas Intermediate U.S.</b> \$/Barrel	99.79	101.74	93.21
<b>NATURAL GAS</b> <b>Henry Hub</b> \$/Million Btu	4.82	4.74	4.28

Source: Reuters

## Links

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***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](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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