



# ENERGY ASSURANCE DAILY

Thursday Evening, May 15, 2014

## Major Developments

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### Plains West Coast Pipeline Break Spills 10,000 Gallons of Crude Oil in Los Angeles May 15

A break in a 20-inch above-ground Plains West Coast pipeline caused 10,000 gallons of oil to spill over a half-mile area in the West Glendale area of Los Angeles, California on Thursday. The break, which occurred shortly after 1 a.m. PDT, occurred at a pumping station in an industrial area and the spilled oil, knee-high in some areas, affected a handful of nearby business. Plains said it appeared that the leak had stemmed from a valve failure, which sent a geyser of oil 20 feet into the air. The pipeline was immediately shut off remotely but the release continued for about 45 minutes due to residual pressure and gravity on the line. Fire crews worked throughout the morning to contain the runoff. By dawn, an environmental cleaning company had vacuumed up most of the oil. The 20-inch pipeline runs from the San Joaquin Valley to a storage terminal in Long Beach that supplies Los Angeles-area refineries, including those run by Phillips 66, Valero, and Tesoro. The pipeline matches the description of Plains' 130,000 b/d Line 2000 but Plains has not identified the specific pipeline.

<http://www.reuters.com/article/2014/05/15/us-crude-spill-pipeline-losangeles-idUSBREA4E0BI20140515>

<http://www.usatoday.com/story/news/nation/2014/05/15/los-angeles-oil-spill/9114619/>

<http://ktla.com/2014/05/15/atwater-village-businesses-affected-by-50000-gallons-of-crude-oil-spill/#axzz31opajpII>

## Electricity

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### Poinsettia Fire Trips SDGE Transmission Lines in San Diego County, California May 14

Several brush fires burning in San Diego County, California, are threatening transmission and distribution infrastructure operated by San Diego Gas & Electric (SDGE). On Wednesday afternoon, SDGE had reported 9,600 customers without power. Approximately 3,000 of these customers, including LEGOLand, were located in Carlsbad area, where flames from the Poinsettia Fire, heat, and winds reportedly caused several transmission lines to trip offline. SDGE later issued a call for conservation due to fires impacting major transmission lines. Earlier in the day SDGE had cut power to more than 1,000 customers in rural areas as a proactive measure to avoid a potential fire hazard. High winds can cause transmission lines to crash together and cause brush fires on hot, dry days. As of Thursday afternoon, SDGE was reporting 3,934 customers without power, only one of which was in the Carlsbad area. SDGE again asked customers to conserve power during peak usage hours (5–9 p.m.).

<http://www.kusi.com/story/25521194/sdge-cuts-power-in-east-county-as-north-county-burns>

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

<https://twitter.com/SDGE>

### Camp Pendleton Fire Prompts Precautionary Evacuation of 13 Employees at San Onofre Nuclear Generating Station in California May 14

As a precaution in response to brush fires at nearby Camp Pendleton on Wednesday, Southern California Edison (SCE) posted personnel at the south boundary of the San Onofre nuclear plant and evacuated 13 non-essential employees from that area. SCE notified the Nuclear Regulatory Commission resident inspector just before noon of the precautionary evacuation of the plant area known as the South Yard. Site personnel were dousing vegetation at the south boundary with water as a preventive measure. In addition, San Onofre has dispatched some of its personnel to Camp Pendleton to assist base personnel with firefighting efforts. SCE said the fires do not pose a safety issue at San Onofre at this time. San Onofre is currently shut down and preparing to decommission.

[http://www.songscommunity.com/news2014/news051414.asp?utm\\_content=buffer28820&utm\\_medium=social&utm\\_source=twitter.com&utm\\_campaign=buffer](http://www.songscommunity.com/news2014/news051414.asp?utm_content=buffer28820&utm_medium=social&utm_source=twitter.com&utm_campaign=buffer)

### **Update: Entergy Arkansas Rebuilding Grid after Damage from Five Tornadoes in April**

Entergy Arkansas said its employees and contractors were working seven days a week to rebuild electrical facilities damaged during five distinct tornadoes on April 27, including the first twister of 2014 to earn a high-end rating of EF4, packing winds between 166-200 mph. While power was restored to all customers after the storms, Entergy Arkansas employees in several departments were continuing a massive, coordinated effort to rebuild numerous transmission and distribution facilities, including the Mayflower substation, which was extensively damaged. Mayflower is one of the three major substations that supplies power to metropolitan Little Rock, Arkansas. In addition to building a temporary substation that will be in place by mid-June, Entergy is using infrared technology to ensure undamaged facilities are operating smoothly and conducting more frequent aerial patrols to inspect and monitor critical transmission lines. The damage sustained in the April tornado reduced the company's back-up power options to some customers. With summer approaching, the possibility of more severe thunderstorms with damaging winds means Entergy must prepare customers for the remote possibility of a power interruption in the Little Rock area.

[http://www.entergy-arkansas.com/news\\_room/newsrelease.aspx?NR\\_ID=2919](http://www.entergy-arkansas.com/news_room/newsrelease.aspx?NR_ID=2919)

### **JCP&L to Expand 230 kV Rocktown Substation in West Amwell, New Jersey to Increase Capacity and Enhance Service Reliability**

Jersey Central Power & Light (JCP&L) on Monday announced plans to build a \$10 million substation expansion in Hunterdon County, New Jersey to enhance customer service reliability and meet the growing demand for electricity in the area. The construction project involves adding new 230 kV circuit breakers, transformers, and other equipment to the existing Rocktown Substation in West Amwell Township. A new, half-mile transmission line loop also will be built as part of the project to connect the expanded section of the substation with a nearby 230 kV transmission line. A key function of the substation is to use the circuit breakers and transformers to reduce the transmission line voltage to a level that can be used by local customers.

[https://www.firstenergycorp.com/content/fecorp/newsroom/news\\_releases/jcp-l-expands-substation-in-west-amwell-to-increase-capacity-and.html](https://www.firstenergycorp.com/content/fecorp/newsroom/news_releases/jcp-l-expands-substation-in-west-amwell-to-increase-capacity-and.html)

### **National Grid to Spend More on Storm Protection for Transmission Lines and Pipelines**

National Grid today said it will spend more money on its U.S. business in coming years to help protect its electrical transmission lines and natural gas pipelines against heavy storms. National Grid's assets are exposed to increasingly severe weather conditions like thunderstorms and flooding, the effects of which cost the company up to \$101 million in the ice storm that hit the U.S. over the past year.

Reuters, 4:11 May 15, 2014

### **Indianapolis Power & Light Co. Receives Approval for New 650 MW Combined Cycle Gas Plant and Natural Gas Conversion of Two Units at Harding Street Coal Plant**

The AES Corporation today announced that its subsidiary, Indianapolis Power & Light (IPL), received approval from the Indiana Utility Regulatory Commission (IURC) for its request for a Certificate of Public Convenience and Necessity (CPCN), allowing IPL to invest approximately \$600 million into a new 650 MW combined-cycle gas turbine (CCGT) power station near Martinsville, Indiana and \$36 million to convert two units at the Harding Street Generation Station totaling 200 MW from coal to natural gas. The CCGT project will commence construction in third quarter 2014 and is expected to come online in 2017. The conversion of Harding Street Units 5 and 6 will begin in the fall of 2015 and be completed by early 2016.

<http://investor.aes.com/phoenix.zhtml?c=202639&p=irol-newsArticle&ID=1931309&highlight>

## ***Petroleum***

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### **Canada Announces Enhanced Pipeline Safety and Spill Response Rules May 14**

Canada unveiled new rules on Wednesday to enhance pipeline safety and spill response, ahead of the development of new projects proposed to carry crude from Alberta's oil sands to coastal ports for export. The new legislation will give Canada's National Energy Board (NEB) more power to enforce compliance on safety and the authority to step in to lead spill response if a company is unwilling or unable to do so. Companies will also now be held liable, up to \$917 million for all spills or incidents on their lines, whether or not they are at-fault or negligent, putting the onus on owners to ensure safe operations. Companies found to be at-fault or negligent in an incident will continue to face unlimited liability. In the case of a severe spill or incident, the government said it will backstop the initial cost of clean-up and remediation, with the NEB responsible for recovering those additional funds from pipeline companies.

<http://finance.yahoo.com/news/canada-revamps-pipeline-safety-rules-223000976.html>

## **Industry Group Report Shows Bakken Crude Oil Characteristics Well Within Safety Standards for Current Rail Car Design**

The American Fuel & Petrochemical Manufacturers (AFPM) on Wednesday released findings from a new report that examines the characteristics of Bakken crude oil and the standards required to transport by rail. The report results demonstrate that Bakken crude oil is well within the safety standards for current rail car designs. More specifically, Bakken crude is comparable to other light crudes and does not pose risks that are significantly different than other crudes or flammable liquids authorized for rail transport. In particular, Bakken crudes are well within the regulatory limits for pressure, flashpoint, boiling point, and corrosivity for use in Department of Transportation (DOT) approved railcars. The data shows that the current classification of Bakken crude oil is accurate and appropriate. Bakken crude oil is designated as a flammable liquid under the Hazardous Materials Regulations and as such, is subject to evaluation of its flashpoint and initial boiling point for classification purposes. While Bakken crude and other light crudes may contain higher amounts of dissolved flammable gases compared to some heavy crude oils, the percentage of dissolved gases would not cause Bakken crude to be transported under a DOT hazard class other than Class 3 Flammable Liquid. The report concludes that there is no need to create a new DOT classification for crude oil transportation.

<http://www.afpm.org/news-release.aspx?id=4230>

## **Motiva Shuts HCU Due to Compressor Failure, Reports Emissions at Its 600,000 b/d Port Arthur, Texas Refinery May 14**

Motiva Enterprises reported an equipment failure led to flaring at its Port Arthur, Texas, refinery on Wednesday, according to filing on Thursday with the Texas Commission on Environmental Quality. The equipment upset was caused by a process incident and the refinery operators took immediate corrective actions to stabilize the unit, the filing said. The filing listed a hydrocracking unit (HCU) as a source of emissions. The company had shut a 60,000 b/d hydrocracking unit at the refinery on Wednesday due to a compressor failure, according to sources familiar with operations at the refinery.

Reuters, 8:14 May 15, 2014

## **Update: Tesoro Reports Normal Operations after Unplanned Maintenance at Its 166,000 b/d Martinez, California Refinery May 14**

Tesoro Corp. said its Golden Eagle refinery in Martinez, California was operating normally after a period of brief unspecified maintenance May 13. Tesoro said it did not anticipate any impact upon its ability to fulfill supply commitments.

Reuters, 14:01 May 14, 2014

## ***Natural Gas***

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### **Regency Reports AGC Shut at Its 290 MMcf/d Waha Gas Plant in Texas May 14**

Regency reported short-term and intermittent failures of the lube oil pump caused the acid gas compressor (AGC) to alarm and shut. Acid gas was directed to the flare as designed. The lube oil pump was experiencing short-lived instances of seizure during production. Efforts were being made to repair the pump during shutdown periods.

<http://www11.tceq.state.tx.us/oce/eeer/index.cfm?fuseaction=main.getDetails&target=198340>

### **Southern Union Gas Reports Its Keystone Gas Plant in Texas Shuts May 14**

Southern Union reported the plant went down on high A bed temperature but was quickly cooled down and put back online. The sulfur recovery unit was put back online in 15 minutes. Unit no. 24 also kept shutting due to high third stage discharge pressure. The hydrate was cleared in the cooling tower via the methanol pump.

<http://www11.tceq.state.tx.us/oce/eeer/index.cfm?fuseaction=main.getDetails&target=198291>

<http://www11.tceq.state.tx.us/oce/eeer/index.cfm?fuseaction=main.getDetails&target=198295>

## ***Other News***

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Nothing to report.

## International News

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### Update: Libya's Oil Output Hits 300,000 b/d, El Feel and Wafa Oilfields Return to Service – NOC

Libya's oil output was at 300,000 b/d with El Feel oilfield at full capacity and Wafa field back at work after protests ended in the west of the country, an official with the National Oil Corporation (NOC) said on Thursday. An NOC official said there was no clarity on the state of production at the large El Sharara oilfield, which normally produces 340,000 b/d. El Feel had a pre-shutdown production capacity of 85,000 b/d.

Reuters, 10:46 May 15, 2014

### Update: All Pipelines at Kazakhstan's Kashagan Oilfield to be Replaced – Oil Minister

The North Caspian Operating Company (NCOC), the consortium developing the giant Kashagan oilfield, will have to replace the entire pipeline system at the deposit, Kazakhstan's oil minister said on Thursday, confirming that output there would not resume this year. Production at Kashagan started last September but was halted in early October after the discovery of gas leaks in the project's pipeline network. NCOC, which includes Eni, ExxonMobil, Royal Dutch Shell, Total, China's CNPC, Japan's Inpex, and Kazakh state-run company KazMunaiGas, said last month that it did not expect to produce oil this year due to the leaks.

<http://finance.yahoo.com/news/kashagan-pipelines-replaced-kazakh-minister-110257730.html>

## Energy Prices

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U.S. Oil and Gas Prices			
May 15, 2014			
	Today	Week Ago	Year Ago
<b>CRUDE OIL</b> <b>West Texas Intermediate U.S.</b> \$/Barrel	101.72	100.53	93.96
<b>NATURAL GAS</b> <b>Henry Hub</b> \$/Million Btu	4.41	4.83	3.93

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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