



ENERGY ASSURANCE DAILY

Thursday Evening, July 03, 2014

Electricity

Hurricane Arthur Expected to Strengthen to Category 2; Duke Energy Reports 11,000 Customers without Power as Storm Nears Coast July 3

Hurricane Arthur was gaining strength Thursday and expected to grow to a category 2 hurricane with winds of 105 miles per hour before grazing the coast of North Carolina Thursday night. The storm was then expected to weaken as it moves north, the National Hurricane Center said. Arthur is expected to bring storm surges of up to 5 feet, as well as large, damaging waves, high winds, and dangerous rip currents. As of 4:00 p.m. EDT today, Duke Energy was reporting 11,169 customers in North Carolina without power and that number was expected to increase as the hurricane intensifies and moves closer to land. The company said in anticipation of the storm, it had added 500 line and vegetation management workers with another 245 line workers on call.

http://www.cnn.com/2014/07/03/us/holiday-weather/index.html?hpt=hp_t2

<http://www.nhc.noaa.gov/text/refresh/MIATCMAT1+shtml/031506.shtml>

<http://www.duke-energy.com/news/releases/2014070303.asp>

<http://outagemap.duke-energy.com/ncsc/default.html>

<https://twitter.com/DukeEnergy>

Update: Over 36,000 Customers Remain Without Power in Upper Midwest July 3 after Derecho June 30–July 1

Restoration efforts continued Thursday after a derecho hit the upper Midwest Monday night into Tuesday morning knocking out power to over 1 million customers. As of 3:30 p.m. EDT today, 36,066 customers remained without power in the affected areas. Commonwealth Edison reported 18,497 customers in Illinois remained without power, down from a peak of 400,000 customers. Indiana and Michigan Power reported 17,596 customers remained without power, down from a peak of 74,000 customers. Commonwealth Edison estimates that the remaining customers will have their service restored by late Thursday night, with the exception of some pockets in the hardest hit areas.

Indiana and Michigan Power expects full restoration by Saturday at 6:00 p.m. local time.

<https://indianamichiganpower.com/mobile/outages/OutageDetails.aspx?stormName=July+1+Wind+Storm>

<https://www.comed.com/customer-service/outage-information/Pages/storm-center.aspx>

<https://www.comed.com/layouts/comedsp/OutageMap.aspx>

NRG Energy to Proceed with Natural Gas-fired Power Plant Project in Oxnard, California Despite City Council Opposition

NRG Energy on Wednesday said it will move forward with a proposal to build a power plant in coastal Southern California even after the City Council of Oxnard expressed opposition, citing fears it could be inundated by rising sea water. The Council approved a non-binding moratorium on the plan to build a natural gas-fired power plant to replace two of its older facilities, which require major upgrades or face decommissioning in 2020. The communications director for NRG said that while the company was disappointed in the outcome of the vote, only the California Energy Commission, not the Oxnard City Council, has the power to stop the project.

<http://in.reuters.com/article/2014/07/03/usa-california-powerplant-idINL2NOPE01H20140703>

Update: Inland Empire Energy Center, LLC's 376 MW Gas-fired Unit 1 in California Returns to Service by July 2

The unit returned from an unplanned outage that began by July 1.

<http://content.aiso.com/unitstatus/data/unitstatus201407021515.html>

Enterprise Sells First Ever Condensate Cargo to Japan's Mitsui as U.S. Export Ban Eases

Enterprise Product Partners sold the first ever U.S. exports of condensate to a Japanese trading house Mitsui & Co Ltd and was seeking more buyers in Latin America, according to trading sources. The sale comes one week after U.S. authorities confirmed a ruling easing a 40-year ban on shipping lightly processed oil abroad. Two Singapore-based sources said Mitsui & Co Ltd had bought a 400,000-barrel cargo of U.S. condensate that is expected to be loaded and sent to Asia later this month or in early August. The firm was marketing that cargo to refiners, they said. Reuters, 4:08 July 3, 2014

Enterprise Completes Construction of 450,000 b/d Seaway Crude Oil Pipeline Expansion from Oklahoma to Texas; Commissioning Expected in 3Q 2014

Enterprise announced today that the 512-mile loop of the Seaway Pipeline system from Cushing, Oklahoma, to the Jones Creek storage and terminal facility near Freeport, Texas, is mechanically complete. The new 30-inch Seaway Loop Pipeline is expected to more than double the capacity of the Seaway system to 850,000 b/d. The Jones Creek facility is connected to Enterprise's ECHO crude oil storage facility in Houston by a 65-mile, 36-inch pipeline. Construction of a 100-mile, 30-inch pipeline from ECHO to Beaumont/Port Arthur, Texas, is expected to be completed in July 2014. Commissioning of the Seaway Loop, as well as the new pipeline from ECHO to Beaumont/Port Arthur will continue throughout the third quarter 2014.

<http://phx.corporate-ir.net/phoenix.zhtml?c=80547&p=irol-newsArticle&id=1944787&highlight>

Delek Reports Emissions from Boiler, Catalytic Cracker at Its 60,000 b/d Tyler, Texas Refinery July 3

Delek U.S. Holdings reported emissions from boiler no. 9, boiler no. 9 (co boiler) vent, and catalytic cracker unit, according to a filing with the Texas Commission on Environmental Quality. Reuters, 11:26 July 3, 2014

LyondellBasell Reports Flaring at Its 273,433 b/d Houston, Texas Refinery July 2

LyondellBasell Industries reported flaring at its Houston refinery, according to a community information phone line. Reuters, 15:14 July 2, 2014

Natural Gas

Alaska's Governor Says Design Work to Start on Alaska Gasline and LNG Project

The state of Alaska signed a joint-venture agreement with BP, ExxonMobil, ConocoPhillips, and TransCanada to begin preliminary work on an 800-mile natural gas pipeline from the North Slope to a liquefied natural gas (LNG) export plant, Governor Sean Parnell said Wednesday. The Alaska LNG Project fully entered the Pre-Front End Engineering and Design (Pre-FEED) during which the producer parties will spend hundreds of millions of dollars on design and engineering of the project. In the coming weeks, the project will begin to work to secure an export license with the Department of Energy and continue permitting work with the Federal Energy Regulatory Commission. Each producer party, in addition to the state, will begin to engage the LNG sales market during this phase. Gas could hit local and foreign markets in the mid-2020s, according to the state's projections.

<http://gov.alaska.gov/parnell/press-room/full-press-release.html?pr=6886>

Reuters, 11:32 July 3, 2014

Other News

EPA Approves New Fuels for Federal Biofuel Mandate July 2

The U.S. Environmental Protection Agency (EPA) on Wednesday finalized a plan allowing compressed natural gas and liquefied natural gas produced using biogas from landfills, manure digesters, and sewage treatment plants to qualify as cellulosic biofuel, fuel typically derived from sources like grasses and wood. Electricity generated from biogas and used to power electric vehicles would also qualify to meet the cellulosic portion of the federal biofuel mandate. The approval of new sources of cellulosic biofuels could have an impact on EPA's final biofuel targets for 2014, the agency said.

Reuters, 17:58 July 2, 2014

<http://www.epa.gov/otaq/fuels/renewablefuels/regulations.htm>

Occidental Suspends 67,000 b/d of Production from Two Colombian Oilfields after Rebel Attack Over Weekend

Production at Occidental Petroleum Corp.'s Cano Limon and Caricare oil fields in Colombia's northern Arauca province was been suspended following a rebel attack over the weekend, according to company and military sources. Occidental informed the government the two fields, which together produce around 67,000 b/d, will remain shut until security is guaranteed. Colombia's energy minister said on Wednesday the government would double the number of troops in the area and provide "all the security required" to tackle rebels in the area.

http://www.rigzone.com/news/oil_gas/a/133857/Sources_Occidental_Suspends_Colombia_Oil_Output_After_Rebel_Attack#sthash.2wwZWqOn.dpuf

ISIL Seizes 75,000 b/d al-Omar Oilfield in Syria's East – Monitoring Group

Militants from the Islamic State of Iraq and the Levant (ISIL) seized control of al-Omar, Syria's largest oil field, from rival Islamist fighters on Thursday, strengthening its advance across the eastern Deir al-Zor province, an opposition monitoring group said. The capture of the oilfield gives ISIL control of crude reserves. The Syrian Observatory for Human Rights said the Islamic State "took leadership" of the oil field from Nusra Front, the official wing of al Qaeda in Syria. Nusra Front, which had captured the oil field from the Syrian government in November, had claimed to be producing around 10,000 b/d of oil from the field, which has a capacity of 75,000 b/d.

http://www.upi.com/Top_News/World-News/2014/07/03/ISIS-takes-control-of-major-Syrian-oil-field-rights-group-says/3461404410948/

Reuters, 10:24 July 3, 2013

Libya Declares Oil Crisis Over after Reclaiming Oil Ports

Libya's acting Prime Minister said the government had reached a deal with a rebel leader controlling oil ports to hand over the last two terminals, Ras Lanuf and Es Sider, and end a blockade that crippled country's petroleum industry. Taking back the two major eastern oil terminals could make around 500,000 more barrels a day of crude available for export.

Reuters, 19:23 July 2, 2014

Energy Prices

| U.S. Oil and Gas Prices | | | |
|-------------------------------------|--------|----------|----------|
| July 3, 2014 | | | |
| | Today | Week Ago | Year Ago |
| CRUDE OIL | | | |
| West Texas Intermediate U.S. | 104.47 | 105.85 | 101.89 |
| \$/Barrel | | | |
| NATURAL GAS | | | |
| Henry Hub | 4.39 | 4.57 | 3.58 |
| \$/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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