



ENERGY ASSURANCE DAILY

Thursday Evening, September 04, 2014

Electricity

Strong Storms Knock Out Power to Over 46,000 Wisconsin Power Service Customers in Wisconsin

Strong storms producing lightning and high winds moved across northern Wisconsin Thursday afternoon knocking out power to 46,351 Wisconsin Power Service (WPS) customers. The majority of the outages were caused by downed trees and utility lines. As of 3:30 p.m. EDT today, 43,681 WPS customers remained without power.

<http://www.wisconsinpublicservice.com/outagesummary/view/outagegrid.aspx>

<https://twitter.com/WPSstorm>

<http://www.starjournalnow.com/Content/Default/Latest-News/Article/Power-outages-throughout-the-Northwoods/-3/37/8363#sthash.mYrnH8h7.dpuf>

Update: Southern's 1,152 MW Vogtle Nuclear Unit 1 in Georgia Ramps Up to 90 Percent by September 4

Southern Co said on Tuesday it reduced its Vogtle 1 nuclear power plant in Georgia to 33 percent, from full power, to perform maintenance on the cooling water system of the main generator.

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

Duke Energy to Build 110 MW Los Vientos V Wind Power Project in Texas

Duke Energy Renewables on Wednesday announced it will build, own, and operate a 110 MW wind power project, Los Vientos V, in Starr County, Texas. Garland Power & Light, Greenville Electric Utility System, and Bryan Texas Utilities have signed 25-year agreements to purchase the power produced by the project. The project is expected to be completed by late 2015.

<http://www.duke-energy.com/news/releases/2014090301.asp>

Petroleum

ExxonMobil Says Mechanical Work at Its 344,600 b/d Beaumont, Texas Refinery Causes No Production Impact September 4

ExxonMobil Corp said there was no impact to production after a brief period of steam venting occurred Wednesday evening related to some mechanical work at its Beaumont, Texas refinery.

Reuters, 00:27 September 4, 2014

Update: CVR Report Sulfur Dioxide Emissions at Its 70,000 b/d Wynnewood, Oklahoma Refinery August 28

CVR Energy Inc reported sulfur dioxide emissions from the sulfur recovery unit (SRU) tail gas incinerator due to a "shutdown" on August 28, according to a filing with the Oklahoma Department of Environmental Quality.

Reuters, 14:29 September 3, 2014

HollyFrontier Reports Emissions at Its 70,300 b/d Tulsa East Refinery in Oklahoma September 1

HollyFrontier Corp reported hydrogen sulfide emissions from flare no. 2 on September 1 due to "unknown" reasons, according to a filing with the Oklahoma Department of Environmental Quality.

Reuters, 14:29 September 3, 2014

CHS Announces Investment to Increase Diesel Production at Its 59,600 b/d Laurel, Montana Refinery

CHS Inc. announced today it would invest \$406 million in its Laurel, Montana, refinery to boost efficiency and increase diesel production. The investments consist of related projects, some of which will begin this fall, and were expected to be completed in phases through 2019. Included in the investment were a new hydrogen plant and crude unit modifications that would increase crude oil throughput and increase diesel production, as well as hydrocracker modifications that would increase diesel production, reduce production interruptions, and allow the refinery to process additional crudes.

<http://chsinc.mediaroom.com/2014-09-04-CHS-will-boost-diesel-production-with-406-million-Montana-refinery-investment>

Enbridge Says Its 525,000 b/d Northern Gateway Line from Alberta to British Columbia Unlikely to Start in 2018

Enbridge Inc no longer expects to complete its Northern Gateway oil pipeline by 2018, a company official said on Thursday. The president of Enbridge's Northern Gateway unit said a number of issues needed to be sorted out before construction could begin, including winning additional support from aboriginal communities along the pipeline's route through northern British Columbia. Canadian energy regulators approved the pipeline, with more than 200 conditions, late last year. The pipeline would take oil sands crude from near Edmonton, Alberta, to a deepwater port at Kitimat on British Columbia's northern coast.

Reuters, 12:22 September 4, 2014

Natural Gas

Williams Transco Announces Open Season for 1-2+ Bcf/d Western Marcellus Pipeline Project

Williams Cos Inc's Transcontinental Gas Pipeline Co (Transco) on Wednesday announced an open season for the Western Marcellus Pipeline Project which will provide from 1 Bcf/d to in excess of 2 Bcf/d of new, year-round firm transportation capacity to growing markets in the Mid-Atlantic and southeastern United States by late 2018. The new capacity will transport gas from receipt points in the Western Marcellus and Utica supply areas to points as far south as Transco's Zone 3 compressor station 65 in Mississippi and as far north as the proposed Zone 6 River Road point in Pennsylvania. The project would connect Williams' Ohio Valley Midstream processing and gathering system in northern West Virginia with the Transco pipeline, the largest volume pipeline system in the United States. The project is being designed to consist of a greenfield pipeline extending from the Rockies Express pipeline near Clarington, Ohio, and Williams Oak Grove processing plant in Marshall County, West Virginia, to Transco compressor station 165 in southern Virginia. From there, mainline modifications would allow both northbound flow to the proposed River Road point and southbound flow to Station 65 for significant portions of the project capacity. The open season is set to end on September 29.

<http://www.b2i.us/profiles/investor/NewsPrint.asp?b=630&ID=72276&m=rl&pop=1&cat=1799&G=343>

DCP Midstream Reports Turbine Shut Due to Oil Leak at Its 160 MMcf/d Goldsmith Gas Plant in Texas September 2

DCP Midstream reported turbine A was shut due to an oil leak inside the turbine enclosure causing excessive 5 pound and 50 pound pressure within the plant, which in turn caused plant to flare. Gas was shut out from plant and once repairs were made operations restarted turbine A, ending the flare event.

<http://www11.tceq.state.tx.us/oc/eer/index.cfm?fuseaction=main.getDetails&target=203071>

Southern Union Reports Field Unit Shut at Its Keystone Gas Plant in Texas September 3

Southern Union reported a field unit went down due to bad relays and bad solenoids which caused flaring at the plant. The bad relays and solenoids on the field unit were replaced which allowed the unit to be put back on line and flaring to cease.

<http://www11.tceq.state.tx.us/oc/eer/index.cfm?fuseaction=main.getDetails&target=203106>

POET-DSM Begins Operations at Its 20 MMGal/year Project Liberty Commercial-Scale Cellulosic Ethanol Plant in Iowa

POET-DSM Advanced Biofuels, LLC, a joint venture of Royal DSM and POET, LLC, on Wednesday began commercial operation of its Project Liberty cellulosic ethanol plant in Emmetsburg, Iowa. Project Liberty converts baled corn cobs, leaves, husk, and stalk into renewable fuel. The plant has now officially started up, processing its first batch of biomass into cellulosic ethanol and is moving forward toward continuous operation. At full capacity, it will convert 770 tons of biomass per day to produce ethanol at a rate of 20 million gallons per year, later ramping up to 25 million gallons per year.

<http://www.dsm.com/corporate/media/informationcenter-news/2014/09/29-14-first-commercial-scale-cellulosic-ethanol-plant-in-the-united-states-open-for-business.html>

International News

Iraq's Baiji Oil Refinery Damaged in Attack, Repairs to Take Over a Year

Iraq's biggest oil refinery, Baiji, was badly damaged in a series of attacks by militants from the Islamic State and will take more than a year to repair. Jihadists have repeatedly tried to capture the Baiji refinery in northern Iraq after they seized Iraq's second city of Mosul in June. The attacks have caused severe damage to the facility, according to the Kurdistan Regional Government's Natural Resources Minister. The Baiji refinery had been producing around 170,000 b/d before it stopped production.

<http://www.ibtimes.co.uk/iraqs-biggest-oil-refinery-out-action-least-year-1464017>

Oil Output in Iraq's Kirkuk Falls 90 Percent to 30,000 b/d; Federal Kirkuk-Ceyhan Pipeline Likely to Remain Shut for Over a Year

Oil output in Iraq's Kirkuk fell to 30,000 b/d since June, 90 percent down on earlier this year, and a federal pipeline to the Turkish port of Ceyhan may be shut for over a year due to sabotage, Kirkuk's governor said on Thursday. In February this year Iraqi oil production hit record highs of 2.8 million b/d nationwide, with an estimated 300,000 b/d coming from the northern province of Kirkuk. The federal pipeline from Kirkuk to Ceyhan has a capacity of 1.6 million b/d but has for years been operating at around a third of that, and recently even less, a Turkish official said. Kurdistan's oil production is expected to rise to 400,000 b/d in 2014 from 250,000 b/d, according to the chief executive of Anglo-Turkish Genel Energy.

Reuters, 11:34 September 4, 2014

Iraq Cuts Output Targets in Revised Oil Deals with BP, CNPC

Iraq signed revised contracts with BP and CNPC for two southern oilfields on Thursday that reduced their production targets and extended the life of the deals, Iraqi oil officials said. The revised deal with BP for Iraq's Rumaila oilfield cut the planned plateau level to 2.1 million b/d from 2.85 million b/d, the general manager of the Rumaila Operating Organisation said. Iraq also agreed with China's CNPC to cut the final output target from the Halfaya oilfield to 400,000 b/d from 535,000 b/d, the head of state-run Maysan Oil Co said. Iraq had set an overall production capacity target of 12 million b/d by 2020, which would rival that of top oil exporter Saudi Arabia, after it signed service contracts in 2009–2010 to develop its southern oilfields.

Reuters, 8:21 September 4, 2014

Energy Prices

| U.S. Oil and Gas Prices | | | |
|--|-------|----------|----------|
| September 4, 2014 | | | |
| | Today | Week Ago | Year Ago |
| CRUDE OIL West Texas Intermediate U.S. \$/Barrel | 94.56 | 95.56 | 107.88 |
| NATURAL GAS Henry Hub \$/Million Btu | 3.94 | 3.94 | 3.66 |

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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