



# ENERGY ASSURANCE DAILY

Wednesday Evening, October 16, 2013

**Notice:** Due to the lapse in federal appropriations, content within the Energy Assurance Daily may be limited.

## *Electricity*

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### **Supreme Court to Hear Challenge to EPA Permits for Power Plant Emissions**

The Supreme Court has agreed to review a policy that requires new power plants and other big polluting facilities to apply for permits to emit greenhouse gases. The permits have been required since 2011 and to get them, companies may have to use pollution controls or otherwise reduce greenhouse gases from their operations, although that has not been needed so far. The rule is part of a larger effort by the Environmental Protection Agency (EPA) to regulate greenhouse gases under the Clean Air Act. The utilities, manufacturers, and chemical companies challenge the ruling on several grounds. First, they argue that greenhouse gas emissions should not be classified as air pollutants regulated under the Clean Air Act because they do not affect health-based ambient air quality standards. Second, they argue that the Clean Air Act only applies to automobiles and does not authorize regulation of stationary sources, such as power plants. Furthermore, industry groups argue that getting these permits causes delays in big projects that could help revive the economy.

<http://www.latimes.com/nation/la-na-court-greenhouse-gases-20131016,0,5976556.story>

<http://www.npr.org/blogs/thetwo-way/2013/10/15/234731532/supreme-court-to-weigh-epa-permits-for-power-plant-emissions>

### **Entergy's 653 MW Pilgrim Nuclear Unit in Massachusetts Shut Due to Loss of Offsite Power October 14**

Entergy Corp.'s Pilgrim nuclear unit in Massachusetts automatically shut on Monday due to the loss of one of two 345 kV power lines that provide offsite power to the plant, according to a spokesperson. The company said it would perform maintenance on the plant while it is shut. Regional utility NSTAR removed the second 345-kV line from service for planned maintenance last week.

<http://finance.yahoo.com/news/entergy-mass-pilgrim-nuclear-reactor-142056117.html>

### **PG&E's 1150 MW Diablo Canyon Unit 1 Nuclear Unit in California Reduced by October 15**

The unit entered an unplanned curtailment of 655 MW to allow for work on a feedwater pump.

<http://content.aiso.com/unitstatus/data/unitstatus201310151515.html>

<http://finance.yahoo.com/news/pg-e-reduces-california-diablo-162954455.html>

### **Dynegy's 510 MW Moss Landing Gas-fired Unit in California Reduced by October 15**

The unit entered an unplanned curtailment of 260 MW.

<http://content.aiso.com/unitstatus/data/unitstatus201310151515.html>

### **First Solar to Build 250 MW McCoy Solar Energy Plant in California for NextEra Energy Resources**

First Solar, Inc. announced today it has entered into an agreement to construct a 250 MWAC (megawatt alternating current) solar power plant in Riverside County, California, for a subsidiary of NextEra Energy Resources, LLC. The McCoy Solar Energy Project will be located on approximately 2,300 acres of mostly public land provided by the Bureau of Land Management. Under the agreement, First Solar will provide engineering, procurement, and construction services, using First Solar's cadmium telluride photovoltaic thin-film modules. Construction is expected to begin in late 2014, with completion in late 2016.

<http://investor.firstsolar.com/releasedetail.cfm?ReleaseID=797801>

### **Update: Tesoro to Replace Part of Ruptured High Plains Pipeline in North Dakota After 20,600 Barrel Crude Oil Spill**

Tesoro Logistics LP will repair and replace a 200-foot section of the High Plains pipeline, in North Dakota, that leaked 20,600 barrels of Bakken oil onto farmland on September 29, the company said on Tuesday. The six-inch, 35-mile pipeline was carrying crude oil from the Bakken shale play to the Stampede rail facility outside Columbus, North Dakota. The repair plans were submitted to and approved by the U.S. Department of Transportation Pipeline and Hazardous Materials Safety Administration (PHMSA), the company said. State regulators have pointed to corrosion as the possible cause of the leak although the investigation, headed by PHMSA, is not yet complete. So far, approximately 2,100 barrels of the spilled oil has been recovered.

<http://www.reuters.com/article/2013/10/15/tesoro-spill-northdakota-idUSL1N0151BN20131015>

### **North Dakota Oil Output Could Hit 1 Million b/d by End of 2013**

Oil production in North Dakota could hit 1 million b/d by the end of this year due in large part to the Bakken formation, the head of the State's Mineral Resources Department said on Tuesday. Data issued by the department showed production rose 35,000 b/d in August to more than 910,000 b/d, an all-time high that exceeds an official forecast of 850,000 b/d by the end of the year.

[http://www.rigzone.com/news/oil\\_gas/a/129596/North\\_Dakota\\_Oil\\_Output\\_Could\\_Hit\\_1\\_MMBod\\_by\\_YearEnd](http://www.rigzone.com/news/oil_gas/a/129596/North_Dakota_Oil_Output_Could_Hit_1_MMBod_by_YearEnd)

### **TransCanada to Build 2.25 Million Barrel Crude Oil Storage Facilities for Keystone XL Pipeline in Cushing, Oklahoma by Year-End**

TransCanada Corp. will complete construction of associated tank and storage facilities at the Cushing, Oklahoma, oil storage hub late this year as part of its project for the southern leg of the Keystone XL pipeline, the company said on Tuesday. TransCanada plans to build 7 crude oil storage tanks with a total capacity of 2.25 million barrels at Cushing, according to permit applications filed with the Oklahoma Department of Environmental Quality. The company is continuing its plans to bring the Keystone southern pipeline that will ship 700,000 b/d of U.S. and Canadian oil from Cushing to Nederland, Texas, to commercial service at the end of 2013.

<http://www.transcanada.com/news-releases-article.html?id=1770390>

[http://www.downstreamtoday.com/news/article.aspx?a\\_id=41062](http://www.downstreamtoday.com/news/article.aspx?a_id=41062)

## *Natural Gas*

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### **DCP Midstream Reports Turbine Shutdown, Flaring at Its 160 MMcf/d Goldsmith Gas Plant in Texas October 15**

DCP Midstream reported turbine A experienced an unexpected fuel shutdown causing the turbine to go down and the flare valve to open. Operators reset and restarted turbine A and put the engine back online. Earlier that day, turbine B experienced an unplanned shutdown due to enclosure fan A failure. Enclosure fan A failed while online, and after fan A shut down, the program prompted enclosure fan B to start. Fan B failed to start when prompted by program. With both fans down, the program shut down turbine B and caused the flare event. Enclosure fan logic was reviewed and changed so that the fan shutdowns were removed from logic and in its place, the unit would rely on enclosure temperature alarms for fan failure indications. Turbine B was then restarted and flare event ended

<http://www11.tceq.state.tx.us/oc/eer/index.cfm?fuseaction=main.getDetails&target=189565>

<http://www11.tceq.state.tx.us/oc/eer/index.cfm?fuseaction=main.getDetails&target=189566>

### **Southern Union Shuts Down Its Keystone Gas Plant in Texas for Required Maintenance October 14**

Southern Union reported it shut down its Keystone plant starting midnight on October 14 through October 19 to perform various required maintenance on equipment throughout the plant. The plant will have to flare inlet, residue, and acid gas until the producers totally shut in their gas. The plant will also have to flare the gas associated with blowing down certain vessels and piping as maintenance projects require.

<http://www11.tceq.state.tx.us/oc/eer/index.cfm?fuseaction=main.getDetails&target=189210>

## *Other News*

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Nothing to report.

**Update: Shell Shuts Trans Niger Pipeline’s 28-Inch Line in Nigeria After Fire; Entire 150,000 b/d System Now Shut**

A fire outbreak was reported on October 14 within the Shell Petroleum Development Company (SPDC) right-of-way at Patrick Waterside, Bodo, Ogoniland and close to the Trans Niger Pipeline (TNP) in Nigeria, even as investigations and repair work continued on last week’s spills in the area. The entire TNP system, comprising the 24-inch line and 28-inch line were closed on October 9 as a precautionary response to the spills, but the 28-inch TNP was reopened shortly after investigations established that the leaks were on the 24-inch line only. However, the 28-inch TNP was shut-in again due to the fire at Patrick Waterside. The fire was put out but the 28-inch TNP will remain closed until the pipeline can be checked out which means that the entire TNP is shut-in, resulting in production of 150,000 b/d of oil being deferred. The force majeure on Bonny Light exports remains in place. <http://www.shell.com.ng/aboutshell/media-centre/news-and-media-releases/2013-releases/fire-reported-on-tnp-right-of-way.html>

**Eland’s Opuama Field in Nigeria to Restart Production by Year-End**

Eland Oil & Gas reported Wednesday that final works on repairing the Opuama Production Facility in Nigeria are within weeks of being completed and that the Opuama field which is located on the firm’s OML 40 license is set to soon come back into production for the first time in seven years. Eland said the operator has been focused on replacing corroded infield flowlines, refurbishment of the field’s production flow station, and the repair of the oil export pipeline, including the replacement of all corroded and damaged sections. The company said work has been completed to fully replace the three flowlines on the planned existing start-up wells in the field. These flowlines have been trenched and overlaid with protective concrete mats at major water crossings. Meanwhile, the 8-inch and 10-inch sections of the export pipeline have been surveyed and repaired, with this part of the line currently being flushed prior to conducting a full pressure test to verify its integrity. Repairs to the final 15-mile long, 12-inch section to Otumara are ongoing and expected to be completed within the next three to four weeks. The Opuama flowstation rehabilitation work is currently underway and expected to be finished within five weeks. Eland said that the year-end exit production rate is expected to be in excess of 2,500 b/d of oil from the planned restart of the two existing wells in the Opuama field. It is then anticipated that production will increase by around 3,000 b/d for each subsequent new well drilled during 2014. A designated rig is expected to become available in early 2014, from when the operator will drill six development wells within the Opuama field. [http://otp.investis.com/clients/uk/eland\\_oil\\_and\\_gas/rns/regulatory-story.aspx?cid=308&newsid=372087](http://otp.investis.com/clients/uk/eland_oil_and_gas/rns/regulatory-story.aspx?cid=308&newsid=372087)  
[http://www.rigzone.com/news/oil\\_gas/a/129617/Nigerias\\_Opuama\\_Field\\_to\\_Restart\\_Production\\_by\\_YearEnd](http://www.rigzone.com/news/oil_gas/a/129617/Nigerias_Opuama_Field_to_Restart_Production_by_YearEnd)

**Iraq Oil Exports to Rebound to 2 Million b/d by End of October**

Maintenance and expansion work could put Iraq back on track as a top oil exporter as infrastructure work, that cut loadings progresses. Exports from Iraq’s southern terminals have averaged 1.67 million b/d in the first 16 days of October, according to shipping data tracked by Reuters. That is down from September’s rate of 1.82 million b/d and 2.31 million b/d in August. The loading rate is expected to increase in the rest of October. Two of the berths at the Basra Oil Terminal, which were closed in the early stages of the work, have begun to receive tankers again, according to a shipping source. A source with a second buyer of Iraqi crude also expected to see a rebound in the rest of the month, with exports averaging 2.0 to 2.1 million b/d during October. [http://www.rigzone.com/news/oil\\_gas/a/129620/Iraq\\_Oil\\_Exports\\_to\\_Rebound\\_in\\_Rest\\_of\\_October](http://www.rigzone.com/news/oil_gas/a/129620/Iraq_Oil_Exports_to_Rebound_in_Rest_of_October)

**Energy Prices**

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<b>U.S. Oil and Gas Prices</b>			
October 16, 2013			
	<b>Today</b>	<b>Week Ago</b>	<b>Year Ago</b>
<b>CRUDE OIL</b> <b>West Texas Intermediate U.S.</b> \$/Barrel	102.28	101.41	91.71
<b>NATURAL GAS</b> <b>Henry Hub</b> \$/Million Btu	3.84	3.72	3.35

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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