



ENERGY ASSURANCE DAILY

Wednesday Evening, November 13, 2013

Electricity

FirstEnergy to Invest \$2.8 Billion to Upgrade Transmission Lines and Substations to Enhance Reliability at Ohio and Pennsylvania Utilities

FirstEnergy Corp. said Tuesday that it will spend \$2.8 billion in the next four years upgrading transmission power lines and substations at Ohio Edison, Cleveland Illuminating Co., Toledo Edison, and Penn Power. This investment is on top of a \$1.8 billion transmission upgrade project already underway, for a total of \$4.6 billion invested in five years. The upgrades will focus on 69 kV transmission lines that are the link between high-voltage transmission lines and the local distribution lines that reach the end user. The improvements will include updated technology that will more quickly help crews find outages and restore power. Currently, when there is a problem, electricity for all customers served by that unit is turned off. The new technology is expected to quickly isolate the problem section and restore power. Overall, 7,200 circuit miles will be evaluated and rebuilt, and more than 170 substations and 70,000 transmission structures will be inspected and upgraded.

<http://www.ohio.com/news/local/firstenergy-to-invest-2-8-billion-in-transmission-lines-costs-to-be-recouped-by-customers-1.444388>

Update: Dominion's 871 MW Millstone Nuclear Unit 2 in Connecticut Ramped Up to 80 Percent by November 13

Dominion Resources Inc.'s Millstone nuclear unit 2, which restarted Tuesday after being shut Saturday afternoon when it automatically tripped following a turbine trip due to a loss of condenser vacuum, ramped up to 80 percent by Wednesday, according to the U.S. Nuclear Regulatory Commission.

<http://www.nrc.gov/reading-rm/doc-collections/event-status/reactor-status/2013/>

Update: Apex Clean Energy's 300 MW Balko Wind Energy Project in Oklahoma to Supply 100 MW to Western Farmers Electric Cooperative

Apex Clean Energy said Tuesday that it has agreed to sell 100 MW of wind energy from its Balko Wind project in Oklahoma to Western Farmers Electric Cooperative. With this agreement and its agreement in October to sell 200 MW to Public Service Company of Oklahoma, a subsidiary of American Electric Power, Apex has sold all the wind power capacity from the Balko project. The project, located in Beaver County on the Oklahoma Panhandle, is scheduled to come online in 2015.

<http://finance.yahoo.com/news/apex-sells-wind-power-western-133842930.html>

Pattern Energy Begins Construction on 218 MW Wind Farm in Texas Panhandle

Pattern Energy Group said Wednesday that it recently began construction on a grassroot, 218 MW wind farm facility in the Panhandle region of northern Texas. The project will involve installation of 118 GE 1.85MW turbines and include a 345 kV substation, transmission line, and other operations facility. The project will utilize Texas' new Competitive Renewable Energy Zone transmission infrastructure connecting to the state's main power grid operator, Electric Reliability Council of Texas. The project is scheduled to be completed in August 2014.

<http://wind.energy-business-review.com/news/pattern-energy-commissions-panhandle-wind-project-in-texas-220813>

Fluor Completes 125 MW Arlington Valley Solar Energy II Power Plant in Arizona

LS Power Group said Tuesday that Fluor Corp has completed construction of a 125 MW Arlington Valley Solar Energy II solar photovoltaic power plant in Arizona. The plant took two years to build and started delivering power in May. LS said it will sell the entire output of the solar farm to San Diego Gas & Electric as part of a long-term sales agreement.

Reuters, 7:52 November 13, 2013

Update: PHMSA Grants ExxonMobil 90-Day Extension on Restart of 95,000 b/d Pegasus Pipeline in Arkansas

The U.S. Pipeline and Hazardous Materials Safety Administration (PHMSA), in a letter published Tuesday, granted ExxonMobil Pipeline a 90-day extension to submit plans to regulators to restart its 95,000 b/d Pegasus oil pipeline in Arkansas. After reviewing Exxon's request, PHMSA gave the company until January 6, 2014, to submit its plans for repairs needed to restart the pipeline. A manufacturing defect in the Pegasus pipeline caused the spill of approximately 5,000 barrels of crude oil in Mayflower, Arkansas in March. PHMSA has found nine likely violations of federal safety rules and said Exxon may face a civil penalty of \$2.65 million.

http://www.upi.com/Business_News/Energy-Resources/2013/11/13/Exxon-Mobil-Pipeline-Co-given-leeway-on-crippled-Pegasus-restart/UPI-37691384349803/

Update: Enbridge Says it May Move Part of Proposed 200,000 b/d Sandpiper Pipeline Route across Northern Minnesota

Enbridge Energy, which just filed applications a few weeks ago to build a \$2.5 billion oil pipeline across northern Minnesota, said Tuesday that it will ask the Minnesota Public Utilities Commission to disregard approximately 1.5 miles of the proposed pipeline route that would have crossed undisturbed farm and woods. It proposes a new route for the 610-mile Sandpiper pipeline, which would follow existing pipelines and avoid disturbing new areas. The pipeline would carry more than 200,000 b/d from western North Dakota's Bakken fields to the company's terminal in Superior, Wisconsin.

<http://www.kare11.com/rss/article/1045555/14/Enbridge-may-move-part-of-new-Minn-pipeline-route>

Update: Citgo Partially Restarts Crude Unit at Its 174,500 b/d Lemont, Illinois Refinery November 11; Shuts Compressor November 12

Citgo Petroleum Corp. said Tuesday that it had restarted up the atmospheric section of the crude unit at its Lemont, Illinois refinery on Monday, keeping the vacuum section of the unit shut for further repairs. The crude unit has been shut since an October 23 fire at the refinery. Following the restart of the crude unit, the company shut down a compressor at the refinery, according to a report filed with the Illinois Emergency Management Agency, due to an incident causing sulfur dioxide emissions.

Reuters, 19:52 November 12, 2013

Reuters, 4:21 November 13, 2013

Marathon Reports Chemical Release From Coker Tower at Its 120,000 b/d Detroit, Michigan Refinery November 13

Marathon Petroleum Corp. filed a report with the U.S. National Response Center that chemicals were being released from the coker tower at its Detroit, Michigan refinery. According to the report, the release of benzene, hydrochloric acid, and sulfuric acid was not secure.

http://www.nrc.uscg.mil/reports/rwservlet?standard_web+inc_seq=1065488

Natural Gas

Update: Construction of Liquefaction Trains 1 and 2 at Cheniere's Sabine Pass LNG Terminal in Louisiana Moves Ahead of Schedule

Cheniere Energy Partners, L.P. said Wednesday that construction on the first two natural gas liquefaction units (Trains 1 and 2) at the Sabine Pass LNG terminal in southwest Louisiana are 45 percent complete and ahead of schedule. The company is developing up to six natural gas liquefaction trains, which are expected to have a capacity of approximately 4.5 million tonnes per annum. Construction of Trains 1 and 2 began in August 2012, with the first LNG expected to be delivered by late 2015. Construction on 3 and 4, which began this May, is 10 percent complete, with operations starting in late 2016 and 2017, respectively. Additionally, the company expects to complete all of the required resource reports to file an application with the U.S. Federal Energy Regulatory Commission for Trains 5 and 6 by September 2013.

<http://www.kansas.com/2013/11/12/3112479/cheniere-updates-progress-at-lng.html>

CNOOC Signs Agreement with British Columbia to Develop Aurora LNG Export Terminal on Canada's West Coast

CNOOC Ltd. signed an agreement Tuesday with the government of British Columbia to consider developing a liquefied natural gas (LNG) facility and export terminal at Grassy Point along Canada's west coast. Under the agreement, CNOOC will pay \$12-million to British Columbia in a year if it decides to proceed with the Aurora LNG project. CNOOC would own 60 percent of Aurora LNG, and its partners Japan's Inpex Corp. and JGC Corp. would jointly own the remaining 40 percent. No other details on the LNG terminal have been revealed. British Columbia held an open call earlier this year for proposals to develop at Grassy Point and is in talks with three other energy companies to develop on the land.

http://www.rigzone.com/news/oil_gas/a/130093/CNOOC_Signs_Land_Deal_for_LNG_Terminal_in_Canada
http://business.financialpost.com/2013/11/12/chinas-cnooc-gets-exclusive-rights-to-lng-lands-in-b-c/?_lsa=af34-4017

Other News

Nothing to report.

International News

Update: Libya Cuts Output at 130,000 b/d El Feel Oilfield as Exports from Mellitah Terminal Remain Blocked by Protestors

Libya's National Oil Corp. (NOC) said Wednesday that it has cut output at its El Feel oilfield as storage tanks at Mellitah terminal approach capacity due to reduced exports. Two weeks ago, Amazigh, or Berber protesters seized the port, owned in part by Italy's Eni, demanding more political rights and halting gas and oil exports. The Zawiyah refinery is producing normally after protesters blockading the refinery to demand better medical care left the gate. The 120,000 b/d refinery produces around a fifth of the country's fuel. However, NOC said the refinery may face supply problems if a three-week block from the southern El Sharara field continues.

<http://english.ahram.org.eg/NewsContent/2/8/86339/World/Region/Libya-exrebels-blockade-oil-refinery.aspx>
 Reuters, 11:39 November 13, 2013

Chevron, Petrobras Start Producing Oil at Offshore Papa Terra Field in Brazil

Chevron Corp. said Tuesday that production began at an oil platform at the Papa-Terra oil and gas field off the southeast coast of Brazil for the first time this week. A second platform and drilling rig should also arrive at the site before the end of the year as Chevron and Petroleo Brasileiro SA, its partner in the field, ramp up production. The Papa Terra field should ultimately produce 140,000 b/d.

http://blogs.wsj.com/moneybeat/2013/11/12/chevron-brazils-petrobras-start-oil-output-at-papa-terra-field/?mod=yahoo_hs

Energy Prices

U.S. Oil and Gas Prices			
November 13, 2013			
	Today	Week Ago	Year Ago
CRUDE OIL			
West Texas Intermediate U.S.	94.42	95.19	86.42
\$/Barrel			
NATURAL GAS			
Henry Hub	3.69	3.37	3.57
\$/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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