



ENERGY ASSURANCE DAILY

Friday Evening, November 14, 2014

Electricity

Update: FirstEnergy's 1,235 MW Perry Nuclear Unit 1 in Ohio Ramps Up to 85 Percent by November 14

On the morning of November 13 the unit was operating at 60 percent after restarting by November 12. The unit experienced an automatic shutdown November 7. A preliminary investigation determined that a voltage issue in one of the electrical panels that supplies power to cooling pumps was the cause of the shutdown.

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

http://www.cleveland.com/business/index.ssf/2014/11/perry_nuclear_power_plant_shut_1.html

Update: APS's 1,243 MW Palo Verde Nuclear Unit 2 in Arizona Restarts by November 13, Ramps Up to 63 Percent by November 14

The unit was shut November 7 due to problems with the control element assembly (CEA) 15.

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

<http://www.nrc.gov/reading-rm/doc-collections/event-status/event/2014/20141107en.html>

Update: Crockett Cogeneration LP's 240 MW Crockett Gas-fired Unit in California Returns to Service by November 13

The unit returned from an unplanned outage that began by November 11.

<http://content.aiso.com/unitstatus/data/unitstatus201411131515.html>

PG&E's 144 MW Haas Aggregate Hydro Units 1 and 2 in California Reduced by November 13

The unit entered a planned curtailment of 144 MW.

<http://content.aiso.com/unitstatus/data/unitstatus201411131515.html>

Petroleum

North Dakota Proposes Rules to Improve Bakken Oil Transportation Safety

The North Dakota Industrial Commission on Thursday moved forward on plans to adopt new conditioning standards to improve the safety of Bakken crude oil for transport. The three-member commission agreed to reopen the record for public comment until November 19, to specifically address technical corrections within the draft order. The proposed order sets operating standards for conditioning equipment to properly separate production fluids into gas and liquid. The order includes parameters for temperatures and pressures under which the equipment must operate to ensure that light hydrocarbons are removed before oil is shipped to market. The working draft of Order No. 25417 requires operators to condition crude oil to a Reid Vapor Pressure of no more than 13.7 pounds per square inch (psi). National standards identify crude oil to be stable at a Reid Vapor Pressure of 14.7 psi. Under the new standards, no Bakken crude oil produced in North Dakota is exempt. The order requires operators to separate light hydrocarbons from all Bakken crude oil to be transported and prohibits the blending of light hydrocarbons back into oil supplies prior to shipment. Once the commission's Oil and Gas Division considers any additional public comment, the commission will hold a special meeting in November to consider approving the draft order. Industrial Commission members said they support the adoption of new standards that improve the safety of oil transport, but asked for the order to include information about how the state will oversee the order's enforcement and information about possible penalties for violations.

<http://www.nd.gov/ndic/ic-press/dmr-oilcond.pdf>

House of Representatives Approves TransCanada's 830,000 b/d Keystone XL Pipeline Proposal

The House of Representatives passed legislation Friday, voting 252-161, approving construction of the Keystone pipeline and the Senate is expected to vote on the measure Tuesday. The bill will need 60 votes to pass and it's expected to be a close vote. The legislation passed by the House circumvents the need for approval of the project from the Obama administration. The 1,179-mile, 36-inch-diameter crude oil pipeline will have capacity to transport up to 830,000 b/d of crude oil from Canada to Gulf Coast and Midwest refineries.

http://www.cnn.com/2014/11/14/politics/house-passes-keystone-pipeline/index.html?hpt=hp_t2
<http://keystone-xl.com/about/the-keystone-xl-oil-pipeline-project/>

ExxonMobil Reports Flaring at Its 238,600 b/d Joliet, Illinois Refinery November 14

Reuters, 4:06 November 14, 2014

Motiva Reports Equipment Failure at Its 600,000 b/d Port Arthur, Texas Refinery November 13

Motiva Enterprises reported emissions from a hydrocracking unit flare due to an equipment failure at its Port Arthur, Texas refinery, according to a filing with the Texas Commission on Environmental Quality.

Reuters, 18:26 November 13, 2014

Marathon Reports Exchanger Leak at Its 451,000 b/d Galveston Bay, Texas Refinery November 13

Marathon Petroleum Corp reported while starting up an unspecified UU4 unit, a leak developed on exchanger heads at its Galveston Bay, Texas refinery, according to a filing with the Texas Commission on Environmental Quality.

Reuters, 13:28 November 13, 2014

Phillips 66 Reports FCCU Startup at Its 146,000 b/d Borger, Texas Refinery November 14

Reuters, 1:12 November 14, 2014

Shell Reports Unplanned Shutdown at Its 156,400 b/d Martinez, California Refinery November 11

Reuters, 18:45 November 13, 2014

Tesoro Reports Plant Upset at Its 166,000 b/d Martinez, California Refinery November 13

Reuters, 18:45 November 13, 2014

Deepwater Gulf of Mexico Oil Production to Hit 1.9 Million b/d in 2016 – Wood Mac

Deepwater Gulf of Mexico production is expected to reach a new peak of 1.9 million b/d in 2016, according to Wood Mackenzie's latest outlook. New developments and the expansion of older oil fields are expected to lift deepwater Gulf of Mexico production of 1.9 million b/d in 2016, the first new production peak seen since 2009. However, production is expected to plateau for the remainder of the decade following the 2016 peak due to the depletion of legacy fields and a limited number of new projects coming onstream, according to Wood Mackenzie's latest outlook on the deepwater Gulf. Wood Mackenzie expects deepwater Gulf production to rise 18 percent per year from 2014 to 2016. Fifteen field development projects are expected to come online between 2014 and 2016, while only eight developments will come online from 2017 to 2020.

http://www.rigzone.com/news/oil_gas/a/135906/Deepwater_Gulf_Production_to_Set_New_Record_in_2016#sthash.UMsKQwRI.dpuf
<http://www.woodmac.com/public/industry-views/12525413>

Natural Gas

Regency Reports AGI Compressor Shut at Its 290 MMcf/d Waha Gas Plant in Texas November 13

Regency reported the acid gas injector (AGI) compressor shut on high third stage discharge pressure and fourth stage suction due to a faulty transmitter. The transmitter was repaired/replaced.

<http://www11.tceq.state.tx.us/oc/eer/index.cfm?fuseaction=main.getDetails&target=206370>

ANR Pipeline Reduces Capacity on Michigan Leg North to Begin Unplanned Engine Maintenance at Its Woolfork Compressor Station November 14

ANR Pipeline today said it reduced capacity on its Michigan Leg North and will begin unplanned engine maintenance at its Woolfork compressor station in Michigan. The total southbound capacity of the Michigan Leg North will be reduced by 800 MMcf/d, leaving 2,190 MMcf/d available.

<http://anrebb.transcanada.com/>

Southern Natural Gas Co. Declares Force Majeure on Its 1.03 Bcf/d SESH Pipeline from Alabama to Louisiana November 14

Southern Natural Gas Co. today declared force majeure on its Southeast Supply Header, LLC (SESH) that runs from Alabama to Louisiana. In a notice posted by SESH's operator on October 15, 2014, scheduled maintenance will be conducted on the SESH pipeline on the gas days of November 15-16, 2014. The available SNG-SESH Capacity will be reduced to 402 MMcf/d. This reduction could impact firm receipts as well as interruptible service. This reduction in available capacity constitutes an event of Force Majeure under Section 8.3 of the General Terms and Conditions of Southern's Tariff.

<http://passportebb.elpaso.com/ebbmasterpage/Notices/NoticesAutoTable.aspx?code=SNG&status=Notice&name=Critical%20Notices&sParam1=007&sParam7=36399&sParam11=D&details=Y>

<http://www.spectraenergy.com/Operations/US-Natural-Gas-Pipelines/Southeast-Supply-Header/>

Other News

Nothing to report.

International News

Iraq and Kurds Reach Deal on Oil Exports, Budget Payments

Iraq's central government and the autonomous region of Kurdistan reached an interim agreement on Thursday over oil exports and budget payments, temporarily easing a dispute that has threatened the government's stability. The standoff began earlier this year when Kurdish officials angered Baghdad by exporting oil produced in their region directly to Turkey and not through the Iraqi Oil Ministry. The government in Baghdad called the move unconstitutional and suspected that the Kurds were trying to use oil to advance a bid for independence. So the central government stopped sending to Kurdistan the 17 percent of the national budget allotted to the regional government. Under the agreement signed Thursday, the central government will pay \$500 million to the Kurdistan Regional Government from the national budget while the Kurds will let the Iraqi government sell 150,000 b/d of the oil exported by the Kurds.

Reuters, 11:50 November 14, 2014

Update: Iraqi Forces Drive Islamic State Militants from 320,000 b/d Beiji Refinery

Iraqi government forces on Friday drove Islamic State militants out from their remaining strongholds inside the oil refinery town of Beiji, two security official said. The Iraqi troops, backed by allied Sunni militiamen, also lifted the Islamic State group's siege of the oil refinery, Iraq's largest, and hoisted Iraq's red, white and black flags atop the sprawling complex hosting the facility. State Iraqi television also reported the "liberation of Beiji," quoting the top army commander there, Gen. Abdul-Wahab al-Saadi. Islamic State extremists captured Beiji during their summer offensive. The Iraqi forces had collapsed in the face of that onslaught but have since partially regrouped and went on the offensive, with Beiji the biggest locality they have recaptured to date.

Reuters, 7:47 November 14, 2014

Energy Prices

U.S. Oil and Gas Prices			
November 14, 2014			
	Today	Week Ago	Year Ago
CRUDE OIL West Texas Intermediate U.S. \$/Barrel	75.30	78.81	93.78
NATURAL GAS Henry Hub \$/Million Btu	4.17	3.91	3.57

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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