



ENERGY ASSURANCE DAILY

Tuesday Evening, December 02, 2014

Electricity

Detroit Public Lighting Department Reports Major Downtown Power Outage December 2

The Detroit Public Lighting Department (DPLD) reported a major outage at approximately 10:30 a.m. EST on Tuesday that cut power to public buildings in downtown Detroit, Michigan. Roughly 100 customers and more than 900 sites were affected, including fire stations, schools, public transportation, and traffic signals. About one-third of the outages were restored by 2:15 p.m. and most of the remaining customers were expected to have electricity by Tuesday night, a DTE Energy spokesman said. DPLD said the city's public lighting grid suffered a major cable failure that caused the entire DPLD grid to lose power. DTE Energy sells power to DPLD, which distributes electricity to public building customers in Detroit. The two were working together to restore power and the cause of the cable failure had not been determined, according to the spokesman. DTE said it was working with the city to identify critical facilities that may need standby generation, such as hospitals.

Reuters, 14:36 December 2, 2014

<https://www.facebook.com/dteenergy/photos/a.10150138817501465.294489.84420741464/10152845308471465/?l=05ba585589>

<http://www.freep.com/story/news/local/michigan/detroit/2014/12/02/power-outage-blackout-downtown-detroit/19777075/>

ERCOT Reports Healthy Texas Power Reserves Through 2017

The Electric Reliability Council of Texas (ERCOT) said Monday it expects reserve margins to exceed a healthy 15 percent through 2018 after new generation entered service. In its latest 10-year Capacity, Demand and Reserves report, ERCOT also said it improved the way it forecasts the amount of power expected from the state's growing number of wind turbines. The report shows a reserve margin of 15.7 percent in summer 2015, based on peak demand of 69,057 MW, including 2,343 MW that participate in various demand response programs, and more than 77,000 MW of anticipated generation capacity. The latest report however does not include potential impacts of several environmental regulations that are being implemented or have been proposed, ERCOT said. ERCOT manages the grid for 24 million Texas customers, representing about 90 percent of the state's electric load.

http://www.ercot.com/news/press_releases/show/26955

Reuters, 12:06 December 1, 2014

Luminant's 1,150 MW Comanche Peak Nuclear Unit 2 in Texas Reduced to 89 Percent by December 2

On the morning of December 1 the unit was operating at full power.

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

Petroleum

Valero Starting Up Expanded HCU at Its 125,000 b/d Meraux, Louisiana Refinery November 28

Valero Energy Corp was starting up an expanded hydrocracking unit (HCU) on Friday at its refinery in Meraux, Louisiana, said sources familiar with operations at the refinery. Valero completed the addition of 20,000 b/d in capacity to the 35,000 b/d hydrocracker early this month. Sources had previously told Reuters the unit would start operation by December 1.

Reuters, 20:38 November 28, 2014

ExxonMobil Reports Flaring, No Impact on Production at Its 560,500 b/d Baytown, Texas Refinery November 30

Reuters, 8:58 December 2, 2014

ExxonMobil Reports Process Piping Leak at Its 344,600 b/d Beaumont, Texas Refinery November 30

Reuters, 9:02 December 2, 2014

BP Reports Unspecified Shutdown at Its 225,000 b/d Cherry Point, Washington Refinery November 25

Reuters, 14:33 December 1, 2014

Chevron Reports Gas Emissions at Its 245,271 b/d Richmond, California Refinery November 30

Reuters, 21:12 November 30, 2014

Enbridge Says 600,000 b/d Flanagan South Oil Pipeline from Illinois to Oklahoma in Service December 1

Enbridge Inc said on Monday its 600,000 b/d Flanagan South pipeline was in service. The line, which runs from Illinois to the oil storage hub of Cushing, Oklahoma, began shipping oil on Monday as scheduled, according to a spokesman.

Reuters, 18:52 December 1, 2014

<https://twitter.com/enbridge>

Tallgrass Energy Extends Open Season on Pony Express Pipeline Expansion to December 19

Tallgrass Energy Partners LP has extended its Pony Express crude oil pipeline expansion open season by two weeks to December 19 to allow additional time for interested shippers to participate, it said in a notice on Tuesday. The expansion project, which delivers crude from Guernsey, Wyoming to Cushing, Oklahoma, will increase capacity between 5,000 and 350,000 b/d based on qualified open season commitments received, it added.

<http://pipeline.tallgrassenergylp.com/Pages/OilNotices.aspx?pipeline=402>

Reuters, 12:02 December 2, 2014

CNRL Says Clean-up of 337 Barrel Alberta Pipeline Leak Nearly Complete December 1

Canadian Natural Resources Ltd (CNRL) said on Monday clean-up was almost finished after one of its pipelines leaked about 337 barrels of crude oil into the muskeg in northern Alberta. The leak was spotted on November 27 when CNRL identified a mechanical failure on the pipeline. A CNRL spokeswoman said most of the spilled crude was contained on land leased by the company although some of it ended up along the pipeline right of way. The Alberta Energy Regulator is investigating the cause of the incident and said there were no reports of any impact on wildlife.

http://www.downstreamtoday.com/news/article.aspx?a_id=45494

Chevron Announces First Oil from 94,000 b/d Jack/St. Malo Project in Gulf of Mexico

Chevron Corporation today announced that crude oil and natural gas production has begun at the Jack/St. Malo project in the Lower Tertiary trend, deepwater U.S. Gulf of Mexico. The Jack and St. Malo fields are among the largest in the Gulf of Mexico. They were discovered in 2004 and 2003, respectively, and production from the first development stage is expected to ramp up over the next several years to 94,000 b/d of crude oil and 21 MMcf/d of natural gas. With a planned production life of more than 30 years, current technologies are anticipated to recover in excess of 500 million oil-equivalent barrels. Successive development phases, which could employ enhanced recovery technologies, may enable substantially increased recovery at the fields. The Jack and St. Malo fields are located within 25 miles of each other in approximately 7,000 feet of water in the Walker Ridge area, approximately 280 miles south of New Orleans, Louisiana. The fields were co-developed with subsea completions flowing back to a single host, semi-submersible floating production unit located between the fields. The facility is the largest of its kind in the Gulf of Mexico and has a production capacity of 170,000 b/d of oil and 42 MMcf/d of natural gas, with the potential for future expansion.

http://www.chevron.com/chevron/pressreleases/article/12022014_chevronannouncesfirstoilfromjackstmaloprojectint hegulfofmexico.news

Natural Gas

ExxonMobil Reports Unit Shut Multiple Times at Its 65 MMcf/d Dollarhide Gas Plant in Texas November 30

ExxonMobil reported the P-12 unit shut multiple times throughout the day due to lube no flow on the engine right cylinder bank. Operations shut in all flowing wells to reduce and mitigate emissions.

<http://www11.tceq.state.tx.us/oce/ee/index.cfm?fuseaction=main.getDetails&target=206868>

Other News

Update: AFPM Plans to Sue EPA on 2015 Renewable Fuel Standard

The American Fuel & Petrochemical Manufacturers (AFPM) Monday filed a notice of intent to sue the Environmental Protection Agency (EPA) for failure to issue the 2015 Renewable Fuel Standard (RFS). The required notice under the Clean Air Act is the first step in initiating formal litigation over the Agency's failure to promulgate the annual renewable fuel volumes to the RFS by November 30 of the preceding year, meaning that the Agency should have finalized the 2015 RFS rule on or before November 30, 2014. AFPM also filed a notice of intent to sue EPA for failure to issue the 2014 RFS on November 21, 2014, almost a year after the deadline and prior to EPA's announcement to postpone a final decision until 2015.

<http://www.afpm.org/news-release.aspx?id=4615>

International News

Iraq Reaches Agreement with Kurds to Export 550,000 b/d of Oil from Kirkuk and Kurdish Region via Turkey

Iraq's government reached a temporary agreement with Kurdish regional authorities on Tuesday to end a dispute over oil exports and budget payments to the semi-autonomous Kurdish region. Under the deal, 300,000 b/d of oil from Kirkuk will be exported via a pipeline running through Kurdish territory to Turkey, in addition to 250,000 b/d from the region's own fields. The crude will be sold by Iraq's state oil marketing organization (SOMO), representing a compromise by the Kurds, who have long insisted the constitution entitles them to sell oil on their own terms. In return, Baghdad will resume budget payments to the Kurds, who have suffered a financial crisis since the federal government cut funding to the region early this year as punishment for their moves to export oil independently. The agreement will help Iraq increase oil exports at a time when its budget is strained by low oil prices and the cost of financing a war against Islamic State militants who control much of the country. It will last at least for the budget year if neither side defaults.

Reuters, 10:19 December 2, 2014

Libya Still Testing Pipeline to Restart 80,000 b/d El Feel Oilfield – NOC

Libya is still testing pipelines to restart the southwestern El Feel oilfield, a spokesman for state-run National Oil Corp (NOC) said on Monday. NOC shut down the field last month when brief clashes forced the closure of the neighboring El Sharara oilfield. Both sites use the same power supply. An NOC spokesman said engineers were conducting technical tests including pipeline checks at the El Feel field, which is operated jointly by NOC and Italy's ENI SpA. NOC has not published any recent production data, but El Feel was pumping at least 80,000 b/d earlier this year. El Sharara pumped almost 300,000 b/d until clashes between local tribesmen and state oil guards broke out last month. NOC failed to resume output at the El Sharara field after tribesmen blocked a pipeline running from there to the Zawiya port in November. NOC last week put oil output including refined products at 755,000 b/d.

http://www.downstreamtoday.com/news/article.aspx?a_id=45491

Energy Prices

U.S. Oil and Gas Prices			
December 2, 2014			
	Today	Week Ago	Year Ago
CRUDE OIL West Texas Intermediate U.S. \$/Barrel	67.78	73.99	93.81
NATURAL GAS Henry Hub \$/Million Btu	3.91	4.06	3.94

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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