



# ENERGY ASSURANCE DAILY

Monday Evening, December 22, 2014

## *Electricity*

---

### **Update: PPL's 1,105 MW Susquehanna Nuclear Unit 1 in Pennsylvania Ramps Up to 99 Percent by December 21**

By the morning of December 20 the unit was operating at 76 percent after restarting and ramping up to 17 percent by December 19. The unit was shut December 13 due to a small water leak inside the containment structure.

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

### **Update: OPPD's 478 MW Fort Calhoun Nuclear Unit in Nebraska Restarts by December 21, Ramps Up to Full Power by December 22**

The unit was shut from full power December 17 due to loss of load on the reactor protection system.

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

### **Update: Cabrillo Power, LLC's 110 MW Encina Gas-fired Unit 3 in California Returns to Service by December 20**

The unit returned from an unplanned outage that began by December 19.

<http://content.caiso.com/unitstatus/data/unitstatus201412201515.html>

### **Update: Mirant's 312 MW Pittsburg Gas-fired Unit 5 in California Returns to Service by December 20**

The unit returned from an unplanned curtailment of 147 MW that began by December 17.

<http://content.caiso.com/unitstatus/data/unitstatus201412201515.html>

## *Petroleum*

---

### **U.S. Virgin Islands Legislature Rejects Deal to Reopen 350,000 b/d Hovensa, Saint Croix Refinery**

The U.S. Virgin Islands' legislature turned down an agreement on Friday that would lead to the reopening of the Hovensa refinery, after its counsel warned that the would-be buyer might not be able to uphold the contract. U.S. oil producer Hess and Venezuela's state-run PDVSA, owners of the shut refinery on the island of Saint Croix, had hired investment banking firm Lazard to sell the plant. While the refinery shut in 2012, the facility is still being used as a terminal to supply fuel to the island, among other operations. Without a new agreement, Hovensa said it will proceed with its previously announced decision to completely shut down the whole facility and stop selling gasoline and diesel to the island by February. In September, Atlantic Basin Refining (ABR), a consortium specifically formed to acquire the facility, stepped forward to buy and operate it. But the legislature's counsel voiced concerns about the pending deal, arguing the government would have no recourse against ABR if it were to breach the contract. Even though the Virgin Islands' attorney general backed the agreement, it was finally rejected by 13 of 15 members of the legislature, according to local media, setting back the sale that needed its operating agreement to be ratified. The agreement would require ABR to rebuild and restart the refinery, employ local personnel and pay the government more than \$1.6 billion over the life of the 22-year deal. If the contract were approved, an engineering analysis and a restart plan would take nine to 12 months, while rehabilitation would take another 24 months and cost more than \$1 billion. Low oil prices also contributed to the uncertainty.

Reuters, 21:12 December 19, 2014

## **Philadelphia Energy Solutions Reports Alkylation Unit Startup at Its 335,000 b/d Philadelphia, Pennsylvania Refinery December 18**

Reuters, 15:42 December 19, 2014

## **Phillips 66 Reports FCCU to Remain Online During Work at Its 146,000 b/d Borger, Texas Refinery December 19**

Phillips 66 reported the electrostatic precipitator within the unit 40 fluid catalytic cracking unit (FCCU) was scheduled for replacement and the FCCU was not scheduled for shutdown during repairs, according to a filing with the Texas Commission on Environmental Quality. Phillips 66 reports the ending date for the maintenance activity as January 16, 2015.

Reuters, 15:20 December 19, 2014

## **Chevron Says Operations Normal at Its 245,271 b/d Richmond, California Refinery December 22 after Process Upset December 18**

Chevron Corp said its refinery in Richmond, California, was operating normally after a process upset on the solvent de-asphalting unit on Thursday. Unplanned flaring occurred at the Richmond refinery due to a loss of cooling capability in the C-122 overhead system.

Reuters, 21:15 December 21, 2014

## **Oil Drillers Cut Rigs, Lowest Since May – Baker Hughes**

The number of rigs drilling for oil in the U.S. fell by 10 this week as low crude prices continued to threaten energy company revenues. The oil rig count dropped to 1,536 in the week to December 19, the least since May, according to data from oil services firm Baker Hughes on Friday. The number of oil rigs has declined in seven of the last 10 weeks since hitting a record high of 1,609 in mid October, as a 50 percent drop in oil prices since the summer begins to take its toll on drilling projects. In the prior week ended December 12, oil rigs declined by 29, the biggest weekly drop in two years. Energy traders have been watching rig data to see if the steep price drop was prompting oil drillers to cut back on the number of rigs. Some analysts however still caution about making too much of the recent declines, noting the total number of rigs was still 100 over a year ago when there were 1,395 rigs seeking oil.

Reuters, 14:08 December 19, 2014

<http://phx.corporate-ir.net/phoenix.zhtml?c=79687&p=irol-rigcountsoverview>

## ***Natural Gas***

---

### **Update: Transco Completes Unplanned Maintenance on Its South Timbalier Platform in Gulf of Mexico December 22**

Transco said it completed repairs on its South Timbalier Block 300 platform on December 22. On November 14, Transco gave guidance on the South Timbalier Block 300 platform of an internal leak on Transco's existing 24-inch shut down valve departing the platform. Transco said December 8 that it expected the repairs to be completed in mid to late December. Transco requested several meters in the Ship Shoal, South Timbalier, and Green Canyon blocks remain shut in until repairs were complete.

<http://www.iline.williams.com/1Line/wgp/download?delvid=6205513&hfNoticeFlag=Y&hfDownloadFlag=false&hfFileName=download.html>

<http://www.iline.williams.com/1Line/wgp/download?delvid=6177587&hfNoticeFlag=Y&hfDownloadFlag=false&hfFileName=download.html>

### **Tennessee Gas Pipeline Declares Force Majeure at Station 260, North Hampton Lateral in Massachusetts December 19**

Tennessee Gas Pipeline Company, LLC declared a force majeure event at Station 260 Unit A on Friday. The company was making the necessary repairs and estimates the return to service date to be Wednesday. Based upon current nominations, restrictions up to 100 percent of secondary out of the path (SOP) nominations delivered to the North Hampton Lateral (segment 280 FH) may still be required until repairs are completed.

[http://pipeline2.kindermorgan.com/Notices/NoticeDetail.aspx?code=TGP&not\\_nbr=354331&date=12/22/2014&subject=&notc\\_type=-1&notc\\_sub\\_type=-1&notc\\_ind=C](http://pipeline2.kindermorgan.com/Notices/NoticeDetail.aspx?code=TGP&not_nbr=354331&date=12/22/2014&subject=&notc_type=-1&notc_sub_type=-1&notc_ind=C)

### **EPA Announces First National Regulations to Safeguard Disposal of Coal Ash**

The U.S. Environmental Protection Agency (EPA) on Friday announced the first national regulations to provide for the safe disposal of coal combustion residuals (coal ash) from coal-fired power plants. The final rule establishes safeguards to protect communities from coal ash impoundment failures, like the catastrophic Kingston, Tennessee, spill in 2008, and establishes safeguards to prevent groundwater contamination and air emissions from coal ash disposal. EPA has been studying the effects of coal ash disposal on the environment and public health for many years. In the wake of the failure of the TVA coal ash pond in Kingston, EPA began a multi-year effort to help ensure the safety of the nation's coal ash disposal facilities, including assessing more than 500 facilities across the country. Improperly constructed or managed coal ash disposal units have resulted in the catastrophic failure of surface impoundments, damages to surface water, groundwater and the air. In response to comments received on the proposal, the final rule makes a number of changes by providing greater clarity on technical requirements for coal ash landfills and surface impoundments under Subtitle D of the Resource Conservation and Recovery Act (RCRA), the nation's primary law for regulating solid waste.

<http://yosemite.epa.gov/opa/admpress.nsf/596e17d7cac720848525781f0043629e/8d1b001db717edbf85257db3006b2747!OpenDocument>

## *International News*

---

### **Saudi Arabia Ready to Raise Its Oil Output to Meet Demands – Oil Minister**

Saudi Arabia is prepared to increase its oil output and claim a bigger market share to meet the demands of any new customers, the oil minister told al-Hayat newspaper. When asked if Saudi Arabia wanted to maintain a market share of 9.7 million b/d, the oil minister said yes, unless a new client comes along and then we may increase it. The remark was one of the strongest signals yet that the world's top oil exporter has no intention of cutting output in the face of sliding oil prices, and is instead willing to use its low cost of production to win market share from non-OPEC competitors which it blames for the price collapse.

[http://www.rigzone.com/news/oil\\_gas/a/136470/Saudi\\_Oil\\_Minister\\_Ready\\_to\\_Raise\\_Output\\_If\\_New\\_Clients\\_Emerge#sthash.2QNUK3w1.dpuf](http://www.rigzone.com/news/oil_gas/a/136470/Saudi_Oil_Minister_Ready_to_Raise_Output_If_New_Clients_Emerge#sthash.2QNUK3w1.dpuf)

### **Libya Not Producing Enough Oil for Its Own Needs – NOC**

Libya's oil output cannot cover its own needs, the National Oil Corp (NOC) said on Monday, as the country struggles with fighting and protests. Fighting already affecting two major oil-exporting ports in the east of the country has spread west close to the port of Mellitah, operated by a joint venture between the NOC and Italy's ENI, the state-run NOC said. The eastern ports Es Sider and Ras Lanuf stopped working more than a week ago due to nearby clashes, slashing Libya's oil output by at least 300,000 b/d and prompting the NOC to declare force majeure. Reuters, 10:11 December 22, 2014

### **Iraq's Total Oil Production to Reach 4 Million b/d – Oil Minister**

Iraq's Oil Minister said on Sunday Iraq's total oil production would reach four million b/d after Baghdad reached an agreement on exports with Kurdish regional authorities. Iraq's government reached a temporary agreement with Kurdish regional authorities on December 2 to end a dispute over oil exports and budget payments to the semi-autonomous Kurdish region.

Reuters, 3:46 December 21, 2014

## Energy Prices

---

<b>U.S. Oil and Gas Prices</b> December 22, 2014			
	<b>Today</b>	<b>Week Ago</b>	<b>Year Ago</b>
<b>CRUDE OIL</b> <b>West Texas Intermediate U.S.</b> \$/Barrel	55.43	56.80	98.91
<b>NATURAL GAS</b> <b>Henry Hub</b> \$/Million Btu	3.44	3.58	4.25

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](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**

---

*Energy Assurance Daily* provides a summary of public information concerning current energy issues. Published Monday through Friday to inform stakeholders of developments affecting energy systems, flows, and markets, it provides highlights of energy issues rather than a comprehensive coverage. *Energy Assurance Daily* is updated online Monday through Friday after 5:00 p.m. ET. For more information, visit the Infrastructure Security and Energy Restoration (ISER) website at:

<http://www.oe.netl.doe.gov/ead.aspx>

Please direct comments and questions to: [ead@oe.netl.doe.gov](mailto:ead@oe.netl.doe.gov)