



ENERGY ASSURANCE DAILY

Friday Evening, May 16, 2014

Electricity

Fire in Indiana Michigan Power Underground Vault Knocks Out Power to Downtown South Bend, Indiana May 15; Grid Likely to Be Out Through Weekend

An Indiana Michigan Power (I&M) electrical vault caught fire in the downtown South Bend underground network around 10:30 p.m. EDT Thursday night which resulted in power loss to approximately 800 customers encompassing most of the downtown South Bend, including hospitals and government buildings. Officials said the grid was shut down at 12:30 am Friday in order to prevent further damage or even explosions happening because of the fire. The grid will remain shut during an assessment of the situation. I&M said it expects to achieve full restoration by 6:30 pm Sunday.

<http://www.wsbt.com/news/local/much-of-downtown-south-bend-without-power-after-fire/26011434>

<https://www.facebook.com/indianamichiganpower>

Panda Power Breaks Ground on 829 MW Natural Gas-fired Liberty Power Project in Bradford County, Pennsylvania May 15

Panda Power Funds broke ground on its 829 MW combined cycle generating station located in Bradford County, Pennsylvania Thursday. When completed, the Liberty project will be the first new power plant in Pennsylvania specifically developed to take advantage of its proximity to the Marcellus Shale gas formation. Panda will start construction on the 33-acre site and expects commercial operations to begin by early 2016.

<http://pandafunds.newshq.businesswire.com/press-release/pennsylvania-gov-tom-corbett-joins-panda-power-funds-break-ground-829-mw-marcellus-sha>

Georgia Power to Build Three 30 MW Solar Farms on U.S. Army Bases in Georgia

Georgia Power, a subsidiary of Southern Company, said Thursday that it plans to build, own, and operate three solar farms at the following Georgia army bases: Fort Stewart, Fort Benning, and Fort Gordon. Each plant will be capable of generating approximately 30 MW of solar energy. As part of the company's updated Renewable Resource Action Plan filed with the Georgia Public Service Commission, the farms are scheduled to be completed by the end of 2016 and fully operational by 2017.

<http://www.georgiapower.com/about-us/media-resources/newsroom.cshtml>

<http://www.fool.com/investing/general/2014/05/15/southern-company-to-build-3-solar-farms-on-us-army.aspx>

Progress Energy's 900 MW Harris Nuclear Unit 1 in North Carolina Shut by May 16

The Nuclear Regulatory Commission reported that on the morning of May 15 the unit was operating at full power.

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

Petroleum

Update: Plains Confirms Ruptured Los Angeles Pipeline is 110,000 b/d Line 2000, Estimates Oil Spill at Less Than 450 Barrels

Plains All American Pipeline LP confirmed that the crude oil pipeline that ruptured in Los Angeles early yesterday was the company's 130-mile, 110,000 b/d Line 2000, which transports crude oil from the San Joaquin Valley to storage terminal in Long Beach that supplies Los Angeles-area refineries, including those run by Phillips 66, Valero, and Tesoro. Plains also said the spill, which covered a half-mile area, was less than 450 barrels (10,700 gallons), based on current field inspections. Company officials estimate cleanup to take 24 hours, but cannot estimate how long repairing the damage to the pipeline would take.

<http://www.reuters.com/article/2014/05/15/crude-spill-pipeline-losangeles-idUSL1N0010BO20140515>

Tank Safety Valve Ruptures at Silver Eagle's 10,250 b/d Woods Cross Refinery in Utah May 15

A safety valve on a tank at Silver Eagle's Woods Cross refinery ruptured Thursday, but there was no fire and nobody was injured, according to officials. The rupture caused steam to be released, but there was no explosion and no materials leaked from the tank.

<http://www.sltrib.com/sltrib/news/57949535-78/tank-fire-safety-valve.html.csp>

EPA Proposes Updates to Emission Standards for Refineries to Protect Nearby Neighborhoods

The U.S. Environmental Protection Agency (EPA) is proposing to update the toxic air pollution standards for petroleum refineries to protect neighborhoods located near refineries. The agency's proposal would, for the first time, require monitoring of air concentrations of benzene around the fence line perimeter of refineries to assure that emissions are controlled and these results would be available to the public. The proposal would also require upgraded emission controls for storage tanks including controls for smaller tanks; performance requirements for flares to ensure that waste gases are properly destroyed; and emissions standards for delayed coking units which are currently a significant unregulated source of toxic air emissions at refineries. The EPA says the proposed regulations will have no noticeable impact on the cost of petroleum products at the approximately 150 petroleum refineries around the country. The agency will take public comments on the proposal for 60 days and plans on having the standards finalized by April 2015.

<http://yosemite.epa.gov/opa/admpress.nsf/bd4379a92ceceac8525735900400c27/d9554914cca0320685257cd9004a2ec4!OpenDocument>

Montana DEQ Reopens Public Comment Period on Calumet's Great Falls, Montana Refinery Expansion Due to Notification Oversight

The Montana Department of Environmental Quality (DEQ) is reopening the public comment period for a preliminary decision to approve an air quality permit for Calumet Specialty Products Partners LP's expansion of its Great Falls refinery through June 12, following a public notification oversight by the agency. According to Calumet, the refinery expansion will include installation of a new 20,000 b/d crude unit and a 25,000 b/d hydrocracker. This will double the plant's capacity from its current capacity of 9,800 b/d to approximately 30,000 b/d.

<http://svc.mt.gov/deq/press/pressDetail.asp?id=1407>

<http://www.ogj.com/articles/2014/05/state-error-delays-permitting-for-montana-refinery-project.html>

Frontier Midstream Announces Development of 100,000 b/d Permian Basin Crude Oil Transportation System

Frontier Midstream Solutions LLC announced a joint venture with Concho Resources Inc. to develop a new crude transportation system named Alpha Crude Connector LLC. The system will consist of more than 400 miles of crude oil transportation pipeline, multiple truck racks, and more than 300,000 barrels of storage in the northern Delaware Basin of Southeastern New Mexico and West Texas. The pipeline will initially have the capacity to deliver more than 100,000 b/d of crude oil to multiple delivery points, accessing local refineries, rail outlets, and major downstream pipelines. Construction is scheduled to start following a June 2014 open season, with initial flows targeted to begin in the second half of 2015.

http://www.frontierenergyllc.com/alpha_cc_pr.html

Natural Gas

Update: U.S. Chemical Safety Board to Expand Probe into Williams' 1.5 Bcf/d Opal Gas Processing Plant Fire

According to an investigator at the U.S. Chemical Safety Board, the agency is planning to expand its investigation into the safety practices of Williams Partners after a natural gas plant fire last month at its Opal gas processing plant in Wyoming. Williams reported an explosion and fire at its natural gas processing facility in Lincoln County, Wyoming, near the town of Opal, on April 23. According to the board, this was the third incident in a year, following an explosion at a liquefied natural gas (LNG) storage site in Plymouth, Washington, March 31, and a blast at a Louisiana chemical plant in June 2013. The board has no authority to impose penalties, but will make recommendations to Williams on how to avoid future issues. Williams is cooperating with the government's investigation and has even hired its own experts to independently review the company's practices.

http://www.tulsaworld.com/bloomberg/national/williams-probe-expanded-on-unusual-trio-of-gas-blasts-and/article_b9447566-3e00-5a7a-ab13-0eb77ef26d84.html

DTE Energy Announces 375 MMcf/d Expansion of Bluestone Pipeline from Marcellus Shale Region

DTE Pipeline Co. said Thursday it plans to expand the capacity of its Bluestone Pipeline from 600 MMcf/d to 975 MMcf/d, a more than 60% increase in capacity since the system went into service in November 2012. According to the company, it has secured long-term gathering commitments ranging from 10 to 15 years with Southwestern Energy Co. and Cabot Oil & Gas Corp. The pipeline currently runs 44.5 miles, interconnecting with the Millennium Pipeline in New York and the Tennessee Gas Pipeline in Susquehanna County, Pennsylvania.

<https://dteenergy.mediaroom.com/2014-05-15-DTE-Energy-announces-expansion-of-its-Bluestone-Pipeline>

Update: FERC Issues Positive Final EIS for Downeast's LNG's Proposed LNG Import Terminal in Maine

The Federal Energy Regulatory Commission (FERC) has issued a positive final environmental impact statement (EIS) for the Downeast LNG Project proposed by Downeast LNG, Inc. and Downeast Pipeline, LLC. The project would provide about 500 MMcf/d of imported natural gas to the New England region. The proposed facilities would be located in Washington County, Maine, including a marine terminal to handle LNG vessels up to 165,000 cubic meters; two 160,000 cubic-meter, full-containment LNG storage tanks; LNG vaporization and processing equipment; and a 29.8-mile, 30-inch underground natural gas pipeline. The FERC staff concludes that approval of the proposed project, with the mitigation measures recommended in the EIS, would ensure that most impacts in the project area would be avoided or reduced to less than significant levels.

<http://www.ferc.gov/industries/gas/enviro/eis/2014/05-15-14-eis.asp>

Update: FERC Issues Positive EIS for Dominion Cove Point's Proposed LNG Liquefaction and Export Project in Maryland

The Federal Energy Regulatory Commission (FERC) has issued a positive environmental impact statement (EIS) for the Cove Point Liquefaction Project (Project) proposed by Dominion Cove Point LNG, LP (DCP) on Maryland's Chesapeake Bay. The project would enable DCP to export approximately 5.75 million metric tons per annum of LNG via LNG marine carriers that would dock at the existing offshore pier. The project includes one LNG liquefaction train consisting of gas treatment equipment, natural gas-fired turbine-driven refrigerant compressors, waste heat recovery systems, fire and gas detection and safety systems, and control systems; additional power generation including waste heat-driven steam turbine generators and other electrical accessories to supplement the existing on-site power generation; and minor modifications to the existing pier. The project would also include the addition of up to 62,500 horsepower of electric-driven compression at DCP's existing Pleasant Valley Compressor Station in Fairfax County, Virginia, and modifications to an existing metering and regulating facility at DCP's Loudoun Compressor Station in Loudoun County, Virginia. FERC is scheduled to issue a final decision in August.

<http://www.ferc.gov/industries/gas/enviro/eis/2014/05-15-14-ea.asp>

Southern Union Gas Reports Units, Auxiliary Burner Shut at Its Keystone Gas Plant in Texas May 15

According to a report filed with the Texas Commission on Environmental Quality, the common pressure drain for units at Southern Union's Keystone Gas Plant in Texas, had a line rupture May 15. One pressure drain also had a block causing units at the plant to go down on high scrubber levels. Operators repaired the drain lines and put the engines back into service. A few hours prior to this, the plant's auxiliary burner went down for a short period of time.

<http://www11.tceq.state.tx.us/oc/eer/index.cfm?fuseaction=main.getDetails&target=198371>

<http://www11.tceq.state.tx.us/oc/eer/index.cfm?fuseaction=main.getDetails&target=198387>

Enbridge Reports AGIs Tripped at Its Tilden Gas Plant in Texas May 15

Enbridge on May 15 reported to the Texas Commission on Environmental Quality that acid gas injectors tripped due to low suction pressure when the 400 GPM plant was shut due to high flash tank level. Operators blew down the level transmitter for the flash tank and restarted the 400 GPM plant and as acid gas came available, started the AGI's.

<http://www11.tceq.state.tx.us/oc/eer/index.cfm?fuseaction=main.getDetails&target=198396>

Other News

Nothing to report

International News

Update: Shell Nigeria Lifts Force Majeure on 400,000 b/d Forcados Oil Terminal May 15

Shell Nigeria's Forcados oil export terminal reopened May 15, ten weeks after it was shut to repair a sabotaged undersea pipeline. Shell closed the Forcados terminal in Delta state on March 4 to repair a leak caused by a "crude theft point" on a pipeline 26 feet below sea level. It subsequently declared a force majeure March 25 due to continued attacks on the pipeline that hindered repairs. According to a Nigerian official, the closure of the terminal led to an estimated 400,000 barrels of oil shortage to the national export.

<http://www.ventures-africa.com/2014/05/shell-reopens-forcados-export-terminal/>

Energy Prices

U.S. Oil and Gas Prices			
May 16, 2014			
	Today	Week Ago	Year Ago
CRUDE OIL West Texas Intermediate U.S. \$/Barrel	101.46	100.25	95.43
NATURAL GAS Henry Hub \$/Million Btu	4.56	4.74	4.01

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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