



ENERGY ASSURANCE DAILY

Tuesday Evening, July 15, 2014

Electricity

Thunderstorms Knock Out Power to Over 115,000 Customers across Eastern U.S. July 14

Thunderstorms with heavy rain and lightning moved across the Eastern U.S. Monday night, knocking out power to 115,106 customers in Tennessee, Pennsylvania, Virginia, Maryland, and New Jersey. As of 3:30 p.m. EDT today, 31,431 customers remained without power. Memphis Light Gas and Water (MLGW), the hardest hit utility, expected full restoration by midnight Thursday.

Eastern U.S. Customer Power Outages			
July 14–15, 2014			
Electric Utility	State	Peak	Latest Reported
Baltimore Gas and Electric (BGE)	MD	19,300	346
Public Service Electric and Gas (PSEG)	NJ	12,000	7,247
Jersey Central Power and Light	NJ	7,800	4,750
Atlantic City Electric	NJ	5,406	279
PECO	PA	17,600	9,226
Memphis Light Gas and Water (MLGW)	TN	33,000	7,654
Dominion Virginia Power	VA	20,000	1,929
TOTAL*		115,106	31,431

*Total outages represent only electric utilities listed in this table.

Sources:

- <http://outagemap.bge.com/>
- <http://outagecenter.pseg.com/external/default.html>
- <https://www.peco.com/CustomerService/OutageCenter/OutageMap/Pages/OutageMap.aspx>
- <http://www.atlanticcityelectric.com/pages/connectwithus/outages/outagemaps.aspx>
- <http://outages.firstenergycorp.com/pa.html>
- <http://azimuth.mlgw.org/OutageSummary.php>
- <https://www.dom.com/storm-center/dominion-electric-outage-summary.jsp>
- <http://www.wbaltv.com/weather/more-heavy-storms-flood-streets-knock-out-power/26958536#!bfw5s8>
- <http://philadelphia.cbslocal.com/2014/07/14/severe-weather-moving-through-delaware-valley/>
- http://www.mlgw.com/news/news_crewsjulyoutage
- http://www.philly.com/philly/news/20140715_Storm_rips_through_Philadelphia_region_teen_hit_by_lightning.html
- <http://wreg.com/2014/07/14/mlgw-reports-more-than-11000-without-power/>
- <http://www.myfoxdc.com/story/26013270/storms-cause-damaged-vehicles-power-outages-in-arlington>
- <http://www.therepublic.com/view/story/af9b05bdf13043308e9ec05f68a225f9/NJ--Storms-NJ>

WAPA’s U.S. Upper Midwest Region to Join Southwest Power Pool

The Upper Great Plains Region of the U.S. Western Area Power Administration (WAPA) will join the Southwest Power Pool (SPP) power grid, Western said. Western last year decided to pursue membership with SPP rather than the Midcontinent Independent System Operator (MISO), which also serves customers in the Upper Midwest. Western’s Upper Great Plains Region markets power to customers in parts of Montana, North Dakota, South Dakota, Minnesota, Iowa, and Nebraska. Western also operates some transmission systems owned by Western, Basin Electric Power Cooperative, and Heartland Consumers Power District. The move is contingent upon U.S. Federal Energy Regulatory Commission approval.

http://ww2.wapa.gov/sites/western/newsroom/NewsReleases/NR2014/Pages/070914_SPP.aspx

Update: Exelon's 619 MW Oyster Creek Nuclear Unit in New Jersey Restarts, Ramps Up to 40 Percent by July 15

Exelon Corp. shut the unit on July 7, from full power, for maintenance of safety equipment that operates valves located inside the drywell.

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

<http://www.nrc.gov/reading-rm/doc-collections/event-status/event/2014/20140708en.html>

Dynegy's 335 MW El Segundo Gas-fired Unit 4 in California Reduced by July 14

The unit entered an unplanned curtailment of 135 MW.

<http://content.aiso.com/unitstatus/data/unitstatus201407141515.html>

Petroleum

Capacity Issues Hindering Strategic Petroleum Reserve – DOE

Delayed maintenance has dogged the U.S. Strategic Petroleum Reserve (SPR) with capacity issues that limit officials' ability to quickly draw down the emergency stockpile, the Department of Energy's (DOE's) inspector general said on Tuesday. The SPR is unable to achieve its required 90-day drawdown rate of 4.415 million b/d, and fell about 165,000 b/d short of that mark in March, the inspector general said in a report. Natural forces known as creep on the reserves held in underground salt caverns in Louisiana and Texas can reduce the capacity of the reserve if regular maintenance is not conducted. Designed to store 727 million barrels of oil in 62 caverns, the SPR currently holds about 691 million barrels, according to the report. The SPR was last tapped in March when DOE held a test sale of 5 million barrels, the first such test sale since 1990.

Reuters, 10:19 July 15, 2014

North Dakota Flaring Rules May Curb Oil Output by Up to 50,000 b/d – Department of Mineral Resources

New limits on flaring natural gas in North Dakota may force producers to curtail as much as 50,000 b/d of oil production beginning in October, the state's Department of Mineral Resources said on Monday. Producers are unlikely to meet the October 1 deadline to reduce flaring without additional well site technology or production curtailment, the department head said. As a result, they may have to cut 40,000 to 50,000 b/d of output, or about 4 percent to 5 percent of the state's total. Under rules approved at the start of this month, North Dakota drillers are required to capture at least 74 percent of the natural gas they produce by October 1. As of the latest data for May, oil companies in the state were currently flaring, or burning off, about 28 percent of their natural gas.

Reuters, 17:31 July 14, 2014

760 Barrels of Oil Reported Stolen from Two Cornerstone Natural Resources' Well Sites in North Dakota

Authorities were investigating after about 760 barrels of crude oil worth an estimated \$80,000 were stolen from tanks at two Cornerstone Natural Resources-owned well sites near Dunn County, North Dakota. K&R Roustabout reported the theft July 1 after a worker maintaining the tanks reported that the amount of oil calculated came up short.

http://www.twincities.com/nation/ci_26137613/760-barrels-oil-reported-stolen-north-dakota-oil

White Cliffs Pipeline Begins Commissioning of 74,000 b/d White Cliffs Pipeline Expansion from Colorado to Oklahoma

White Cliffs Pipeline, L.L.C. (WCPL), owned by subsidiaries of Rose Rock Midstream, L.P., Plains All American Pipeline, L.P., Western Gas Partners, LP, and Noble Energy, Inc., plans to begin the commissioning of the expansion of the White Cliffs Pipeline in July 2014. WCPL expects the expansion, a looping of the existing crude oil pipeline from Platteville, Colorado, to Cushing, Oklahoma, to be fully operational in August 2014. The expansion allows WCPL to help meet the growing demand for midstream services by offering long-haul transportation from the Denver Julesburg Basin. Once the expansion is fully operational, the capacity of the White Cliffs Pipeline will increase from 76,000 b/d to approximately 150,000 b/d.

<http://ir.rrmidstream.com/file.aspx?IID=4308013&FID=24449951>

Small Pump Fire Idles Hydrocracker at Valero's 330,000 b/d Port Arthur, Texas Refinery July 15

A small pump fire idled a 45,000 b/d hydrocracking unit early on Tuesday morning at Valero Energy Corp's Port Arthur, Texas, refinery, sources familiar with operations at the refinery said. The fire broke out when a seal on the pump failed, releasing volatile hydrocarbon liquid, the sources said. Energy industry intelligence service Genscape reported the hydrocracker went out of production early on Tuesday. Operators were examining the unit and working to prepare it to return to production. A specific timetable for its return had not been determined, the sources said. Reuters, 13:07 July 15, 2014

Phillips 66 Reports Loss of Steam at Its 139,000 b/d Carson, California Refinery July 14

Phillips 66 reported its Carson, California, refinery experienced loss of steam resulting in flaring. The refinery has two linked facilities about five miles apart in Carson and Wilmington, California. Reuters, 11:54 July 14, 2014

Shell Announces 100 Million BOE Oil Find in Gulf of Mexico's Norphlet Area

Royal Dutch Shell Plc said on Tuesday it had found roughly 100 million barrels of oil equivalent (BOE) in the Gulf of Mexico's Norphlet formation, its third discovery there. The company found the oil near its Rydberg well, roughly 75 miles off the Louisiana coast. Shell drilled the well about 26,300 feet from the water's surface, including 18,900 feet into the ocean floor, before finding a 400-foot-wide pocket of oil reserves. Shell has no formal timeline for bringing the new well online, as it still needs to study how to produce and transport the oil. A decision should come within a few years, according to the company.

<http://www.shell.com/global/aboutshell/media/news-and-media-releases/2014/shell-adds-3rd-major-discovery-to-norphlet-play-gulf-of-mexico.html>

Reuters, 13:40 July 15, 2014

Natural Gas

Targa Reports AGC Shut, Flaring at Its 150 MMcf/d Sand Hills Gas Plant in Texas July 13

Targa reported the acid gas compressor (AGC), C-14, shut down due to bad valves on the fifth stage of compression. This routed gas to the emergency acid gas flare. Technicians replaced the valves and restarted the AGC. As soon as the compressor was restarted, acid gas was routed to the injection well and flaring ceased at the emergency acid gas flare, F-4.

<http://www11.tceq.state.tx.us/oce/eer/index.cfm?fuseaction=main.getDetails&target=200937>

Southern Union Reports Unit Shut at Its Keystone Gas Plant in Texas July 14

Southern Union reported unit no. 23 shut due to first stage suction gas temperature. The unit was allowed to cool down and then it was put back on line.

<http://www11.tceq.state.tx.us/oce/eer/index.cfm?fuseaction=main.getDetails&target=200975>

Other News

NRG Energy and JX Nippon to Build World's Largest Post-Combustion Carbon Capture-Enhanced Oil Recovery Project in Texas

NRG Energy, Inc. and JX Nippon Oil & Gas Exploration Corporation on Tuesday announced plans to build and operate the Petra Nova Carbon Capture Project. The project will be a commercial-scale carbon capture system that captures 90 percent of the carbon dioxide in the processed flue gas from an existing unit at the WA Parish power plant in Fort Bend County, southwest of Houston, Texas. The Petra Nova Carbon Capture Project will trap 1.6 million tons of carbon annually from one unit of NRG's WA Parish power plant and pipe it 82 miles to the West Ranch Oil Field. Oil production at the field is expected to rise from 500 b/d to more than 15,000 b/d as a result. Construction has begun and when complete, in 2016, the project is expected to be the world's largest post-combustion carbon capture facility on an existing coal plant.

<http://phx.corporate-ir.net/phoenix.zhtml?c=121544&p=irol-newsArticle&ID=1947375&highlight=>

Reuters, 3:30 July 15, 2014

International News

Update: Libya's Oil Production Up to 588,000 b/d – Acting Oil Minister

Libya's oil production rose to 588,000 b/d, the country's acting oil minister told Reuters on Tuesday, despite an increase in violence in the country since the weekend. Oil output has been recovering since a deal with rebels to bring most of the rebel-led port blockades to an end. On Sunday a spokesman for the National Oil Corp said output was at 470,000 b/d as production at the El Sharara oilfield ramped up.

Reuters, 7:05 July 15, 2014

Energy Prices

U.S. Oil and Gas Prices			
July 15, 2014			
	Today	Week Ago	Year Ago
CRUDE OIL West Texas Intermediate U.S. \$/Barrel	100.32	104.03	105.76
NATURAL GAS Henry Hub \$/Million Btu	4.11	4.25	3.61

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

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