



ENERGY ASSURANCE DAILY

Thursday Evening, September 05, 2013

Electricity

ERCOT Power Prices Neared \$5,000 Cap After Loss of 1,213 MW of Generation in Texas September 3

A heat wave and an increase in power demand caused the real-time power price in Texas to rise from less than \$50/MWh at noon CDT on September 3 to \$360/MWh at 3:30 p.m. after the loss of an unidentified 604 MW power plant. It then peaked at \$4,900 at 4:45 p.m. after a second unidentified 609 MW plant tripped, according to information posted on the Electric Reliability Council of Texas (ERCOT) website. The unexpected plant shutdowns did not jeopardize the reliability of the grid and no advisory or emergency steps were triggered as power reserves remained above 3,000 MW, a spokesperson said. While ERCOT did not call for conservation, at least one large retailer deployed a demand response program for the first time this summer.

http://ercot.com/services/comm/mkt_notices/notices/

Reuters, 19:34 September 4, 2013

Xcel's 860 MW Sherburne Coal-fired Unit 3 in Minnesota Expected Back in Service Before September 30

Xcel Energy Inc. has completed restoration work on its 860 MW unit 3 at the Sherburne County coal-fired power plant after it was shut in November 2011 due to extensive turbine damage, an Xcel spokeswoman said on Wednesday. The unit is due to return to service before September 30.

<http://www.reuters.com/article/2013/09/04/utilities-operations-xcel-sherco-idUSL2N0H01N020130904?type=companyNews&feedType=RSS&feedName=companyNews&rpc=43>

Petroleum

Nustar Shuts 8-Inch Gasoline Pipeline After 400-Barrel Spill in Live Oak County, Texas September 4

Nustar Logistics LP reported the shutdown of an 8-inch gasoline transmission pipeline after a release of 400 barrels of gasoline in Live Oak County, Texas, according to a filing with the U.S. National Response Center. The release occurred on to the ground and a private pond before it was secured, the filing said.

Reuters, 00:39 September 5, 2013

http://www.nrc.uscg.mil/reports/rwservlet?standard_web+inc_seq=1059132

ExxonMobil Says Unit Leak Stopped at Its 503,000 b/d Baton Rouge, Louisiana Refinery September 4

Exxon Mobil Corp. said a leak from an unspecified unit was identified and stopped on Wednesday at its Baton Rouge, Louisiana, refinery. The company had earlier reported a release of hydrogen sulfide from a pipe at the refinery, according to a filing with the U.S. National Response Center.

Reuters, 9:43 September 5, 2013

http://www.nrc.uscg.mil/reports/rwservlet?standard_web+inc_seq=1059103

Update: Phillips 66's 239,400 b/d Westlake, Louisiana Refinery Operating Normally September 4 After Storms Shut Units

Phillips 66 said operations were back to normal at its Lake Charles refinery in Westlake, Louisiana. The company had on Tuesday reported severe weather had led to a shutdown of some units at the refinery although no damage was reported.

Reuters, 12:07 September 4, 2013

Marathon Reports Flaring From RHU at Its 451,000 b/d Galveston Bay, Texas Refinery September 4

Marathon Petroleum Corp. reported flaring from a residual hydrotreating unit (RHU) at its Galveston Bay refinery in Texas City, Texas, according to a filing with the Texas Commission on Environmental Quality. Operations reduced rates and stabilized the unit, the filing said.

Reuters, 18:14 September 4, 2013

Valero Reports Leak, Unit Shutdown at Its 142,000 b/d Corpus Christi, Texas Refinery September 5

Valero reported a leak and unit shutdown at its Corpus Christi, Texas, refinery. Streams were routed to an authorized control device and appropriate sections of the unit were de-pressured in order to isolate the leak and complete repairs.

<http://www11.tceq.state.tx.us/oc/eer/index.cfm>

Update: HollyFrontier Restores Power at Its 47,000 b/d Cheyenne, Wyoming Refinery September 4

HollyFrontier Corp. said power was restored at its Cheyenne, Wyoming, refinery within two hours of a failure and the plant was making progress towards resuming full operations. The refinery suffered a power outage on Tuesday. Reuters, 21:26 September 4, 2013

Shell Reports Oxygen Sensor Failure Shuts Units at Its 156,400 b/d Martinez, California, Refinery September 5

Royal Dutch Shell Plc reported flaring due to an oxygen sensor failure at its refinery in Martinez, California, according to a filing with Contra Costa Health Services. The oxygen sensor trip led to shutdowns on Thursday, the filing added. The company had earlier reported the shutdown of a flare gas recovery compressor at the refinery due to instrumentation failure, according to a filing with state pollution regulators.

Reuters, 11:44 September 5, 2013

Reuters, 10:27 September 5, 2013

PBF Reports ARU Tower Upset at Its 180,000 b/d Paulsboro, New Jersey Refinery September 4

PBF Energy Inc. reported an aromatics recovery unit (ARU) tower upset and a flare valve shutdown at its refinery in Paulsboro, New Jersey, according to a filing with state pollution regulators. Repairs were in progress, the filing said. Reuters, 15:06 September 4, 2013

Natural Gas

AGI System Shut at Regency's 290 MMcf/d Waha Gas Plant in Texas September 4

Regency Energy Partners LP reported the acid gas injector (AGI) system shut down on low amine circulation pump suction pressure due to a low level in the amine flash tank caused by a process upset. Process conditions were brought back within operating parameters, the AGI system lined out, and the AGI compressor was reset and restarted. The AGI flare and AGI volume meter were in service during the compressor's downtime.

<http://www11.tceq.state.tx.us/oc/eer/index.cfm?fuseaction=main.getDetails&target=187609>

Southern Union Reports Unit Down at Its Keystone Gas Plant in Texas September 3

Southern Union reported unit no. 20 was taken down to change out a gasket on the no. 3 left bank head. During this time period, emperors no. 3 and 4 continued to go down on either high level at the suction scrubber or for low oil pressure. Repairs were made on unit no. 20 and it was put back online getting the plant off the flare.

<http://www11.tceq.state.tx.us/oc/eer/index.cfm?fuseaction=main.getDetails&target=187593>

Other News

Dominion Virginia Power Wins Federal Offshore Wind Auction to Develop 2,000 MW Wind Farm September 4

Dominion Virginia Power bid \$1.6 million to win the lease for 112,800 acres of federal land off the coast of Virginia to develop an offshore wind turbine farm capable of generating up to 2,000 MW of electricity. The federal Bureau of Ocean Energy Management (BOEM) conducted the auction and has several milestones that Dominion must meet to keep the lease with the final milestone being the submittal of a Construction and Operations Plan within five years of signing the lease. Once BOEM has the plan, it has an undetermined amount of time to perform an environmental analysis and approve the plan. Dominion expects the first turbine to be installed in about 10 years pending project approval by state regulators.

<http://dom.mediaroom.com/2013-09-04-Dominion-Virginia-Power-Wins-Federal-Offshore-Wind-Auction>

Oil, Gas Industry Fears More Deep Sea Leaks Linked to Corrosive Drill Fluid

Total has warned Shell that its Shearwater field in the North Sea may be at risk of a leak after a corrosive drilling fluid triggered a gas leak in March 2012 at Total's nearby Elgin field. The corrosive fluids involved in the leak, such as calcium bromide, are commonly used in deep-sea wells, and experts fear a recurrence as operators, under pressure to offset declining output from conventional reservoirs, turn to deeper, hotter, and higher pressure fields. Total is so concerned about another leak in the Elgin field that it has plans to kill at least 10 other wells in the complex as well as the one that leaked. Total's investigation into the cause of the leak remains incomplete, though the field resumed output in March 2013, with backing from Britain's Health and Safety Executive.

Reuters, 11:18 September 5, 2013

International News

Yemen's Maarib Crude Oil Pipeline Bombed for Third Time in One Week September 5

Armed tribesmen bombed Yemen's main oil pipeline in Maarib province on Thursday for the third time in less than a week, a government official said. The pipe stopped carrying crude after the first attack on Sunday.

Reuters, 9:45 September 5, 2013

Update: South Sudan Pumps 180,000 b/d, Plans 20,000 b/d More After Sudan Oil Deal

South Sudan is producing 180,000 b/d of oil and plans to add 20,000 b/d after Sudan dropped a threat to close two cross-border export pipelines, the oil ministry said. Sudan's president on Tuesday said South Sudan would be allowed to continue exporting its oil through northern pipelines.

Reuters, 5:35 September 5, 2013

Energy Prices

U.S. Oil and Gas Prices			
September 5, 2013			
	Today	Week Ago	Year Ago
CRUDE OIL			
West Texas Intermediate U.S.	108.32	109.64	95.51
\$/Barrel			
NATURAL GAS			
Henry Hub	3.61	3.54	2.81
\$/Million Btu			

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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