



ENERGY ASSURANCE DAILY

Friday Evening, January 10, 2014

Electricity

Inland Empire Energy Center, LLC's 376 MW Inland Empire Gas-fired Unit 1 in California Shut by January 9

The unit entered an unplanned outage.

<http://content.caiso.com/unitstatus/data/unitstatus201401091515.html>

Dynegy's 325 MW Morro Bay Gas-fired Unit 4 in California Shut by January 9

The unit entered an unplanned outage.

<http://content.caiso.com/unitstatus/data/unitstatus201401091515.html>

Entergy's 979 MW Indian Point Nuclear Unit 3 in New York at Full Power by January 10

On the morning of January 9 the unit was operating at 45 percent after restarting and ramping up to 1 percent on January 8, according to the Nuclear Regulatory Commission. The unit was shut on January 6 when an automatic reactor trip occurred on low steam generator water level due to a failed main feedwater valve.

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

Progress Energy's 710 MW Robinson Nuclear Unit 2 in South Carolina Shut January 9

On the morning of January 9 the unit was operating at full power when an automatic reactor trip occurred due to a turbine trip, according to the Nuclear Regulatory Commission. The estimated restart date is January 12.

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

<http://www.nrc.gov/reading-rm/doc-collections/event-status/event/2014/20140110en.html>

OPPD's 482 MW Fort Calhoun Nuclear Power Plant in Nebraska Shut Due to Inoperable Raw Water Pumps January 9

Omaha Public Power District (OPPD) reported inoperable water pumps due to the inability to close one of the sluice gates at its Fort Calhoun plant causing it to shut down, according to the Nuclear Regulatory Commission.

<http://www.nrc.gov/reading-rm/doc-collections/event-status/event/2014/20140110en.html>

California May Rely on More Natural Gas-fired Generation Due to Drought

California power companies may be forced to rely more on higher-cost natural gas-fired generation in 2014 as record drought conditions are expected to reduce the state's hydropower output for a third year in a row. Public power utilities that rely heavily on hydroelectric generation may be forced to use more expensive power sources, such as gas-fired plants, and purchase power to make up for any hydropower shortfall, Fitch Ratings said in a report on Friday. Eight of the 14 public power companies Fitch rates receive between 10 percent and 32 percent of their power from hydroelectric resources. Fitch said hydropower accounted for an above-average 21.3 percent of in-state electricity generation in 2011 before dropping to just 13.8 percent under drier conditions in 2012. That corresponded with an increase in gas-fired generation to 61.1 percent in 2012 from 45.4 percent in 2011. The California Department of Water Resources said the state is currently experiencing record low water conditions, with more than one-fourth of the October to September water year having elapsed.

Reuters, 11:19 January 10, 2014

https://www.fitchratings.com/gws/en/fitchwire/fitchwirearticle/Drought-May-Pressure?pr_id=814096&cm_sp=homepage-_-FitchWire-_-%20Drought

FERC Accepts Shell's Ho-Ho Oil Pipeline Rates, Pending Hearing

The Federal Energy Regulatory Commission (FERC) has provisionally accepted proposed rates for non-contract shippers on Royal Dutch Shell's newly reversed Houston, Texas to Houma, Louisiana (Ho-Ho) crude oil pipeline, pending a hearing into complaints that the rates are unfair. A lawyer familiar with the cases said the decision meant that operations on the line would be allowed to proceed, although shippers could be eligible for a refund if Shell's proposed rates are deemed unreasonable. The project reversed flow on a 360,000 b/d pipeline from Port Neches, Texas to Houma, Louisiana, and a 500,000 b/d line from Houma to the Louisiana Offshore Oil Port's hub in Clovelly, Louisiana.

http://www.downstreamtoday.com/news/article.aspx?a_id=41944

Pipeline Break Causes 300 Barrel Oil Wastewater Spill in Montana January 6

A break in a 2.5-inch pipeline that froze due to cold weather caused 300 barrels of oil production water to spill on the Blackfeet Reservation in Montana on Tuesday, according to the Bureau of Land Management (BLM). The spill occurred about 10 miles southwest of Cut Bank in an oil field known as the Southwest Cut Bank Sand Unit. Its source was an above-ground storage tank owned and operated by the FX Drilling Co., headquartered in Oilmont, Montana. A BLM report states waste water breached containment structures around the storage tank, but that very little, if any, crude oil was present in the spill.

<http://www.greatfallstribune.com/article/20140109/NEWS01/301090021>

Oil Barges Stalled in Louisiana Due to Broken River Locks January 9

Nearly six dozen barges, most of them carrying oil, have piled up on either side of a broken lock that connects the Mississippi River to the Gulf Intracoastal Waterway (GIWW), and could be stuck there for up to two weeks, officials said. The heavily trafficked lock sits at the intersection of the Mississippi River and the GIWW, a major inland waterway for oil tankers and barges between Texas and Florida. Over the weekend, a gear used to open and close the lock broke. The replacement parts need to be fabricated from scratch. A spokesperson for the U.S. Army Corps of Engineers New Orleans District said contractors hired to repair the lock estimated it would take 10 to 14 days. The spokesperson said 43 of the barges were on the Mississippi River side of the lock heading into the canal, and 26 were on the canal waiting to sail up the river.

Reuters, 18:54 January 9, 2014

PBF Energy Delays Crude Oil by Rail Expansion to Third Quarter 2014

PBF Energy said expansions to its offloading capacity for crude oil delivered via rail would be operational in the third quarter of this year, later than originally planned. The company said it expects to double its offloading capacity for Canadian heavy crude to 80,000 b/d from 40,000 b/d by the third quarter of 2014. PBF Energy had targeted the second quarter of 2014 for that expansion, but executives have said that delays in loading facilities in Canada prompted the change. PBF Energy also aims to expand its capability to offload North Dakota Bakken crude up to 130,000 b/d by the third quarter of 2014 from its current capability of up to 100,000 b/d. The company previously targeted May 2014 for that expansion. Lastly, PBF Energy expects 2014 throughput to be a combined 315,000 to 335,000 b/d for its Delaware City, Delaware and Paulsboro, New Jersey refineries and 140,000 to 150,000 b/d for its refinery in Toledo, Ohio.

Reuters, 19:24 January 9, 2014

EPA to Require Reports on Southern California Offshore Fracking Operations

The Environmental Protection Agency (EPA) on Thursday published a requirement that oil and gas companies that are fracking off the Southern California coast will have to report chemicals discharged into the ocean. The requirement will become effective March 1. The move comes after a series of stories by The Associated Press last year revealed at least a dozen fracking operations in the Santa Barbara Channel, and more than 200 in nearshore waters overseen by the state of California. Hydraulic fracturing was conducted with no separate environmental analysis of the fracking chemicals on the sea surroundings, and little or no oversight. The requirement was added in response to recent concerns regarding the potential effects of discharges of fluids used for offshore hydraulic fracturing operations, the EPA said in its notice.

http://www.rigzone.com/news/oil_gas/a/131016/EPA_To_Require_S_Calif_Offshore_Fracking_Reports

Shell Reports Crack in Process Line at Its Facility in Deer Park, Texas January 9

Royal Dutch Shell Plc reported a crack in a process line at its facility in Deer Park, Texas, according to a filing with the Texas Commission of Environmental Quality. The incident resulted in emissions, the source of which was identified as a coker unit, the filing said.

Reuters, 21:15 January 9, 2014

Natural Gas

Texas LNG Seeks DOE Approval to Export 2 Million Tons per Year of LNG

Texas LNG is seeking approval from the Department of Energy (DOE) to export as much as 2 million tons per year of liquefied natural gas (LNG) from south Texas. Permission to ship to markets covered by free trade agreements is expected as soon as the end of the first quarter and shipping to non-FTA markets may be approved later this year, the company said.

<http://www.globenewswire.com/news-release/2014/01/07/600874/10063336/en/Innovative-Mid-Sized-US-LNG-Export-Project-Focused-on-Delivering-Flexible-Supply-Terms-to-Asian-Markets-Makes-Significant-Progress.html>

Other News

President Obama Orders Review of U.S. Energy Infrastructure January 9

President Obama on Thursday ordered a broad review of the country's energy infrastructure, noting that factors such as rising demand and climate change have put increased pressure on the aging system. It would include all the systems required for transporting, transmitting, and delivering energy, the White House said in a statement announcing the Quadrennial Energy Review. A related task force would develop recommendations and submit a report to the president every four years, according to Obama's memo establishing the review. The first report is due by January 31, 2015.

<http://www.whitehouse.gov/the-press-office/2014/01/09/obama-administration-launches-quadrennial-energy-review>
http://www.rigzone.com/news/oil_gas/a/131021/Obama_Orders_Review_Of_US_Energy_Infrastructure

Chemical Spill in West Virginia's Elk River Prompts State of Emergency Declaration January 9

A chemical spill into the Elk River in Charleston, West Virginia has led to a tap water ban for up to 300,000 people and the governor has declared a state of emergency. The chemical, a foaming agent used in the coal preparation process, leaked from a tank at Freedom Industries, overran a containment area, and went into the river. Officials, though, said they aren't sure what hazard the spill poses to humans and that there were no immediate reports of people getting sick. It also was not immediately clear how much spilled into the river and in what concentration.

http://www.huffingtonpost.com/2014/01/09/elk-river-chemical-spill-wv_n_4571408.html

International News

Iraq to Proceed With Construction of 140,000 b/d Refinery in Karbala Province January 10

Iraq's council of ministers awarded a refinery project, considered as one of the significant projects in the history of refining for its cost and the quality of derivatives, to the consortium of four companies led by Hyundai Korean Company. Iraq's minister of oil said the Karbala refinery project is considered as one of the biggest projects in the oil refining industry in Iraq. The refinery will produce oil derivatives such as liquefied gas, normal and qualified gasoline, gas oil, fuel oil, jet fuel, kerosene, industrial asphalt and road asphalt with international standards equivalent to the European standard, and a production capacity of 140,000 b/d.

<http://www.hydrocarbonprocessing.com/Article/3295915/Latest-News/Iraq-to-proceed-with-construction-of-major-refinery-in-Karbala-Province.html>

Energy Prices

U.S. Oil and Gas Prices			
January 10, 2014			
	Today	Week Ago	Year Ago
CRUDE OIL West Texas Intermediate U.S. \$/Barrel	92.34	94.60	93.94
NATURAL GAS Henry Hub \$/Million Btu	4.15	4.32	3.14

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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