



ENERGY ASSURANCE DAILY

Friday Evening, January 31, 2014

Electricity

Update: FirstEnergy's 821 MW Beaver Valley Nuclear Unit 1 in Pennsylvania at Full Power by January 31

On the morning of January 30 the unit was operating at 46 percent after restarting and ramping up to 15 percent by January 29, according to the Nuclear Regulatory Commission. The unit shut January 6 due to a transformer failure. <http://www.nrc.gov/reading-rm/doc-collections/event-status/reactor-status/2014/>

Update: Constellation's 825 MW Calvert Cliffs Nuclear Units 1 and 2 in Maryland at Full Power by January 28

Constellation reported both its Calvert Cliffs nuclear reactors were at full power and connected to the grid, according to the Nuclear Regulatory Commission. Both reactors at the plant returned to service over the weekend of January 25 after being shut down January 21 when an electrical bus was tripped during an unplanned shutdown. <http://www.somdnews.com/article/20140129/NEWS/140129185/1074/calvert-cliffs-nuclear-reactors-back-online-connected-to-grid&template=southernMaryland>

Dominion's 871 MW Millstone Nuclear Unit 2 in Connecticut Reduced to 31 Percent by January 31

On the morning of January 30 the unit was operating at full power, according to the Nuclear Regulatory Commission. <http://www.nrc.gov/reading-rm/doc-collections/event-status/reactor-status/2014/>

SCE's 200 MW Eastwood Hydro Unit in California Shut by January 30

The unit entered an unplanned outage. <http://content.caiso.com/unitstatus/data/unitstatus201401301515.html>

Petroleum

Update: DOE, Federal Government Working on Solutions to Midwest Propane Shortage

Department of Energy (DOE) Secretary Ernest Moniz said on Thursday, the DOE was continuing to look for ways to mitigate propane shortages that have caused propane prices in the Midwest to reach record highs this month. DOE was in direct communication with the Department of Transportation, the Department of Commerce, and the Domestic Policy Council at the White House to work on a solution. The DOE itself has some authority to prioritize how propane is moved through the Defense Production Act. Moniz said that he personally and many others at DOE have been on the phones every day to state governments, to state energy offices, to understand the situation. On Thursday, states asked for cash to aid hard-hit consumers, waivers on truck driver Hours-of-Service limitations to be extended and warned propane suppliers from taking advantage of the situation by price gouging. Propane from Texas has been filling the gaps in supply as far north as Minnesota but trucks going to the propane storage facility in Mont Belvieu, Texas, have found a two-day wait to stock up, suppliers and traders said. On Thursday, spot propane prices at the Midwest supply hub in Conway, Kansas, traded as high as \$3.50 per gallon but slipped to \$2.45, traders said.

Reuters, 20:34 January 30, 2014

Reuters, 19:45 January 30, 2014

U.S. Propane Exports Hit Record 410,000 b/d in November 2013 – EIA

U.S. propane exports rose to 410,000 b/d in November 2013 up from 408,000 b/d the previous month, according to data released by the U.S. Energy Information Administration (EIA) on Thursday. U.S. propane exports first reached 200,000 b/d in November 2012 and did not exceed 300,000 b/d until May 2013, according to the EIA data.

http://www.downstreamtoday.com/news/article.aspx?a_id=42152

TransCanada Reduces Vapor Pressure Limits on 590,000 b/d Keystone Pipeline Over Quality Concerns

TransCanada Corp. reduced the limits for vapor pressures to 69 kiloPascals absolute (kPa-a) from 103 kiloPascals (kPa), measured at 37.8C, on its 590,000 b/d Keystone pipeline this month, a sign of growing concern over gas-infused crude, regulatory documents show. The company also specified pressure must be measured using an improved method known as ASTM D6377, or true vapor pressure test. The formal move to tighten technical specifications and mandate improved testing had been planned for some time, industry sources said. The change is focused on maintaining quality standards and is not specifically related to any safety issues. Pipeline companies want to prevent overly gassy crudes from entering their system to avoid shipping the ultra-light components to refiners who have little use for the gas.

Reuters, 7:00 January 31, 2014

NEB Recommends Approval of Enbridge's 570,000 b/d Edmonton to Hardisty Pipeline Project in Alberta

The National Energy Board (NEB) on Thursday released its report recommending that the Canadian government approve Enbridge Pipelines Inc.'s Edmonton to Hardisty pipeline project. The project includes the construction and operation of a new 113-mile crude oil pipeline from its existing Edmonton Terminal to its existing Hardisty Terminal. NEB also approved the construction and operation of a new initiating pump station at Enbridge's Edmonton Terminal, a new pump station at each of its existing Kingman and Strome stations, as well as associated facilities and infrastructure at its Edmonton and Hardisty Terminals as part of the project. NEB's approval to construct and operate these facilities will only take effect on the Governor in Council's approval of the project. If approved by the Governor in Council, NEB will issue a Certificate of Public Convenience and Necessity, as well as an Order for the Associated Facilities.

<http://www.neb-one.gc.ca/clf-nsi/rthnb/nws/nwsrsls/2014/nwsrsls05-eng.html>

http://www.rigzone.com/news/oil_gas/a/131363/Canada_Regulator_Approves_Enbridges_Alberta_Oil_Pipeline_Plan#sthash.tOckCe0A.dpuf

Koch Pipeline Cancels Plans to Build 250,000 b/d Pipeline to Carry Bakken Crude from North Dakota to Illinois

Koch Pipeline Co. LP has canceled plans to build a pipeline to move North Dakota Bakken crude to Illinois, a spokesperson confirmed on Thursday. This is the second major Bakken pipeline project to be canceled after OKEOK Partners LP in November 2012 canceled plans to build a 200,000 b/d pipeline to move Bakken oil to the U.S. crude futures hub in Cushing, Oklahoma. Oil producers and shippers have instead relied increasingly on rail to move Bakken crude to markets, especially to refineries on the East and West coasts, despite coming under scrutiny because of accidents.

Reuters, 17:50 January 30, 2014

Valero's Texas Refineries Will Need Overhaul to Handle Eagle Ford Shale Output

Valero Energy Corp. said on Thursday it will need to overhaul some of its refineries in Texas to handle output from the Eagle Ford shale reserve. The company's Houston refinery can process 160,000 b/d of oil while its Corpus Christi facility can process 325,000 b/d. The company said it plans to spend \$730 million to upgrade the refineries to add a combined 160,000 b/d to capacity. A Valero spokesperson said the company was currently processing as much light sweet crude as it could at both of those facilities and because of its proximity to the Eagle Ford Shale, it would like to be processing more.

<http://dalje.com/en-world/eagle-ford-shale-straining-oil-refinery-capacity/497941>

Valero Reports Emissions at Its 225,000 b/d Texas City, Texas Refinery January 30

Valero Energy Corp. reported emissions at its refinery in Texas City, Texas, on Thursday, according to a notice filed with the Texas Commission on Environmental Quality. The source of the emissions was under investigation, the notice said.

Reuters, 17:33 January 30, 2014

Chalmette Refining Reports Release From Safety Valve at its 192,500 b/d Chalmette, Louisiana Refinery January 30

Chalmette Refining LLC reported an equipment failure at its Chalmette, Louisiana, refinery, according to a filing with the National Response Center on Thursday. A release of more than 1,000 pounds of volatile organic compounds and 100 pounds of hydrogen sulfide came from a safety valve, the notice said.

Reuters, 00:45 January 31, 2014

http://www.nrc.uscg.mil/reports/rwservlet?standard_web+inc_seq=1072464

Motiva's 233,500 b/d Norco, Louisiana Refinery Operating as Planned After Upset January 29

Motiva Enterprises said its refinery in Norco, Louisiana, was operating as planned after an operation upset on Wednesday.

Reuters, 14:14 January 30, 2014

Exxon to Restart Units After Power Outage at Its 60,000 b/d Billings, Montana Refinery January 31

Exxon Mobil Corp. will restart some of its units following a recent power outage, resulting in flaring at the Billings, Montana, refinery, a report on the Billings Gazette website said, quoting the refinery spokesperson.

Reuters, 11:02 January 31, 2014

Valero Reports Equipment Failure at Its 180,000 b/d Memphis, Tennessee Refinery January 30

Valero Energy Corp. reported an unspecified equipment failure on Thursday at its Memphis, Tennessee refinery, according to a filing with the National Response Center. A mechanical failure of a pipe caused a release of natural gas, the filing said.

Reuters, 00:32 January 31, 2014

http://www.nrc.uscg.mil/reports/rwservlet?standard_web+inc_seq=1072551

Shell Says Operations Normal at Its 156,400 b/d Martinez, California Refinery January 30

Royal Dutch Shell Plc said on Thursday its refinery in Martinez, California, had returned to normal operations.

The company reported the startup of a coking unit at the refinery on January 27. It also reported flaring at the same refinery, according to a filing with Contra Costa Health Services made public on January 28.

Reuters, 12:53 January 30, 2014

Natural Gas

BSEE, Coast Guard Respond to Loss of Well Control in the Gulf of Mexico January 30

The Bureau of Safety and Environmental Enforcement (BSEE) and the Coast Guard were responding to a loss of well control event at Vermilion Block 356 in the Gulf of Mexico, approximately 108 miles southwest of Lafayette, Louisiana. The operator, EnVen Energy Ventures, reported that it was drilling from the jack-up rig, Rowan Louisiana, when the well began to flow natural gas. The flow was diverted overboard and work was continuing to shut-in the well. The Coast Guard today said workers had cut the flow in half since officials lost control of the rig yesterday. No visible sheen was reported. The rig was jacked-up over the A-Platform, which was producing oil and gas. All production was shut-in and remains shut-in. As a precaution, personnel onboard the platform were evacuated. No injuries were reported. Coast Guard launched an HU-25 Falcon crew to assess the situation. BSEE is leading a coordinated response with the Coast Guard and will continue to provide updates as they become available. BSEE will investigate the incident.

<http://www.bsee.gov/BSEE-Newsroom/BSEE-News-Briefs/2014/BSEE,-COAST-GUARD-RESPOND-TO-LOSS-OF-WELL-CONTROL-IN-THE-GULF-OF-MEXICO/>

<http://finance.yahoo.com/news/gas-continues-flow-rig-off-124928551.html>

Ontario Energy Board Approves Enbridge's Toronto Area Natural Gas Distribution System Upgrade

Enbridge Gas Distribution on Thursday announced that it had received approval from the Ontario Energy Board (OEB) to upgrade the backbone of its natural gas distribution system in the Greater Toronto Area (GTA). The GTA project will provide upgrades to the natural gas distribution system that supplies natural gas to Brampton, Mississauga, Richmond Hill, Vaughan, Markham, and Toronto. The new pipeline will be comprised of two separate segments—42-inch diameter Segment A and 36-inch diameter Segment B—and will be located mainly in existing utility corridors to minimize disruption in the community. The pipe will also be connected to an existing underground distribution system that delivers natural gas to homes and businesses in the GTA. Two new pressure regulation facilities will connect the new pipelines to the existing system. There will also be an upgrade made to an existing pressure regulation facility at Jonesville Station. Construction is expected to begin in late 2014 and finish October 2015.

<http://www.enbridge.com/MediaCentre/News/EGD-GTA-decision.aspx>

Southern Union Reports SRU Shut, Flaring at Its Keystone Gas Plant in Texas January 29

Southern Union reported it shut the sulfur recovery unit (SRU) at its Keystone gas plant to replace the packing on the recycles blower and the analog card in the programmable logic controller (PLC). The packing and card were replaced and the SRU was put back online. Also on Wednesday, the plant flared low pressure gas coming into the plant due to a field compression that was down for repairs. Some of the inlet gas was backed out to help minimize flaring. All other low pressure compression within the plant was operating.

<http://www11.tceq.state.tx.us/oc/eer/index.cfm?fuseaction=main.getDetails&target=193616>

<http://www11.tceq.state.tx.us/oc/eer/index.cfm?fuseaction=main.getDetails&target=193621>

Other News

Constellation to Develop 27 MW Biogas Co-Generation Power Plant for City of Los Angeles Bureau of Sanitation in California

Constellation on Thursday announced that it had signed an agreement with the City of Los Angeles to design, build, and operate a 27 MW renewable energy power plant at L.A. Sanitation's Hyperion Treatment Plant. The sewage treatment process at Hyperion generates a class 1 renewable fuel known as digester gas. The new power plant, which will cost approximately \$130 million to construct, will use the digester gas produced at Hyperion as its primary fuel source. The power plant will produce steam and electricity that will be used to operate Hyperion's treatment operations. Constellation and its subcontractors will develop, construct, and operate the co-generation facility for 10 years, with an option to extend the agreement for five additional years. Commercial operation of the Hyperion co-generation facility is expected by the end of 2016.

<http://www.businesswire.com/news/home/20140130005988/en/Constellation-Develop-27-MW-Biogas-Co-Generation-Power#.Uuvh0vldXGx>

International News

Total Shuts Down Operations at Yemen Oil Field Due to Strike January 30

Total said on Thursday it had to shut down operations at Yemen's Block 10 oil field due to strike action called by the local Block 10 Labor Union on January 28. Total requested to maintain minimum operations in order to ensure enough gas was supplied to the Public Electricity Corporation operated power plant which provides electricity for Hadramout, in eastern Yemen, the statement added.

http://www.rigzone.com/news/oil_gas/a/131360/Total_Shuts_Down_Operations_At_Yemen_Oil_Field#sthash.45s8Os5o.dpuf

Rocket Attack on Yemen's Balhaf LNG Plant Causes No Damage January 31

A rocket attack on Yemen's Balhaf liquefied natural gas (LNG) export facility did not cause any casualties or damage, operator Yemen LNG said on Friday. Yemen LNG ships gas under long-term contracts with GDF Suez, Total, and Korea Gas Corp. Yemen LNG said it had increased security measures was working with Yemeni authorities to take further measures around Balhaf in order to ensure maximum security of people and assets on site. Reuters, 11:33 January 31, 2014

Energy Prices

U.S. Oil and Gas Prices January 31, 2014			
	Today	Week Ago	Year Ago
CRUDE OIL West Texas Intermediate U.S. \$/Barrel	98.05	96.62	97.44
NATURAL GAS Henry Hub \$/Million Btu	5.29	5.55	3.24

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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