



ENERGY ASSURANCE DAILY

Wednesday Evening, February 03, 2016

Electricity

Update: Entergy's 813 MW FitzPatrick Nuclear Unit in New York Ramps Up to 86 Percent by February 3

On the morning of February 2 the unit was operating at 68 percent after restarting by January 30. The unit shut from 65 percent on January 24 due to low cooling water intake levels.

<http://www.nrc.gov/reading-rm/doc-collections/event-status/reactor-status/2016/>

<http://www.nrc.gov/reading-rm/doc-collections/event-status/event/2016/20160125en.html>

Update: FirstEnergy's 882 MW Davis-Besse Nuclear Unit in Ohio Ramps Up to 70 Percent by February 3

On the morning of February 2 the unit was operating at 20 percent after restarting by February 1. The unit shut from full power on January 29 due to power supply issues with a reactor monitoring system.

<http://www.nrc.gov/reading-rm/doc-collections/event-status/reactor-status/2016/>

<http://www.nrc.gov/reading-rm/doc-collections/event-status/event/2016/20160201en.html>

Reuters, 9:57 February 1, 2016

Update: FirstEnergy's 1,235 MW Perry Nuclear Unit 1 in Ohio Ramps Up to 87 Percent by February 3

On the morning of February 2 the unit was operating at 60 percent after restarting on February 1. The unit shut from 20 percent power on January 24 to repair a piping system weld. The unit was operating at full power on January 23.

<http://www.nrc.gov/reading-rm/doc-collections/event-status/reactor-status/2016/>

https://twitter.com/Perry_Plant

<http://www.nrc.gov/reading-rm/doc-collections/event-status/event/2016/20160125en.html>

Update: El Segundo Energy Center LLC's 263 MW Gas-fired Units 5/6 in California Return to Service by February 2

The units returned from an unplanned outage that began on February 1.

<http://content.caiso.com/unitstatus/data/unitstatus201602021515.html>

San Diego Gas & Electric's 575 MW Palomar Gas-fired Unit in California Reduced by February 2

The unit entered an unplanned curtailment of 300 MW.

<http://content.caiso.com/unitstatus/data/unitstatus201602021515.html>

CDWR's 210 MW Pine Flat Hydro Unit in California Reduced by February 2

The unit entered an unplanned curtailment of 164 MW.

<http://content.caiso.com/unitstatus/data/unitstatus201602021515.html>

Update: ExxonMobil Restarts FCCU at Its 344,600 b/d Beaumont, Texas Refinery

February 2 – Sources

Operations at ExxonMobil Corp's Beaumont, Texas refinery successfully restarted the 120,000 b/d fluidic catalytic cracking unit (FCCU) on Tuesday for the first time since a January 21 power outage due to a thunderstorm, said sources familiar with plant operations. An ExxonMobil spokesman added that restart operations were progressing at the refinery. The only units that have not completely restarted are the 240,000 b/d Crude B Unit and the 45,000 b/d coker, the sources said. Crude B, which is the largest crude distillation unit (CDU) at the Beaumont refinery, has been in the final stage before resuming production since early Monday, awaiting the coker, which developed problems during restart, according to the sources. The 110,000 b/d Crude A Unit returned to production on Monday. ExxonMobil returned the 65,000 b/d hydrocracking unit to production over the weekend.

Reuters, 16:26 February 2, 2016

Coast Guard Reports Oil Tanker Allisions on Mississippi River near Louisiana February 2

The Coast Guard on Tuesday was responding to a vessel allision at mile marker 104.3 on the Mississippi River near New Orleans, Louisiana. The tanker *Nordbay* reportedly struck a Jefferson Parish water intake structure at mile marker 104 on the Mississippi River. The vessel was directed to the New Orleans General Anchorage, and while it was in-route, it reportedly allided with the Nicholls Street Wharf. The vessel sustained a hole in its hull, which reportedly discharged ballast water. An investigation of the incident was underway and there are no reports of pollution as a result of the allisions.

<http://www.uscgnews.com/go/doc/4007/2782542/>

Phillips 66 to Modernize FCCU at Its 238,000 b/d Bayway, New Jersey Refinery February 2

Phillips 66 said on Tuesday it was planning to modernize the fluid catalytic cracking unit (FCCU) at its Bayway refinery in Linden, New Jersey. The project would include replacing the existing older reactor with modern technology that will increase gasoline and diesel yield by about 4,000 b/d, a company spokesman said. The company further clarified, that the overall unit capacity of the FCCU would remain unchanged at 145,000 b/d.

Reuters, 21:31 February 2, 2016

Valero Cuts CDU Production on HTU Outage at Its 135,000 b/d Meraux, Louisiana Refinery February 2 – Sources

Valero Energy Corp halted production from the crude distillation unit (CDU) at its Meraux, Louisiana, refinery on Tuesday after a hydrotreater unit (HTU) shut down, sources familiar with plant operations said. Operations had to cut the CDU's production as there was no outlet for the diesel feedstock once the HTU shut down early on Tuesday afternoon. The sources added that the CDU was placed on warm circulation.

Reuters, 18:25 February 2, 2016

Phillips 66 Reports Excess Carbon Monoxide at Its 200,000 b/d Ponca City, Oklahoma Refinery on December 28, 2015

On December 28, Phillips 66 Corp reported excess carbon monoxide emissions and unit upsets due to power blips during a winter storm at its Ponca City, Oklahoma refinery, according to a filing with the Oklahoma Department of Environmental Quality that was made public on Wednesday.

Reuters, 14:17 February 3, 2016

HollyFrontier Reports Emissions at Its 70,300 b/d Tulsa East, Oklahoma Refinery February 2

HollyFrontier reported operational conditions at its Tulsa East, Oklahoma refinery resulted in excess hydrogen sulfide emissions on February 2, according to a filing with the Oklahoma Department of Environmental Quality.

Reuters, 14:36 February 3, 2016

CVR Reports Malfunction at Its 70,000 b/d Wynnewood, Oklahoma Refinery February 1

CVR Energy Inc reported a malfunction and excess hydrogen sulfide emissions from its hydrocracker flare on February 1 at its Wynnewood, Oklahoma refinery, according to a filing with the Oklahoma Department of Environmental Quality.

Reuters, 14:21 February 3, 2016

Valero Reports Compressor Malfunction at Its 205,000 b/d Corpus Christi East Refinery February 2

Valero Energy Corp reported a compressor malfunction at its Corpus Christi East refinery, according to a filing with the Texas Commission on Environmental Quality.

Reuters, 14:57 February 2, 2016

Imperial Oil Reports Flaring at Its 187,000 b/d Strathcona, Alberta Refinery February 2

Imperial Oil reported flaring and increased noise pollution from steam venting at its Strathcona, Alberta refinery, according to a community information phone line.

Reuters, 23:55 February 2, 2016

Marathon Plans \$2 Billion Upgrade at Its 451,000 b/d Galveston Bay, Texas Refinery over Five Years

Marathon Petroleum Corporation said it plans to invest \$2 billion into its Galveston Bay, Texas refinery over the next five years to increase production of higher-value products, improve the facility's reliability, and increase processing capacity. Marathon said the investment will fully integrate the Galveston Bay refinery with its 84,000 b/d Texas City refinery.

<http://ir.marathonpetroleum.com/phoenix.zhtml?c=246631&p=irol-newsArticle&ID=2135111>

Reuters 6:54 February 3, 2016

U.S. Crude, Gasoline Inventories Increase to Record Highs – EIA

U.S. crude oil and gasoline inventories jumped more than expected last week to record highs, data from the Energy Information Administration (EIA) showed on Wednesday. Crude inventories rose 7.8 million barrels in the week to 502.7 million barrels. Nationwide, crude stocks hit a record high for the second week in a row while stocks in U.S. Gulf Coast region last week rose to the highest on record since 1990, when the EIA began tracking data. Crude stocks at the Cushing, Oklahoma delivery hub for U.S. crude futures rose 747,000 barrels, EIA said. U.S. gasoline inventories also rose to a record high, soaring 5.9 million barrels to 254.4 million barrels, mainly due to Midwest inventories soaring to the highest level since 1995, EIA data showed.

Reuters, 11:46 February 3, 2016

Marathon Petroleum Considering Possible Refinery Run Cuts in Second Half of 2016 – CEO

Marathon Petroleum' CEO said the company is considering the possibility of refinery run cuts sometime during the second half of 2016, but does not expect any immediate cuts despite high U.S. crude and refined fuel inventories.

Some analysts expect run cuts in the Midcontinent, where Marathon operates four refineries, because margins have fallen to \$7 a barrel from about \$12 a barrel in December. The company expects to run less light sweet crude as it shifts to heavy and sour crudes, which have wider discounts to light crudes, the executive added.

Reuters, 11:18 February 3, 2016

Reuters, 10:52 February 3, 2016

Natural Gas

Los Angeles Prosecutors File Criminal Charges Against SoCalGas after Failing to Timely Notify California Emergency Services of Methane Leak February 2

The Los Angeles County District Attorney on Tuesday announced that criminal charges were filed against Southern California Gas Co. (SoCalGas) for failing to immediately report the gas leak at its Aliso Canyon facility to the proper state authorities upon discovery on October 23, 2015. The criminal complaint charges the company with four misdemeanor counts: three counts of failing to report the release of hazardous materials from October 23–26, and one count of discharging air contaminants, beginning on October 23, to the present. If convicted, the company could be fined up to \$25,000 a day for each day that it failed to notify the California Office of Emergency Services. The company also could be fined up to \$1,000 per day for air pollution violations.

http://da.co.la.ca.us/sites/default/files/press/020216_District_Atorney_Jackie_Lacey_Files_Criminal_Charges_Against_SoCal_Gas_for_Aliso_Canyon_Leak.pdf

PHMSA Urges Gas Storage Owners to Enhance Leak Prevention Efforts February 2

The U.S. Department of Transportation's (DOT) Pipeline and Hazardous Materials Safety Administration (PHMSA) on Tuesday urged operators of underground natural gas storage facilities to enhance efforts in preventing leaks such as the methane leak from Southern California Gas Company's Aliso Canyon facility. The recommendations from PHMSA are not formal regulations, but are the agency's first step toward addressing what some view as a lack of oversight of underground gas storage fields. In parallel, the agency is working to propose new regulations that would address the safety of underground gas storage facilities. The bulletin, which will be published in the Federal Register, reminds storage field owners to comply with state regulations and urges them to implement best practices developed by the American Petroleum Institute. Most underground gas storage facilities are regulated at the state level but those storing gas to be transported across state lines is overseen by PHMSA.

<https://t.co/vSwDWpxs9E>

<http://finance.yahoo.com/news/u-urges-gas-storage-owners-232744905.html>

Florida Southeast Connection Project Receives Key FERC Approval February 3

Florida Southeast Connection, LLC, a wholly owned subsidiary of NextEra Energy, Inc., today announced that it received a Certificate of Public Need and Necessity from the Federal Energy Regulatory Commission (FERC) to construct and operate a proposed underground pipeline to transport natural gas to southern Florida. The Florida Southeast Connection pipeline would interconnect with the two existing systems in Central Florida and a new interstate pipeline expected to be built and operated by Sabal Trail Transmission, LLC—a joint venture of Spectra Energy Partners, LP, NextEra Energy, and Duke Energy. The Sabal Trail pipeline would originate in Alabama to provide regional connectivity to Gulf Coast natural gas supply, and terminate at a new Central Florida Hub south of Orlando, Florida. The Florida Southeast Connection pipeline route originates in Osceola County and runs 126 miles south and east, terminating at the FPL Martin Clean Energy Center in Indiantown, Florida. The company expects FERC to issue a Notice to Proceed with Construction this spring. Construction of the underground pipeline and associated facilities is expected to take approximately one year. It is scheduled to enter service in 2017.

<http://www.prnewswire.com/news-releases/florida-southeast-connection-project-receives-key-ferc-approval-300214704.html>

Other News

Nothing to report.

International News

Venezuela's PDVSA Imports 548,000 Barrels of U.S. Crude after Export Restrictions Lifted – Sources

Venezuela's state-owned oil company, PDVSA, took delivery of its first U.S. crude since export restrictions were lifted last year. PDVSA received a cargo of 548,000 barrels of crude at the end of January at a terminal in Curacao, according to sources. PDVSA uses imported lighter crude to blend with heavier crude that it produces. In 2015, the company imported about 40,000 b/d from countries including Russia, Nigeria, and Angola, according to data compiled by Bloomberg.

http://www.downstreamtoday.com/news/article.aspx?a_id=50921

Energy Prices

U.S. Oil and Gas Prices			
February 3, 2016			
	Today	Week Ago	Year Ago
CRUDE OIL West Texas Intermediate U.S. \$/Barrel	32.24	32.27	52.99
NATURAL GAS Henry Hub \$/Million Btu	2.04	2.23	2.63

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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