



ENERGY ASSURANCE DAILY

Wednesday Evening, February 11, 2015

Electricity

550 MW Desert Sunlight Solar Farm Begins Operations in California February 9

The Desert Sunlight Solar Farm, located in Riverside County, California was opened Monday and operating at full capacity, providing 550MW of electricity to the grid, the Department of the Interior said. The farm is located on about 4,000 acres managed by the federal Bureau of Land Management. The power generated is being provided to Pacific Gas & Electric Company and Southern California Edison under long-term contracts, said the farm's developer, First Solar. Project owners, NextEra Energy Resources, LLC, GE Energy Financial Services, and Sumitomo Corporation of Americas, benefited from about \$1.5 billion in federal loan guarantees from the Department of Energy.

<http://finance.yahoo.com/news/solar-farm-capable-powering-160-221621133.html>

<http://www.firstsolar.com/en/about-us/projects/desert-sunlight-solar-farm>

Update: Calpine's 525 MW Sutter Gas-fired Unit in California Returns to Service by February 10

The unit returned from an unplanned outage that began by February 9.

<http://content.aiso.com/unitstatus/data/unitstatus201502101515.html>

Blythe Energy, LLC's 493 MW Gas-fired Unit in California Reduced by February 10

The unit entered an unplanned curtailment of 253 MW.

<http://content.aiso.com/unitstatus/data/unitstatus201502101515.html>

Petroleum

Update: USW Says Little Progress in U.S. Refinery Talks February 10

The United Steelworkers union (USW) said little progress was made in talks with oil companies on Tuesday for a new U.S. refinery workers contract as a strike at 11 plants completed its 10th day. The USW said lead oil company negotiator Royal Dutch Shell Plc failed to bring experts and information as promised when talks ended last week. A Shell spokeswoman said on Tuesday night that the firm was working "in a good faith effort to collect the requested data." The union then made a proposal to eliminate non-union contracts and increase staffing at refineries and chemical plants to assure safe operations, according to the USW. Shell representatives told the union more time would be needed to study the proposal and they would not agree to language that restricts owners' ability to staff their plants as they see fit, according to the USW.

Reuters, 23:34, February 10, 2015

<http://www.usw.org/>

Update: Summit Midstream Reports Contamination Levels Dropping from Saltwater Pipeline Spill in North Dakota

Summit Midstream Partners LLC on Tuesday said it was making significant progress in the cleanup from a leak detected January 6 that spilled nearly 3 million gallons of saltwater brine from a four-inch pipeline north of Williston, North Dakota. Contamination levels have started to drop along waterways affected by spill but they remain high near the site of the pipeline breach, the North Dakota Department of Health and company officials said Tuesday. The company offered no timeline for when the work may be done.

http://www.downstreamtoday.com/news/article.aspx?a_id=46390

Update: TransCanada Sends Letter to U.S. Department of State Refuting EPA's Comments on Keystone XL Environmental Analysis

TransCanada Corporation has sent a letter to the U.S. Department of State that highlights the company's official response to the February 2 comment letter from the U.S. Environmental Protection Agency (EPA) on the Department of State's Final Supplemental Environmental Impact Statement (FSEIS) for Keystone XL. TransCanada disagrees with any suggestion that the Department of State has not fully and completely assessed the environmental impacts of Keystone XL. The company also rejects the EPA's inference that at lower oil prices, Keystone XL will increase the rate of oil sands production and greenhouse gas emissions. This conclusion is not supported by the conclusions drawn in the FSEIS or by actual market prices and production rates since TransCanada first applied for Keystone XL in 2008.

<http://www.transcanada.com/news-releases-article.html?id=1919304&t>

TransCanada Will Decide to Whether to Proceed on Cacouna, Quebec Oil Export Terminal by March 31

TransCanada Corp said on Wednesday it will decide by March 31 whether to proceed with an oil export terminal in the Cacouna area of Quebec, which sits on the St. Lawrence River. The project has come under attack from environmentalists who say it poses a threat to beluga whales. The terminal is one of two marine export facilities planned as part of TransCanada's Energy East pipeline, which would carry 1.1 million b/d of Western Canadian crude to refineries and ports on the east coast. It would also allow oil to be shipped to international markets such as India and Europe.

Reuters, 11:06 February 11, 2015

EIA Holds 2015 and 2016 U.S. Oil Production Forecasts Steady

The U.S. Energy Information Administration (EIA) kept its 2015 and 2016 domestic oil production forecasts virtually unchanged from the previous month. The EIA expects total U.S. oil production in 2015 to be 9.3 million b/d, slightly lower than the 9.31 million b/d forecast in last month's short-term energy outlook. In January, total U.S. crude oil production averaged 9.2 million b/d, the EIA added. Meanwhile, total U.S. oil output in 2016 was expected to average 9.52 million b/d, down a fraction from the previous 9.53 million b/d forecast. The EIA added that given its price forecast, it projects crude oil production in 2016 to be close to the highest recorded annual average level of production in U.S. history of 9.6 million b/d in 1970.

Reuters, 13:23 February 10, 2015

<http://www.eia.gov/forecasts/steo/>

PBF Reports Coker Unit Process Incident at Its 182,200 b/d Delaware City, Delaware Refinery February 11

PBF Energy Inc said there was a process incident on a 49,000 b/d coker unit at its Delaware City, Delaware, refinery on Wednesday. The issue was addressed and the situation brought under control, the company said. The company earlier reported a process upset at the refinery, according to a message on a community alerting phone line.

Reuters, 7:40 February 11, 2015

Reuters, 13:00 February 11, 2015

Shell Shuts FCCU at Its 327,000 b/d Deer Park, Texas Refinery February 9 – Sources

Royal Dutch Shell Plc's refinery in Deer Park, Texas has shut down production at a 70,000 b/d fluidic catalytic cracking unit (FCCU), sources familiar with plant operations said. A Shell spokesman on Tuesday said that a unit at the Deer Park refinery had an operational upset on Sunday. The refinery did not use its safety flare and the statement did not specify which unit malfunctioned. Shell said the incident is associated with a faulty pump seal and is unrelated to continuing operations at the site due to the ongoing strike by USW workers. One of the sources said the refinery has had difficulty operating the FCCU during the strike.

Reuters, 20:58 February 10, 2015

Chevron Says No Impact on Operation Due to Equipment Leak at Its 245,271 b/d Richmond, California Refinery February 11

Reuters, 00:22 February 11, 2015

Shell Says Small Oil Leak Contained at Its 156,400 b/d Martinez, California Refinery February 10

Royal Dutch Shell Plc reported a leak of approximately 2 barrels of oil from a crude oil line at its Martinez, California refinery was contained.

Reuters, 23:07 February 10, 2015

Update: Tallgrass Energy's 1.8 Bcf/d Rockies Express Mainline Segment 300 Returns to Service in Missouri February 9; Force Majeure Remains in Place

According to flow data on Tallgrass Energy's informational postings website, natural gas flows on Segment 300 of the company's Rockies Express (REX) Pipeline resumed at low levels February 9. On February 10 and 11, the segment returned to normal rates of approximately 1.3 Bcf/d. However, according a critical notice posted to the website, the Force Majeure on Segment 300 remains in place. Tallgrass Energy on January 29 reported that Segment 300 experienced an operational interruption due to the rupture near Bowling Green in Pike County, Missouri. <http://pipeline.tallgrassenergy.com/Pages/NoticeDetail.aspx?pipeline=501&type=CRIT>

Vermont Gas Will Not Pursue Second Phase of Pipeline to International Paper Plant in New York

Vermont Gas Systems announced Tuesday that it is not going through with the second phase of a natural gas pipeline that would have extended underneath Lake Champlain to the International Paper plant in Ticonderoga, New York, because cost increases made the project no longer viable for the paper company. Last year, Vermont Gas announced two cost increases for the first phase of the pipeline, designed to reach Vergennes, Middlebury and other communities. The project was appealed to the Vermont Supreme Court and sent back for re-evaluation by the Vermont Public Service Board in the fall of 2014. The board is reviewing the revised cost estimate for the first phase and recently asked for an updated cost estimate for the second phase. Vermont Gas said cancelling the second part of the pipeline doesn't affect the cost estimate or certificate of public good of the first phase of the project. Reuters, 17:47 February 10, 2015

Other News

Pembina Pipeline to Expand Vantage Ethane Pipeline from North Dakota to Alberta to 68,000 b/d

Pembina Pipeline Corporation on Tuesday announced that it entered into agreements to expand the Vantage pipeline system for an estimated capital cost of \$85 million. Vantage is a recently constructed, approximately 700 km high vapor pressure pipeline that links a growing supply of ethane from the prolific North Dakota Bakken play to the petrochemical market in Alberta. It originates from a large-scale gas plant in Tioga, North Dakota extending northwest, through Saskatchewan and terminating near Empress, Alberta, where it is connected to the Alberta Ethane Gathering System pipeline. The Vantage Expansion entails increasing Vantage's mainline capacity from 40,000 b/d to approximately 68,000 b/d through the addition of mainline pump stations and the construction of a new 50-mile, 8-inch gathering lateral. Subject to regulatory and environmental approvals, the Vantage Expansion is expected to be in-service in early 2016.

<http://www.pembina.com/media-centre/news-releases/news-details/?nid=135271>

International News

Nothing to report.

Energy Prices

U.S. Oil and Gas Prices February 11, 2015			
	Today	Week Ago	Year Ago
CRUDE OIL West Texas Intermediate U.S. \$/Barrel	48.75	48.40	99.98
NATURAL GAS Henry Hub \$/Million Btu	2.63	2.67	7.63

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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