



ENERGY ASSURANCE DAILY

Friday Evening, February 13, 2015

Electricity

ISO New England Selects All-AC Transmission Solution to Address Grid Reliability Needs in Greater Boston, Massachusetts

ISO New England (ISO-NE) has selected the Eversource (formerly Northeast Utilities) and National Grid alternating current (AC) transmission proposal as the preferred transmission solution to bolster the region's power grid in the Greater Boston area to ensure continued reliability into the future. The all-AC proposal was chosen over another proposal supported by New Hampshire Transmission (NHT), which included the use of both AC and underwater, high-voltage direct current (HVDC) components. The AC plan was ultimately selected because it is significantly less expensive and also because it is superior when other performance criteria are considered. With a preferred solution finalized, Eversource and National Grid are expected to move forward with their siting and construction processes.

<http://isonewswire.com/updates/2015/2/12/iso-ne-selects-all-ac-transmission-solution-to-address-grid-1.html>

Update: Exelon's 850 MW Dresden Nuclear Unit 2 in Illinois Ramps Up to 83 Percent by February 13

By the morning of February 12 the unit had restarted and was operating at 18 percent. The unit was shut automatically from full power on February 6 due to loss of feedwater.

<http://www.nrc.gov/reading-rm/doc-collections/event-status/reactor-status/2015/>

<http://content.caiso.com/unitstatus/data/unitstatus201502081515.html>

Petroleum

U.S. DOT Pushes Tough Oil Train Standards – Sources

The U.S. Transportation Department (DOT) recommended crude oil trains be reinforced and advanced braking systems installed to prevent future accidents from becoming fiery disasters, according to sources familiar with the plan. The proposal, which now faces a White House review, envisions safety improvements that public advocates endorse but oil and rail leaders have said would mean high costs for modest safety gains. The plan would require adding an extra 1/8 inch of steel to most existing oil train tank shells, while new models would have the thicker hull installed on the factory floor. Future tank cars would also be fitted with electronically controlled pneumatic brakes (ECB) which would trigger all axles simultaneously rather than one at a time in current design. It would take at least \$3 billion over the next 20 years to enact the plan, according to a government estimate, but oil and rail leaders see much higher costs.

http://www.downstreamtoday.com/news/article.aspx?a_id=46427

Update: Refinery Strike Enters Thirteenth Day, Talks Scheduled to Resume February 18

The U.S. refinery strike entered its thirteenth day on Friday with no talks scheduled until Wednesday, February 18. Industry representatives were weighing a union counterproposal on Thursday, said a spokeswoman for the United Steelworkers union (USW). No details were provided about the counter proposal by USW or when it was passed to lead U.S. refiner negotiator Shell Oil Co. Shell told the union on Wednesday it would need a week to compile a response to answer an extensive information request from the USW about the use of non-union contractors in refineries.

Reuters, 17:28 February 12, 2015

PBF Energy Says Its Refineries Will Not Be Affected by Strike

PBF Energy Inc's three refineries will not be affected by the strike by United Steelworkers union workers currently impacting 11 plants, the company said on Thursday. PBF said it settled issues with local unions at its refineries and agreed to match the wage and health benefits that lead negotiator Royal Dutch Shell Plc and the union eventually agree to implement and that in exchange for this workers at PBF's three refineries had agreed not to strike.
http://www.downstreamtoday.com/news/article.aspx?a_id=46420

ExxonMobil Confirms Valve Leak at Its 238,600 b/d Joliet, Illinois Refinery February 13

ExxonMobil Corp confirmed a valve leak at its Joliet, Illinois refinery on Thursday. The release was confined on site at the Joliet refinery and the valve was repaired.
Reuters, 6:36 February 13, 2015

Phillips 66 Reports Emissions from Aeration Tank at Its 247,000 b/d Sweeny, Texas Refinery February 12

Reuters, 19:57 February 12, 2015

Chevron Reports Ammonia Leak at Its 245,271 b/d Richmond, California Refinery February 10

Chevron Corp reported an ammonia leak on February 10 at its Richmond, California refinery, according to a filing with Contra Costa Health Service. The company said operations were unhurt after the leak.
Reuters, 13:13 February 13, 2015

Shell Reports Flange Leak at Unit at Its 156,400 b/d Martinez, California Refinery February 10

Reuters, 13:09 February 13, 2015

TransCanada to Seek U.S. Government Approval for 300,000 b/d Upland Pipeline from North Dakota to Saskatchewan

TransCanada Corp announced it is planning to ask the U.S. government for a permit to build the 200-mile Upland pipeline from North Dakota across the border into Canada. The \$600 million pipeline would provide crude oil transportation between multiple points in North Dakota and interconnect with the Energy East Pipeline at Moosomin, Saskatchewan. Subject to regulatory approvals, the Upland Pipeline is anticipated to be in service in 2018.

<http://www.transcanada.com/news-releases-article.html?id=1920260&t>

Reuters, 21:01 February 13, 2015

TransCanada Suspends Efforts to Seize Nebraska Land for its 800,000 b/d Keystone XL Oil Pipeline

TransCanada Corp. will temporarily suspend efforts to seize Nebraska land for its much-delayed 1,179-mile Keystone XL oil pipeline after landowners sued. A Holt County District judge issued a temporary injunction Thursday, keeping TransCanada from invoking eminent domain along the proposed Keystone XL route in northern Nebraska while a lawsuit by landowners in that county plays out. TransCanada agreed to the order, hoping to get an accelerated trial schedule so that it can quickly resolve the legal disputes. A TransCanada spokesman said a similar agreement is being sought in southern Nebraska's York County, where landowners have filed another lawsuit seeking to keep the company from seizing land using eminent domain. A hearing in Holt County has been set for February 25 on the issue of case progression, a TransCanada spokesman said. Last month, TransCanada filed legal papers in nine Nebraska counties to invoke eminent domain for the land that's needed to construct, operate, and maintain the pipeline. It would go from Canada through Montana and South Dakota to Nebraska, where it would connect with existing pipelines to carry crude oil a day to refineries along the Texas Gulf Coast.

http://www.downstreamtoday.com/news/article.aspx?a_id=46442

Husky Energy Completes 600,000 Barrels of Crude Storage at Its New Hardisty, Alberta Hub in January

Husky Energy said on Thursday it completed and brought into service two new 300,000-barrel crude oil storage tanks in the marketing hub of Hardisty, Alberta, in January. Husky's Chief Operating Officer said the new tanks expand Husky's blending capacity of Western Canada Select heavy blend crude.

http://www.downstreamtoday.com/news/article.aspx?a_id=46425

Tesoro's 360,000 b/d Railport Project in Washington Could be Delayed until 2016

Tesoro Corp's proposed U.S. crude-to-barge port in Vancouver, Washington, may not be built until next year based on a possible timetable for Gov. Jay Inslee's approval, according to documents filed with a state council reviewing the project. Tesoro and its partner, Savage Services, had hoped by late this year to start loading railed-in crude onto vessels for delivery to U.S. West Coast refineries, mainly in California. Tesoro originally slated the project to start up in late 2014, but pushed it to mid-2015 to accommodate lengthy reviews. However, a state council studying the \$190 million, 360,000 barrels per day project may not send Inslee its recommendation of approval or rejection until early November. The governor then has two months to decide, which could be early 2016. The project requires an extensive review that includes an environmental impact study and a trial-like adjudication hearing where opponents and supporters can testify. Tesoro's Chief Executive Officer on Thursday said that a draft of the environmental impact study is slated to be released in May.

Reuters, 16:51 February 12, 2015

North Dakota Oil Production to Remain Stable in Short Term – Department of Mineral Resources

North Dakota expects its daily oil production to remain slightly over 1.2 million b/d in the short term as crude prices remain low, but anticipates significant growth for next year, the Department of Mineral Resources (DMR) said on Friday. The forecast from DMR was slightly better than the outlook a month ago, when oil prices hovered near six-year lows.

Reuters, 11:36 February 13, 2015

<https://www.dmr.nd.gov/oilgas/directorscut/directorscut-2015-02-13.pdf>

Natural Gas

Tallgrass and AGL Resources Conclude Non-Binding Open Season on Proposed 1.2–1.5 Bcf/d Prairie State Pipeline in Illinois

Tallgrass Development, LP and AGL Resources Inc. on Thursday announced they successfully concluded the non-binding open season for their proposed Prairie State Pipeline. The pipeline is designed to move natural gas from supply connections in central Illinois to the Chicago Market Center and points in between. Prairie State Pipeline is being jointly developed by Tallgrass and AGL Resources, and is expected to have ownership participation by both companies should binding commitments be finalized with interested market participants. Prairie State Pipeline is expected to have a total capacity of 1.2 Bcf/d to 1.5 Bcf/d and is expected to consist of nearly 140 miles of large diameter pipeline running in a generally north-south orientation, to connect interstate pipelines in Douglas County, Illinois, to gas distribution systems, natural gas storage fields, and interstate pipeline companies in the Chicago Market Center. Prairie State Pipeline expects to provide unique access to more than 4 Bcf/d of delivery points. FERC approval of the Project will be sought once the appropriate design capacity of the Prairie State Pipeline is determined.

<http://news.tallgrassenergyllp.com/press-release/tallgrass-development/tallgrass-and-agl-resources-conclude-non-binding-open-season-pro>

Other News

Michigan DEQ Tightens Rules on Residential Oil and Gas Drilling

The Michigan Department of Environmental Quality's (DEQ's) Supervisor of Wells announced February 10 that oil and gas drilling in highly populated residential areas in the state will require additional protections for neighbors, including providing notice to local governments before projects commence, groundwater monitoring, containing drill cuttings and fluids in tanks, among other regulations.

<http://www.freep.com/story/news/local/michigan/2015/02/11/deq-issues-newinstructions-oil-gas-drilling-residential-areas/23263521/>

International News

Nothing to report.

Energy Prices

U.S. Oil and Gas Prices			
February 13, 2015			
	Today	Week Ago	Year Ago
CRUDE OIL West Texas Intermediate U.S. \$/Barrel	52.97	51.61	99.48
NATURAL GAS Henry Hub \$/Million Btu	2.87	2.63	5.32

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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