



ENERGY ASSURANCE DAILY

Friday Evening, February 27, 2015

Electricity

Update: Over 8,300 Duke Energy Customers Remain without Power February 27 after Snowstorm Hits Carolinas February 25–26

8,333 Duke Energy customers in North Carolina remained without power as of 3:30 p.m. EST on Friday after a winter storm moved across the Carolinas Wednesday evening into Thursday, knocking out power to 224,000 customers. The company said damage to the power delivery system was due to falling trees and tree limbs. In many cases, the weight of the wet snow on the branches caused them to bend onto or under power lines. Duke estimated most customers should be restored by 11:45 p.m. Friday or sooner.

<https://www.progress-energy.com/carolinas/home/storms-outages/index.page>

<https://www.progress-energy.com/app/outagemaps/carolinas.aspx>

Update: Exelon's 1,134 MW Limerick Nuclear Unit 1 in Pennsylvania Ramps Up to 50 Percent by February 27

On the morning of February 26 the unit was operating at 17 percent after restarting and ramping up to 17 percent by February 26. On February 23, one of two reactors experienced an abrupt "hot shut-down" when a leak in a nitrogen supply line caused an unexpected closure of one of the main steam isolation valves, sending steam to the unit's electrical generator.

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

<http://www.thereporteronline.com/general-news/20150224/valve-leak-shutdown-limerick-nuke-plant>

Update: Exelon's 1,116 MW Peach Bottom Nuclear Unit 2 in Pennsylvania Ramps Up to 89 Percent by February 27

On the morning of February 26 the unit was operating at 80 percent, reduced from 89 percent by February 25.

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

Dominion's 925 MW North Anna Nuclear Unit 1 in Virginia Shut on February 26

The unit shut from 95 percent power when a feedwater regulating valve failed to close.

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

<http://www.nrc.gov/reading-rm/doc-collections/event-status/event/2015/20150227en.html>

PG&E's 102 MW Electra Aggregate Hydro Units 1 and 2 in California Shut by February 26

The units entered an unplanned outage.

<http://content.aiso.com/unitstatus/data/unitstatus201502261515.html>

Update: Rail Line Reopens in West Virginia February 26 after CSX Oil Train Derailment February 16

Teams with the West Virginia Train Derailment Response Unified Command restored the tracks and reopened the railway for commerce Thursday afternoon after it had been shut following an explosive CSX oil train derailment on February 16 in the town of Mount Carbon. Rail operations resumed with caution as workers continue cleanup activities at the site. All cars impacted by the derailment have been removed from the tracks and relocated to CSX's Handley Yard where they will be cleaned and purged of any remaining product residue. At the derailment site, response crews installed a retaining wall approximately 500 feet long between the train tracks and the river. This temporary sheet pile wall will help prevent residual product from migrating into the river through groundwater or surface run-off. The wall will remain in place until state cleanup standards are met. Approximately 97,000 gallons of oily-water mixture have been recovered from containment trenches dug along the river embankment near the derailment site. The 172,105 gallons of crude oil recovered from the rail cars and currently being stored at the Handley Yard will be transferred into rail cars for transporting off-site. The transfer was scheduled to begin Thursday, February 26.

<http://www.dep.wv.gov/news/Pages/UPDATE-12---WEST-VIRGINIA-TRAIN-DERAILMENT-RESPONSE.aspx>
http://www.downstreamtoday.com/news/article.aspx?a_id=46642

Citgo Reports Emissions during Startup of FCCU at Its 163,000 b/d Corpus Christi, Texas Refinery February 26

Reuters, 18:24 February 26, 2015

U.S. Refineries May Seek Jones Act Waiver amid Strike, Torrance, California Explosion

An ongoing labor strike and an explosion at ExxonMobil's 149,500 b/d Torrance, California refinery may compel U.S. West Coast refiners to seek a Jones Act waiver from the Obama administration, arguing that the region could soon face gasoline shortages, sources said this week. While the application process is confidential, government sources said that no company has formally applied for a Jones Act waiver. But market and legal sources said ExxonMobil is considering such a request amid climbing prices and supply shortages. The Jones Act, enacted as the Merchant Marine Act of 1920, requires all vessels shipping cargo between two U.S. locations to be U.S.-built, majority U.S.-owned and have at least 75 percent of the crew be U.S. citizens. Jones Act vessels are more expensive than non-Jones Act vessels, however, and are in short supply, making it difficult to move gasoline and other products to California from other U.S. ports. Jones Act waiver requests are considered by the U.S. Customs and Border Protection within the Department of Homeland Security. But other agencies, such as the Department of Defense and the Department of Energy, would likely be consulted if any request was made. The U.S. Maritime Administration within the Department of Transportation would also be required to determine if there were no vessels available, necessitating the waiver.

http://www.downstreamtoday.com/news/article.aspx?a_id=46650

Calumet Says Its 20,000 b/d Dakota Prairie, North Dakota Diesel Refinery to Begin Operations in Second Quarter 2015

Calumet Specialty Products on Friday said its joint venture diesel refinery in Dickinson, North Dakota is likely to commence operations in the second quarter of 2015. The Dakota Prairie refinery, expected to be completely supplied with locally-sourced Bakken crude oil, is a 50-50 joint venture between Calumet and MDU Resources, Inc, the company said.

Reuters, 12:10 February 27, 2015

<http://calumetspecialty.investorroom.com/2015-02-27-Calumet-Specialty-Products-Partners-L-P-Reports-Fourth-Quarter-and-Full-Year-2014-Results>

Magellan Midstream and Plains All American to Build 550-Mile Saddlehorn Pipeline from Colorado to Oklahoma

Magellan Midstream Partners, L.P. and Plains All American Pipeline, L.P. announced today that they formed Saddlehorn Pipeline Company, a 50/50 limited liability company, to construct, own, and operate the Saddlehorn pipeline, an approximately 550-mile pipeline that will transport various grades of crude oil from the DJ Basin, and potentially the broader Rocky Mountain area resource plays, to storage facilities in Cushing, Oklahoma owned by Magellan and Plains. An extension to Carr, Colorado is also under consideration for connection to existing crude oil assets owned by Plains in that region. The Saddlehorn pipeline is expected to be operational during mid-2016.

<http://www.magellanlp.com/magellannewsp.aspx?id=2147484029>

Regency Reports AGI Compressor Shut at Its 290 MMcf/d Waha Gas Plant in Texas February 26

Regency reported the acid gas injector (AGI) compressor shut on high second stage discharge due to a faulty pressure transmitter. After the initial shutdown, the transmitter and poppet valves were checked and nothing was found to indicate a malfunction. The second stage discharge pressure transmitter was replaced and the AGI compressor was rest and restarted.

<http://www11.tceq.state.tx.us/oce/eer/index.cfm?fuseaction=main.getDetails&target=210693>

DCP Midstream Reports Turbine Shut at Its 160 MMcf/d Goldsmith Gas Plant in Texas February 25

DCP Midstream reported B turbine shut due to a faulty fuel valve. After the valve was replaced, the turbine was placed back online.

<http://www11.tceq.state.tx.us/oce/eer/index.cfm?fuseaction=main.getDetails&target=210666>

Other News

Nothing to report.

International News

Update: Kazakhstan's Oil Production Forecasted to Rise in 2017

Kazakhstan's currently stagnant oil production is forecast to rise from 2017 after the Kashagan oilfield restarts output and the Tengiz project is expanded, a senior energy official said on Wednesday. Kazakhstan lowered oil output by 1.2 percent last year to 80.8 million tonnes. It is officially forecast to produce 80.5 million tonnes this year. Chevron-led Tengizchevroil, which operates the giant Tengiz onshore field, plans to boost output by 42 percent to 38 million tonnes by 2021. The Kashagan oil project, launched in September 2013 but shut just a few weeks later due to gas leaks in its pipelines, is planned to be restarted in the second half of 2016.

http://www.rigzone.com/news/oil_gas/a/137389/Huge_Oilfields_to_Boost_Kazakhstans_Crude_Output_from_2017#sthash.uYB5NLqD.dpuf

Update: Iraqi Kurdistan's Texas Oil Tanker Unloads in Israel

An oil tanker from Iraqi Kurdistan that was blocked for months from unloading in Texas by a Baghdad legal challenge has sailed back to the Mediterranean and delivered its cargo to Israel, according to trading sources and ship-tracking data. The United Kalvrvta tanker, carrying 1 million barrels of crude oil from the semi-autonomous region, became embroiled in a legal dispute in Texas last July after the Kurdistan Regional Government (KRG) looked to ramp up independent oil shipments. The Iraqi central government challenged the sales, branding them illegal. The KRG protested that independent sales were allowed under Iraq's constitution. The tanker spent several months off the coast of Texas after Baghdad tried to have a U.S. court seize the oil. The ship eventually set sail from Texas in late January, shortly after Baghdad and the KRG agreed to a temporary deal on oil sales.

Reuters, 10:13 February 27, 2015

Update: EU, Russia, Ukraine Gas Talks to Be Held on March 2

Russia, Ukraine, and the European Union (EU) will hold talks in Brussels, Belgium on Monday to discuss problems with gas supplies to Ukraine, the EU said on Thursday. The European Commission's spokeswoman said that the talks between the EU energy chief and the energy ministers of Russia and Ukraine were confirmed for Monday. A Russian Energy Ministry official said earlier she was not able to confirm whether Moscow has agreed to take part in the meeting yet. President Vladimir Putin warned on Wednesday that Russia would halt gas supplies to Ukraine if it did not receive advance payment. Gazprom said total Russian gas supplies to Ukraine were expected to reach 68.9 million cubic meters on Friday.

http://www.downstreamtoday.com/news/article.aspx?a_id=46638

Reuters, 5:01 February 27, 2015

Update: Libya's Sarir, Messla Oilfield Production Rises to 100,000 b/d – AGOCO

Oil production from Libya's southeastern Sarir and Messla fields has risen to 100,000 b/d, a spokesman for the state field operator said on Thursday. Output from the fields feeding the Hariga port would gradually rise to 180,000 b/d, spokesman for operator AGOCO said. Libya has restarted both fields, shut after a pipeline blast, which halted crude oil supplies to Hariga. Hariga used to export around 120,000 b/d but at least 20,000 b/d are needed to feed the Tobruk refinery.

Reuters, 14:36 February 26, 2015

Energy Prices

U.S. Oil and Gas Prices			
February 27, 2015			
	Today	Week Ago	Year Ago
CRUDE OIL West Texas Intermediate U.S. \$/Barrel	49.15	50.48	102.59
NATURAL GAS Henry Hub \$/Million Btu	3.11	2.97	4.56

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>

Please direct comments and questions to: ead@oe.netl.doe.gov