



# ENERGY ASSURANCE DAILY

Tuesday Evening, March 17, 2015

## *Electricity*

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### **Severe Geomagnetic Storm May Affect Power Grid March 17 – NOAA**

A pair of solar eruptions over the weekend have unleashed a severe geomagnetic storm that could affect power and communications Tuesday on Earth, the National Oceanic and Atmospheric Administration (NOAA) said. The storm could grow into a G4 on the NOAA scale of one to five, with five being the worst. NOAA said possible widespread voltage control problems and some protective systems may mistakenly trip out key assets from the power grid. The geomagnetic storm resulted from two significant eruptions from the sun's corona that occurred early on Sunday, March 15, according to NOAA.

<http://www.naharnet.com/stories/en/171930-severe-solar-storm-may-disrupt-power-satellites>

<http://www.swpc.noaa.gov/news/g4-severe-geomagnetic-storm-observed>

### **Update: Over 4,000 Customers Remain without Power in Oregon and British Columbia March 17 Following Weekend Windstorm**

4,443 customers remained without power Tuesday after a strong windstorm on Saturday and Sunday brought down trees and power lines, knocking out power to 125,114 customers in Oregon, Washington, and British Columbia. As of 3:30 p.m. EDT Tuesday, 895 BC Hydro and 3,548 PGE customers remained without power, down from peak outages of 39,000 and 70,452 customers respectively. Other utilities impacted by the weekend's storms reported full or near full restoration as of Tuesday afternoon, including Pacific Power in Oregon and Clark Public Utilities in Washington.

[https://www.bchydro.com/outages/orsTableView.jsp?WT.ac=hp\\_mh\\_outlist](https://www.bchydro.com/outages/orsTableView.jsp?WT.ac=hp_mh_outlist)

[https://www.portlandgeneral.com/safety\\_outages/outages/outage\\_updates/outage\\_list.aspx](https://www.portlandgeneral.com/safety_outages/outages/outage_updates/outage_list.aspx)

<https://twitter.com/portlandgeneral>

### **Xcel Energy Reports Fire at Its 538 MW Coal- and Gas-Fired Black Dog Generating Station in Minnesota**

Xcel Energy reported a fire in the unit 4 coal bunker at its Black Dog generating station in Burnsville, Minnesota, at 7:30 a.m. CDT Monday. One employee was injured and about 50 others were evacuated. The utility says the employees who were evacuated were allowed back in the plant, which continued to operate. Units 1 and 2 have been converted from coal to natural gas while units 3 and 4 use coal and natural gas. The cause of the fire is under investigation.

<http://www.startribune.com/local/296438611.html>

[http://www.xcelenergy.com/Company/Operations/Power\\_Generation\\_Stations/Black\\_Dog\\_Generating\\_Station](http://www.xcelenergy.com/Company/Operations/Power_Generation_Stations/Black_Dog_Generating_Station)

### **Update: Southern's 1,149 MW Vogtle Nuclear Unit 2 in Georgia Restarts, Ramps Up to 47 Percent by March 17**

On March 14, the unit experienced an automatic reactor trip from full power on a system injection actuation signal.

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

<http://www.nrc.gov/reading-rm/doc-collections/event-status/event/2015/20150316en.html>

### **Update: USW, U.S. Refinery Deal Struggles to Win Approval at Eight Striking Plants**

A tentative national agreement to end a six-week strike at twelve U.S. refineries has struggled to win approval at eight plants as workers and companies struggle to settle local issues, according to union officials. The deal reached on Thursday by the United Steelworkers (USW) and lead industry negotiator Royal Dutch Shell Plc to end the strike is showing signs of quick passage at just four plants, all owned or co-owned by Shell (Shell Deer Park, TX; Motiva Port Arthur, TX; Motiva Norco, LA; and Motiva Convent, LA). Workers at these plants have scheduled or are expected to hold votes this week to ratify the agreement. They could be back at work next week. But local labor talks were stalled at other plants as union chapters try to address issues not covered by the national deal that defines rules for pay, healthcare, and safety. The delays mean companies will have to continue relying on temporary workers to keep their plants running. Other refineries on strike include: BP Whiting, IN; BP Toledo, OH; Marathon Catlettsburg, KY; LyondellBassell Houston, TX; Marathon Galveston Bay, TX; Tesoro Carson, CA; Tesoro Martinez, CA; and Tesoro Anacortes, CA).

[http://www.downstreamtoday.com/news/article.aspx?a\\_id=46856](http://www.downstreamtoday.com/news/article.aspx?a_id=46856)

### **Federal Railroad Administration Issues Directive to Replace Unapproved Tank Car Valves**

The Department of Transportation's Federal Railroad Administration (FRA) on Friday issued a Railworthiness Directive requiring railroad tank car owners to replace unapproved valves currently installed in some tank cars. The valves in question are UNNR ball valves manufactured and sold by McKenzie Valve & Machining LLC (McKenzie). Recent FRA investigations revealed that the valves were not approved for use on railroad tank cars. Additionally, the 3-inch ball valve, when not properly configured, is leading to tank cars leaking small quantities of hazardous materials. The problem was first discovered when multiple FRA investigations identified several railroad tank cars leaking small quantities of hazardous materials. Federal regulations require all valves applied to tank cars must be of an approved design by the Association of American Railroads (AAR) Tank Car Committee. FRA's investigations demonstrate clear inconsistencies between the type of valve design that AAR approved versus the design of the valve actually being used, which raises questions about the approval process and a manufacturer's adherence to an approved design type. The FRA will immediately begin working with AAR to commence a full audit of AAR's process for approving tank car valves and other components in order to prevent incidents like this from occurring again.

[http://www.fra.dot.gov/eLib/details/L16259#p1\\_z5\\_gD\\_IPR](http://www.fra.dot.gov/eLib/details/L16259#p1_z5_gD_IPR)

<http://www.fra.dot.gov/eLib/Details/L16258>

### **Canada Transportation Safety Board Says New Tank Cars Should Be in Service Earlier**

Canada's Transportation Safety Board (TSB) said on Tuesday that recent fiery derailments of trains hauling crude oil mean a new generation of stronger tanker wagons should be introduced ahead of schedule. The TSB is investigating two accidents within the last month involving Canadian National Railway Co oil trains which came off the tracks and caught fire near Gogama, Ontario. Both trains were hauling CPC-1232 crude tankers, meant to be safer than the older DOT-111 models. Canada last week unveiled tough standards for a new generation of tanker cars that would replace the CPC-1232s by 2025 at the latest. The TSB said while the proposed standards look promising, it has concerns about the implementation timeline, given initial observations of the performance of CPC-1232 cars in recent derailments. The TSB said track failures may have played a role in each of the Gogama derailments. It has issued a safety advisory letter asking the federal transport ministry to review the risk assessments conducted for the area.

<http://www.tsb.gc.ca/eng/medias-media/communiques/rail/2015/r15h0021-20150317.asp>

Reuters, 12:14 March 17, 2015

### **Oklahoma's Cushing Oil Storage Complex Nears Operational Capacity Amid Record Inventory Builds**

The nation's largest oil storage complex in Cushing, Oklahoma is nearing its operational capacity as oil inventories nationwide continue to rise. Cushing's tank complex held more than 51.5 million barrels of oil as of March 6, according to the U.S. Energy Information Administration. Nationwide, oil inventories have grown for eight consecutive weeks as of February 27, according to the U.S. Energy Information Administration. The buildup has averaged 7.7 million barrels a week, marking the largest such increase since at least 1982. Storage at Cushing is up almost 25 percent over the past five weeks and 172 percent higher than the nearly 19 million barrels reported about five months ago. The oil storage facility at Cushing can hold about 80 million barrels. As Cushing fills, companies are sending oil to other storage facilities throughout the country, including the Gulf Coast and west Texas.

<http://www.chem.info/news/2015/03/oklahoma-oil-storage-complex-nears-operational-capacity>

[http://www.eia.gov/dnav/pet/hist/LeafHandler.ashx?n=PET&s=W\\_EPC0\\_SAX\\_YCUOK\\_MBBL&f=W](http://www.eia.gov/dnav/pet/hist/LeafHandler.ashx?n=PET&s=W_EPC0_SAX_YCUOK_MBBL&f=W)

### **Update: FCCU at BP's 413,000 b/d Whiting, Indiana Refinery Remains Shut March 16 – Sources**

The 65,000 b/d fluidic catalytic cracking unit (FCCU) at BP Plc's Whiting, Indiana, refinery remained shut on Monday for repairs, said sources familiar with plant operations. The FCCU, which is the smaller of the two at the refinery, was shut on March 8. The unit has been shut twice this month for repairs due problems with a compressor, the sources said.

Reuters, 12:51 March 16, 2015

### **Update: BP, Husky Restart Catalytic Cracker at Its 160,000 b/d Toledo, Ohio Refinery March 17 – Source**

BP Plc and Husky Energy Inc restarted the catalytic cracker at their refinery in Toledo, Ohio, on Tuesday, after unexpected delays, according to a source familiar with the plant's operations. The 55,000 b/d catalytic cracker was shut down unexpectedly just days before the refinery's union employees went on strike on February 8. The company had hoped to restart the unit quickly, but more problems were uncovered. The unit is not expected to be running at full capacity until the weekend, the source said.

Reuters, 9:17 March 17, 2015

### **ExxonMobil Reports Flaring Due to Compressor Shutdown at Its 238,600 b/d Joliet, Illinois Refinery March 16**

Reuters, 6:30 March 17, 2015

### **Citgo Says Production Unhurt by Brief Upset at Its 172,045 Lemont, Illinois Refinery March 17**

Citgo Petroleum Corp said there was minor flaring at its Lemont, Illinois refinery during a brief upset earlier today but there was no impact to production.

Reuters, 12:09 March 17, 2015

### **Chevron's 75,000 b/d Big Foot Platform Heads to Deepwater Gulf of Mexico**

The platform for the Chevron-operated Big Foot development project is en route to the Walker Ridge area of the deepwater Gulf of Mexico. The dry-tree extended tension-leg platform, which features an onboard drilling rig and production capacity of 75,000 b/d of oil and 25 MMcf/d of natural gas, was successfully floated through the La Quinta Ship Channel in Corpus Christi, Texas late Friday. The Big Foot platform will be installed approximately 225 miles south of New Orleans in 5,200 feet of water. According to SubseaIQ, the Big Foot field is located on Walker Ridge Block 29. Offshore hook-up and commissioning work will begin once the platform is safely anchored to the ocean floor. Development well drilling and completion work will follow. Chevron sanctioned development of the Big Foot field, which was discovered in 2006, five years ago. The company expects oil and gas production later this year from Big Foot, which is estimated to hold total recoverable resources of more than 200 million barrels of oil equivalent and will have an estimated 35-year production life.

[http://www.rigzone.com/news/oil\\_gas/a/137699/Big\\_Foot\\_Platform\\_Heads\\_to\\_Deepwater\\_Gulf\\_Home#sthash.WFj4pOT6.dpuf](http://www.rigzone.com/news/oil_gas/a/137699/Big_Foot_Platform_Heads_to_Deepwater_Gulf_Home#sthash.WFj4pOT6.dpuf)

### **Update: North Dakota Rig Count Drops to 110 on March 17 from 191 on March 17, 2014**

Reuters, 10:49 March 17, 2015

## ***Natural Gas***

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### **Update: El Paso Pipeline Extends Force Majeure at Its Waha, Texas Compressor Station March 16; Expects to Return to Service June 15**

Kinder Morgan Inc's El Paso Natural Gas Company, L.L.C. said Monday it is extending a force majeure at its Waha Compressor Station in Texas and expects it to return service on June 15. El Paso issued the force majeure notification on February 2 following a malfunction on a compressor unit at the station. The company had previously expected the unit to return to service in May. Kinder Morgan's 10,200-mile El Paso Natural Gas pipeline system transports natural gas from the San Juan, Permian and Anadarko basins to California.

<http://passportebb.elpaso.com/ebbmasterpage/Notices/NoticesAutoTable.aspx?code=EPNG&status=Notice&name=Critical%20Notices&sParam1=1&sParam3=14667&sParam14=D&details=Y>

Reuters, 8:48 March 17, 2015

## Other News

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### DHS, U.S. Coast Guard to Monitor Marine and Offshore Energy Sector Cyber Threats

The U.S. Department of Homeland Security (DHS) and the U.S. Coast Guard (USCG) late last year announced that they would develop cybersecurity regulations for the marine and offshore energy sectors. These regulations would address concerns over cyber risks and vulnerabilities among vessels and facilities subject to the Maritime Transportation Security Act of 2002. The regulations would create standards and minimum requirements for companies working in the marine and offshore energy industries. Prior to the Act, most of the existing regulations have been focused on data breach events, such as the theft of credit card and Social Security numbers, instead of a cyber-attack on offshore infrastructure.

[http://www.rigzone.com/news/oil\\_gas/a/137656/Government\\_Agencies\\_to\\_Monitor\\_Offshore\\_Marine\\_Energy\\_Sector\\_Cyber\\_Threats#sthash.TKYx8BXB.dpuf](http://www.rigzone.com/news/oil_gas/a/137656/Government_Agencies_to_Monitor_Offshore_Marine_Energy_Sector_Cyber_Threats#sthash.TKYx8BXB.dpuf)

## International News

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### BP Declares Force Majeure on 158,000 b/d PSVM Deepwater Oil Project in Angola after Power Loss March 16

BP declared force majeure on oil output from an Angolan oil project which provides almost 10 percent of the country's exports after a power loss. The oil company declared force majeure on Monday due to the power loss at the PSVM oil project's floating production, storage, and offloading (FPSO) vessel, offshore Angola. The PSVM development consists of the Plutao, Saturno, Venus, and Marte fields and is operated by BP. Output started in late 2012 at the venture, which BP says is Africa's largest deepwater oil project. Crude from the fields is known as Saturno by traders. The Saturno stream was scheduled to pump 158,000 b/d in April, 9.5 percent of total exports of 1.67 million b/d.

Reuters, 9:34 March 17, 2015

### Libya's Eastern Oil Ports to Export 1.2 Million Barrels of Crude Oil in Coming Days – Officials

Libya is set to export more than 1.2 million barrels of crude oil from the eastern ports of Hariga and Zueitina in coming days, officials said. A tanker will load 600,000 barrels of crude from the Hariga port in Tobruk on Wednesday or Thursday, the official said. A tanker has just loaded the same volume at the port of Zueitina and a second is expected there next week. The eastern Libyan state firm Arabian Gulf Oil Co (AGOCO) is currently producing around 270,000 b/d, a company spokesman said. The firm's assets include the Sarir and Messla oilfields feeding the Hariga port.

Reuters, 5:50 March 17, 2015

## Energy Prices

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U.S. Oil and Gas Prices			
March 17, 2015			
	Today	Week Ago	Year Ago
<b>CRUDE OIL</b>			
<b>West Texas Intermediate U.S.</b>	43.34	49.23	98.02
\$/Barrel			
<b>NATURAL GAS</b>			
<b>Henry Hub</b>	2.66	2.72	4.53
\$/Million Btu			

Source: Reuters

## Links

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***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](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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