



# ENERGY ASSURANCE DAILY

Wednesday Evening, March 18, 2015

## *Electricity*

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### **Update: Severe Geomagnetic Storm Causes Power Grid Fluctuations, No Disconnects March 17; Storm Subsides March 18 – NOAA**

A geomagnetic storm hit Earth at 10 a.m. EDT on Tuesday registering as a G4 (Severe) storm on the five-point scale, with five being the worst, according to the National Oceanic and Atmospheric Administration (NOAA). G4 levels lasted for approximately 1 hour. NOAA said there were power fluctuations on the power grid but no abnormalities or disconnects were reported. There was no radiation storm and therefore satellites were not impacted. The geomagnetic storm resulted from two significant eruptions from the sun's corona that occurred early on Sunday, March 15. On Tuesday, NOAA issued an alert warning that the storm could cause widespread voltage control problems and that some protective systems might mistakenly trip out key assets from the power grid. On Wednesday morning, NOAA reported the geomagnetic storm had subsided but solar wind speed remained high and G1 (Minor) storm episodes were still possible.

<http://www.swpc.noaa.gov/news/geomagnetic-storm-subsid-ing-g1-minor-storm-still-possible>

<http://www.swpc.noaa.gov/news/swpc-press-conference-g4-activity>

<http://www.swpc.noaa.gov/products/alerts-watches-and-warnings>

### **PSEG Long Island Plans to Further Strengthen Electric Grid**

PSEG Long Island on Tuesday announced it is embarking on a federally funded, three-year reliability and resiliency project to further strengthen the electric grid across Long Island and in the Rockaways, New York. The more than \$729 million of federal recovery funds were secured last year under the FEMA 406 Mitigation Program. The impact that Superstorm Sandy and the Nor'easter that followed had on the transmission and distribution system was severe, resulting in power outages to all of the service territory's 1.1 million customers. The entire service territory was declared a federal major disaster area. Power was lost as a result of damaged switching and substations, damaged poles and electrical equipment, and downed trees that brought down wires. PSEG aims to upgrade or replace more than 1,000 miles of mainline circuit facilities, elevate and protect flood-prone substations, and install innovative automation that isolates faults. These measures will allow the company to limit the number of customers impacted by an outage and significantly speed-up restoration if power is lost.

<https://www.psegliny.com/page.cfm/AboutUs/PressReleases/2015/031415-FEMA>

### **Update: Southern's 1,149 MW Vogtle Nuclear Unit 2 in Georgia Ramps Up to 62 Percent by March 18**

By the morning of March 17 the unit had restarted and ramped up to 47 percent. 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>

### **SunEdison to Construct 150 MW of Solar Power Generation Capacity in West Texas**

SunEdison, Inc. today announced that it will construct new solar plants in West Texas to supply the City of Georgetown with 150 MW of solar power for 25 years. The SunEdison solar plants will be interconnected in 2016, and will provide over 9,500 gigawatt-hours of clean energy to Georgetown through 2041. The power purchase agreement is one of the largest solar agreements in the Electric Reliability Council of Texas (ERCOT) jurisdiction.

<http://www.newswire.ca/en/story/1503659/sunedison-to-provide-the-people-of-georgetown-texas-with-150-megawatts-of-solar-power>

### **Update: Union Workers at Motiva's 600,250 b/d Port Arthur, Texas Refinery Approve Contract Deal; Tesoro Refineries Making Progress – USW Officials**

More than 700 union workers at Motiva Enterprises' Port Arthur, Texas, refinery unanimously approved a new contract on Tuesday night, United Steelworkers (USW) union officials said. Port Arthur workers are expected to return to their jobs next week. Workers are also expected to return to work at Motiva's refineries in Norco and Convent, Louisiana, next week. Workers at Shell's joint-venture refinery in Deer Park, Texas, who were among the first to go on strike when work stoppages began on February 1, are scheduled to vote Thursday on the new contract. The USW also said workers at three Tesoro Corp refineries on the West Coast (Carson, CA; Martinez, CA; and Anacortes, WA) were making progress in finalizing contracts. The USW said BP Plc (Whiting, IN and Toledo, OH), Lyondell Basell Industries (Houston, TX), and Marathon Petroleum Corp (Catlettsburg, KY and Galveston Bay, TX) "continue fights on tough local issues."

Reuters, 23:08 March 17, 2015

### **ExxonMobil, USW Trade Proposals for Longer Contract at 344,600 b/d Beaumont, Texas Refinery March 17**

ExxonMobil Corp and the United Steelworkers (USW) union traded proposals on Tuesday for a labor contract covering ExxonMobil's refinery in Beaumont, Texas, that could be for as long as seven or eight years, union officials said. Sources familiar with ExxonMobil's plans have said the longer agreement was sought, in part, because the company is considering an expansion at the Beaumont refinery that could more than double its size. The four-year industry-wide agreement reached last week by the USW and lead U.S. refinery owner representative Royal Dutch Shell Plc is one year longer than previous contracts and would end a strike that began on February 1.

Reuters, 19:52 March 17, 2015

### **U.S. Crude Oil Stockpiles Rise as Cushing, Oklahoma Storage Hub Sets Record – EIA**

U.S. crude stocks rose nearly three times as much as expected last week, as storage at the Cushing, Oklahoma, oil hub reached a new record, data from the Energy Information Administration (EIA) showed on Wednesday. Crude inventories rose by 9.6 million barrels in the last week, compared with analysts' expectations for an increase of 3.8 million barrels. That put total U.S. commercial crude oil stocks at 458.51 million barrels, the highest since the EIA began keeping a weekly record. U.S. crude imports rose last week by 703,000 b/d, adding to the supply surplus.

Reuters, 11:26 March 18, 2015

<http://www.eia.gov/dnav/pet/hist/LeafHandler.ashx?n=PET&s=WCESTUS1&f=W>

### **Oil, Petroleum Products on U.S. Rails Fell to 17-Month Lows Last Week – American Association of Railroads**

Oil and petroleum products on U.S. rails fell last week to 12,724 carloads, the lowest level in 17 months and down 25 percent from a record high of 17,074 carloads in December, according to data released on Wednesday by the American Association of Railroads. The drop in volume comes amid sustained low oil prices that have weakened demand in shale oil plays that rely on rail lines to deliver products.

Reuters, 13:14 March 18, 2015

### **CVR Reports FCCU Emissions from Its 200,000 b/d Wynnewood, Oklahoma Refinery March 16**

Reuters, 12:09 March 18, 2015

### **HollyFrontier Reports Unit Shut at Its 155,300 b/d Tulsa, Oklahoma Refinery March 16**

Reuters, 12:06 March 18, 2015

## ***Natural Gas***

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Nothing to report.

## Other News

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Nothing to report.

## International News

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### Libya's Recognized Government Says Oil Sales Must Go Through NOC in East

Libya's internationally recognized government said on Tuesday that any sales of the country's oil should be arranged through a state firm based in Benghazi under its leadership to prevent fraud. If implemented, the decision would escalate a battle for control between the official government based in the east and a rival administration in Tripoli. So far customers have continued paying for exports each month through state National Oil Corp (NOC) based in Tripoli, which is under effective control of the rival government.

[http://www.rigzone.com/news/oil\\_gas/a/137725/Libya's Recognized Government Oil Sales Must Go Through NOC In East#sthash.LzNihjns.dpuf](http://www.rigzone.com/news/oil_gas/a/137725/Libya's_Recognized_Government_Oil_Sales_Must_Go_Through_NOC_In_East#sthash.LzNihjns.dpuf)

### India to Import First Oil to Fill Strategic Reserves – Source

India is set to import 8 million barrels of Iraqi oil to fill its first strategic oil reserve. India's oil ministry on Tuesday instructed state refiners Indian Oil Corp and Hindustan Petroleum Corp Ltd to each seek two very large crude carriers (VLCC) of Basra oil for arrival in May–June, totaling 8 million barrels, two sources familiar with the matter said.

Reuters, 10:00 March 18, 2015

## Energy Prices

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U.S. Oil and Gas Prices			
March 18, 2015			
	Today	Week Ago	Year Ago
<b>CRUDE OIL</b>			
<b>West Texas Intermediate U.S.</b> \$/Barrel	44.58	48.01	99.12
<b>NATURAL GAS</b>			
<b>Henry Hub</b> \$/Million Btu	2.77	2.73	4.59

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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