



ENERGY ASSURANCE DAILY

Monday Evening, March 24, 2014

Major Developments

Bunker Fuel Spill Shuts Houston Ship Channel March 22; Cleanup Efforts Continue as ExxonMobil Cuts Rates at 560,500 b/d Baytown, Texas Refinery March 24

The U.S. Coast Guard is responding to a bunker fuel spill in the Houston Ship Channel that resulted in the release of approximately 4,000 barrels of product, and has closed the waterway to vessel traffic. As of 6 a.m. CDT Monday, there were 43 outbound vessels and 38 inbound vessels in the queue for transit. ExxonMobil said production at its 560,500 b/d Baytown, Texas, refinery had been cut on Monday due to the closure. The company expects further production cuts by mid-week. Marathon Petroleum Corp., Valero Energy Corp., and Royal Dutch Shell PLC, which own refineries in the area, have not reported impacts publicly. The channel was shut Saturday afternoon when the 585-foot bulk carrier Summer Wind, reported a collision with a barge, containing 22,000 barrels of fuel oil, towed by the motor vessel Miss Susan. The motor vessel Miss Susan was transiting from Texas City to Bolivar at the time of the collision. Responding agencies operating in a Unified Command structure reported that more than 69,000 feet of containment boom had been deployed on waters surrounding the incident site and along sensitive shorelines in the area. Approximately 27 response vessels were actively working to skim the oil. Responders were able to complete transferring product inside the barge's damaged compartment to a second barge. Changing currents, winds and weather conditions have necessitated response officials to extend containment and oil recovery plans further into the Gulf of Mexico and south along Galveston Island. A safety zone has been established restricting the transit of vessels not involved in the response from entering the area. A warning to mariners issued by the Coast Guard on Sunday said portions of the Houston Ship Channel and its offshoots to Texas City and Galveston, Texas, along with a portion of the Gulf Intracoastal Waterway, could be closed through March 29 or longer, depending on the requirements of a cleanup.

<http://www.uscgnews.com/go/site/4007/>

Reuters, 12:38 March 24, 2013

<http://online.wsj.com/news/articles/SB10001424052702304679404579459280602730154?mg=reno64-wsj&url=http%3A%2F%2Fonline.wsj.com%2Farticle%2FSB10001424052702304679404579459280602730154.html>

<http://www.foxnews.com/us/2014/03/24/oil-spill-cleanup-blocks-major-texas-shipping-channel/>

Electricity

Entergy's 813 MW FitzPatrick Nuclear Unit in New York Reduced to 50 Percent by March 23

On the morning of March 22 the unit was operating at full power.

<http://www.nrc.gov/reading-rm/doc-collections/event-status/reactor-status/2014/>

Duke Energy's 1,100 MW McGuire Nuclear Unit 2 in North Carolina Shut by March 22

On the morning of March 21 the unit was operating at full power.

<http://www.nrc.gov/reading-rm/doc-collections/event-status/reactor-status/2014/>

Dominion's 815 MW Surry Nuclear Unit 2 in Virginia at Restarts by March 22, at Full Power by March 24

On the morning of March 23 the unit was operating at 76 percent after restarting and ramping up to 2 percent by March 22. The unit was shut on March 19 due to a leak in a pressurizer spray valve.

<http://www.nrc.gov/reading-rm/doc-collections/event-status/reactor-status/2014/>

http://www.timesdispatch.com/news/state-regional/surry-reactor-goes-offlinefor-valve-repairs/article_410c52c8-b048-11e3-97ab-0017a43b2370.html

Update: TVA's 1,118 MW Browns Ferry Nuclear Unit 3 in Alabama Restarts by March 20, Ramps Up to 92 Percent by March 24

On the morning of March 23 the unit was operating at 63 percent after restarting by March 20. The unit shut by March 19 due to failure to control the main turbine moisture separator level.

<http://www.nrc.gov/reading-rm/doc-collections/event-status/reactor-status/2014/>

Entergy's 1,207 MW Grand Gulf Nuclear Unit 1 in Mississippi Restarts by March 21, Ramps Up to 64 Percent by March 24

On the morning of March 21 the unit restarted and was operating at 5 percent. The unit was shut on March 17 to repair a steam leak on nonsafety-related equipment.

<http://www.nrc.gov/reading-rm/doc-collections/event-status/reactor-status/2014/>

Update: Delta Energy Center, LLC's 880 MW Gas-fired Unit in California Returns to Service by March 23

The unit returned from an unplanned curtailment of 380 MW that began by March 18.

<http://content.aiso.com/unitstatus/data/unitstatus201403231515.html>

Update: RRI Energy, Inc.'s 320 MW Etiwanda Gas-fired Unit 3 in California Returns to Service by March 22

The unit returned from an unplanned outage that began by March 20.

<http://content.aiso.com/unitstatus/data/unitstatus201403221515.html>

Petroleum

Update: Sunoco Repairs, Restarts Its 280,000 b/d Mid-Valley Pipeline March 23

Sunoco Logistics said it repaired and restarted its Mid-Valley pipeline Sunday evening following a spill March 17 in the Oak Glen Nature Preserve in Ohio. Federal investigators were investigating a 5-inch crack in the pipeline that caused the spill of 204 barrels of crude oil. The U.S. Department of Transportation's Pipeline and Hazardous Materials Safety Administration approved the restart plan, according to the company. The pipeline ships crude oil from Longview, Texas to Samaria, Michigan.

Reuters, 12:11 March 24, 2014

<http://www.dispatch.com/content/stories/local/2014/03/24/leaky-oil-pipeline-in-preserve-under-repair.html>

Phillips 66 Reports Reformer Start-up at Its 362,000 b/d Wood River, Illinois Refinery March 23

Phillips 66 reported a start-up at steam methane reformer (SMR) on Sunday at its refinery in Wood River, Illinois, according to a filing with state pollution regulators. Phillips 66 had reported a process unit upset at the refinery on Thursday.

Reuters, 4:18 March 24, 2014

Williams Partners Reports Its 60,000 b/d, 135 MMcf/d Gulfstar One Floating Platform in Deepwater Gulf of Mexico near Completion

Williams Partners L.P. today reported key construction milestones and progress on a tieback expansion as its proprietary Gulfstar FPS (Floating Production System) nears completion in the eastern deepwater Gulf of Mexico. The hull of the floating production system was towed out and positioned in the deepwater Gulf of Mexico before the topside platform was installed in March 2014. After mooring the floating spar to the ocean floor in February, crews in March lifted and installed Gulfstar's three-level topside structure. The floating production system is moored 135 miles southeast of New Orleans in about 4,000 feet of water. It will serve as a hub that aggregates production and then combines production handling services with oil and gas export pipeline services, which feed Williams' downstream oil and gas gathering and processing services. Once operational, the Gulfstar's base design will produce up to 60,000 b/d of oil and 135 MMcf/d of gas per day with additional tieback capacity. With hook-up and commissioning activities currently underway, Gulfstar is on schedule to start serving anchor customers in the third quarter of 2014 and Gunflint in 2016.

<http://www.williamspl.com/profiles/investor/ResLibraryView.asp?ResLibraryID=68900&BzID=1296&g=345&Nav=0&LangID=1&s=0>

Williams' Transco Completes Repairs on Its Southeast Louisiana Lateral Natural Gas Pipeline March 24

Williams Cos Inc's Transcontinental Gas Pipeline Co. (Transco) said on Monday that it had completed repairs following a leak on its Southeast Louisiana Lateral (SELA) natural gas pipeline. The company said on Friday that it was conducting unplanned maintenance on the SELA pipeline after a leak near Ship Shoal 182. Its 10,200-mile gas pipeline system has the capacity to carry 9.9 Bcf/d from the Gulf Coast to markets throughout the Southeast, mid-Atlantic and Northeast, including New York City.

Reuters, 8:10 March 24, 2014

DOE Authorizes LNG Exports from Jordan Cove Terminal in Oregon March 24

The Department of Energy (DOE) announced Monday that it conditionally authorized Jordan Cove Energy Project, L.P. to export domestically produced liquefied natural gas (LNG) to countries that do not have a Free Trade Agreement with the U.S., from the Jordan Cove LNG Terminal in Coos Bay, Oregon. The conditional approval would allow LNG exports of 0.8 Bcf/d from the Oregon terminal for up to 20 years.

<http://www.energy.gov/articles/energy-department-authorizes-jordan-cove-export-liquefied-natural-gas>

Shell Puts Small-Scale LNG Liquefaction Projects in Ontario and Louisiana on Hold

Royal Dutch Shell said on Friday it was putting on hold two small-scale gas liquefaction projects in Ontario and Louisiana that were earmarked to supply liquefied natural gas (LNG) as a transport fuel. Shell said it was exploring the investment value of the proposed units at its Corunna refinery near Sarnia, Ontario, and Geismar Chemicals facility, Louisiana. Plans to build the plants were announced in March 2013 as Shell announced investment plans to make LNG a viable fuel option for the commercial market. Each unit would have been able to produce 250,000 tons of LNG.

http://www.downstreamtoday.com/news/article.aspx?a_id=42677

Regency Reports AGI Compressor Shut at Its 290 MMcf/d Waha Gas Plant in Texas March 23

Regency reported the acid gas injector (AGI) compressor shut on high scrubber level. The scrubber dump pump was found to have electrical issues. After the pump and electrical connection were repaired, the AGI compressor was reset and restarted. The AGI flare and AGI volume meter were in service during the downtime.

<http://www11.tceq.state.tx.us/oce/eer/index.cfm?fuseaction=main.getDetails&target=195781>

Enbridge Reports AGIs Trip at Its Tilden Gas Plant in Texas March 22

Enbridge reported the acid gas injectors (AGIs) tripped on fifth stage high discharge pressure due to wood group pumps shutting down when the chiller tripped on compressor overload. There was a faulty screen on PLC and compressor 2B on the chiller that needed to be replaced. Parts for the chiller were on order. The chiller was restarted with two compressors, once gas temperatures allowed, and the AGIs were restarted and stabilized.

<http://www11.tceq.state.tx.us/oce/eer/index.cfm?fuseaction=main.getDetails&target=195778>

Other News

North Carolina DENR Cites Duke Energy for Violations of Wastewater Permit at Its Retired 316 MW Cape Fear Plant March 20

The North Carolina Department of Environment and Natural Resources (DENR) announced March 20 it cited Duke Energy for violating the conditions of a wastewater permit by pumping an estimated 61 million gallons of wastewater from two coal ash impoundments at the company's retired 316 MW Cape Fear Steam Electric Plant to a tributary of the Cape Fear River. DENR's was doing detailed inspections of all Duke Energy's facilities with coal ash impoundments. The inspections came about in the wake of the February 2 coal ash spill at the retired 276 MW Dan River plant.

http://portal.ncdenr.org/c/journal/view_article_content?groupId=4711509&articleId=19884289

<https://www.duke-energy.com/power-plants/coal-fired/cape-fear.asp>

<https://www.duke-energy.com/power-plants/coal-fired/dan-river.asp>

Update: U.S. Navy Hands Over Seized Oil Tanker to Libya March 22

The U.S. Navy handed over to Libyan authorities on Saturday the Morning Glory oil tanker carrying crude that had been loaded at a port controlled by armed rebels in defiance of Tripoli's government. The tanker was due to arrive later on Saturday at a government-controlled port after being seized by U.S. commandos and escorted back through international waters by the U.S. Navy, Libyan officials said.

Reuters, 15:15 March 22, 2014

Libya Shuts 130,000 b/d El Feel Oilfield, National Output Falls to 150,000 b/d – NOC

Libya shut the El Feel oilfield because the pipeline to Mellitah port has been closed for unknown reasons, state-run National Oil Corp. (NOC) said on Monday. National oil production was expected to fall to around 150,000 b/d on Tuesday as a result, down from 230,000 b/d as of Sunday night, a spokesman for NOC said.

Reuters, 11:43 March 24, 2014

http://www.rigzone.com/news/oil_gas/a/132209/NOC_Libya_Cuts_Production_at_ElFeel_Oilfield_to_5000060000_Bpd#sthash.NKfNMbzW.dpuf

Yemeni Tribesmen Blow Up Marib Oil Pipeline, Stop Crude Flows March 22

Tribesmen on Saturday bombed Yemen's Marib oil pipeline which carries around 70,000–110,000 b/d of Marib light crude to an export terminal on the Red Sea. The bombing caused significant damage and forced flows to stop, and industry source said.

Reuters, 10:06 March 22, 2014

Mexico's Pemex Says Fire at Its Cantarell Platform in Gulf of Mexico under Control March 22

Mexico's state-run oil company Pemex said on Saturday a fire on an offshore platform at its Cantarell field injured three people but has been "totally controlled." In a post on its Twitter page, Pemex said the fire occurred on the Akal TD platform, part of the Cantarell shallow water oil field located along the southern rim of the Gulf of Mexico. The platform's 42 workers have been evacuated as a preventative measure but production was not affected, a company spokesperson said.

Reuters, 18:54 March 22, 2014

<https://twitter.com/Pemex>

Nigerian Government Earmarks \$1 Billion to Fight Oil Theft, Pipeline Vandalism

The president of Nigeria announced today that the federal government set aside \$1 billion to curb crude oil theft, vandalism of oil and gas infrastructure, and aid in the apprehension and prosecution of crude oil thieves. This came as the vice president of Shell Upstream International said that the declining rate of crude oil production of Nigeria's hydrocarbon resources may be as high as 15–20 percent.

<http://www.thisdaylive.com/articles/fg-earmarks-1bn-to-fight-oil-theft-pipeline-vandalism/174423/>

Energy Prices

U.S. Oil and Gas Prices			
March 24, 2014			
	Today	Week Ago	Year Ago
CRUDE OIL West Texas Intermediate U.S. \$/Barrel	99.97	98.02	92.59
NATURAL GAS Henry Hub \$/Million Btu	4.32	4.53	4.01

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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