



ENERGY ASSURANCE DAILY

Tuesday Evening, April 14, 2015

Electricity

High Winds, Heavy Rain Knock Out Power to 19,300 Customers in Texas April 14

Heavy rain and winds of up to 70 mph knocked out power to 17,000 American Electric Power (AEP) Texas and 2,300 Nueces Electric Cooperative (NEC) customers in South Texas Tuesday morning. As of 4 p.m. EDT, 7,020 AEP Texas and 750 NEC customers remained without power.

<https://www.aeptexas.com/outages/outageMap.aspx>

<http://www.valleycentral.com/news/story.aspx?id=1191109#.VS1s2PnF-5g>

<http://www.nueceselectric.org/content/storm-update-1000-am>

<http://www.nueceselectric.org/content/storm-update-130-pm>

Update: FirstEnergy's 831 MW Beaver Valley Nuclear Unit 2 in Pennsylvania at Full Power by April 14

On the morning of April 13 the unit was operating at 60 percent, reduced from full power on April 12.

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

Progress Energy's 710 MW Robinson Nuclear Unit 2 in South Carolina Reduced to 85 Percent by April 14

On the morning of April 13 the unit was operating at full power.

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

Watson Cogeneration Company's 417 MW Gas-fired Unit in California Reduced by April 13

The unit entered an unplanned curtailment of 227 MW.

<http://content.aiso.com/unitstatus/data/unitstatus201504131515.html>

Clean Line Energy Announces Proposed Route for Illinois Portion of Its 780-Mile Direct Current Grain Belt Express Overhead Transmission Line

Clean Line Energy on Monday announced the proposed route for the Illinois portion of the Grain Belt Express Clean Line, an approximately 780-mile overhead, direct current transmission line that will deliver approximately 4,000 MW of low-cost, renewable energy to Illinois from wind farms in western Kansas. Clean Line included the proposed route for the Illinois portion of the Grain Belt Express with its application for a Certificate of Public Convenience and Necessity in a filing with the Illinois Commerce Commission (ICC). If the project receives the go-ahead from the ICC, local utilities and electric coops in Illinois will be able to purchase power delivered by the Grain Belt Express at a low-cost and stable rate.

http://www.cleanlineenergy.com/sites/cleanline/media/news/Illinois_Route_Announcement_Press_Release_4_13_15_FINAL.pdf

http://www.grainbeltexpresscleanline.com/site/page/illinois_potential_route

<http://www.grainbeltexpresscleanline.com/site/home>

Update: Colonial's Line 2 Returns to Service April 14; Breach, Spill Under Investigation in South Carolina

Colonial Pipeline restarted its Line 2, which runs from Texas to North Carolina, Tuesday at about 6:15 a.m. local time after repairing a leak that prompted a 40-hour shutdown, the company said. Colonial hadn't yet determined how much diesel fuel leaked, and was investigating the cause of the breach, a spokesman said. Colonial shut the pipeline on Sunday afternoon after a resident in South Carolina reported the smell of diesel fuel and a sheen in a pond near the pipeline's right of way. The leak was repaired by midnight on Monday with no need to replace pipe, the company said, however repair crews found diesel-saturated soil after excavating around the pipeline in the affected area. Colonial's Line 2 is its main distillate line that runs from Houston, Texas to breakout storage in Greensboro, North Carolina.

Reuters, 11:51 April 14, 2015

Reuters, 9:29 April 14, 2015

EPA to Issue Overdue U.S. Renewable Fuel Standards to Refiners by June

The Environmental Protection Agency (EPA) pledged to propose its delayed U.S. renewable fuel requirements by June, and final rules by the end of November, saying it will issue three years of quotas together. The EPA announcement of a court settlement with oil refiners and producers adds a specific schedule to the agency's previous promises to move quickly to set overdue requirements for the use of ethanol, biodiesel, and other renewable fuels. Under conflicting pressure from refiners and ethanol producers, the agency failed to issue any rules for renewable fuel use in 2014, and missed a November deadline to issue 2015 rules. The American Fuel & Petrochemical Manufacturers and American Petroleum Institute trade groups filed suit in U.S. District Court for the District of Columbia. In the court settlement, the EPA pledged to propose rules for both years by June 1 and complete them by the end of November. Separately, the EPA said it intends to issue the 2016 Renewable Fuel Standard at the same time, though that isn't part of the settlement. The retroactive rule for 2014 will be set at the actual level of renewable fuels used last year.

<http://www.afpm.org/news-release.aspx?id=4772>

<http://www.hydrocarbonprocessing.com/Article/3444359/Latest-News/EPA-to-issue-overdue-US-renewable-fuel-standards-to-refiners-by-June.html>

Update: BP Preparing to Restart FCCU at Its 413,500 b/d Whiting, Indiana Refinery April 13 – Sources

BP Plc was preparing on Monday to restart the 65,000 b/d fluidic catalytic cracking unit (FCCU) at its Whiting, Indiana, refinery, said sources familiar with plant operations. The FCCU, which is the smaller of two at the refinery, has been undergoing repairs since being shut on March 8. The unit's furnaces were tested late last week and over the weekend, the sources said.

Reuters, 12:21 April 13, 2015

Flint Hills Reports Flaring Due to Operating Conditions at Its 293,000 b/d Corpus Christi, Texas Refinery April 14

Reuters, 7:05 April 14, 2015

Valero Reports Flaring Due to Operating Conditions at Its 200,000 b/d Corpus Christi, Texas Refinery April 14

Reuters, 12:52 April 14, 2015

Gibson Energy to Build 900,000 Barrels of Crude Oil Storage at Its Hardisty Terminal in Alberta

Gibson Energy Inc. announce it received sufficient committed shipper support to proceed with an additional 900,000 barrels of crude oil storage capacity at its Hardisty Terminal in Alberta. The capacity addition will consist of a 400,000 barrel storage tank and a 500,000 barrel storage tank, and are expected to be in-service by the middle of 2017. The company has now added 9 storage tanks since expansion of its Hardisty Terminal commenced in 2012.

<http://www.gibsons.com/Investors/View-News-Item.aspx?ReleaseID=1937636>

Interior Department Releases Proposed Well Control Regulations to Ensure Safe and Responsible Offshore Oil and Gas Development April 13

In response to the findings of investigations into the Deepwater Horizon tragedy, and following a thorough evaluation of recommendations from industry groups, equipment manufacturers, federal agencies, academia and environmental organizations, Secretary of the Interior Sally Jewell on Monday announced proposed regulations to better protect human lives and the environment from oil spills. The measures include more stringent design requirements and operational procedures for critical well control equipment used in offshore oil and gas operations. The proposed rule, which will be open for public comments, addresses the range of systems and equipment related to well control operations. The measures are designed to improve equipment reliability, building upon enhanced industry standards for blowout preventers and blowout prevention technologies. The rule also includes reforms in well design, well control, casing, cementing, real-time well monitoring and subsea containment. The public may submit comments on the proposed regulations during the 60-day comment period that begins April 15, when the proposed rule is published in the Federal Register.

<http://www.doi.gov/news/pressreleases/interior-department-releases-proposed-well-control-regulations-to-ensure-safe-and-responsible-offshore-oil-and-gas-development.cfm>

North Dakota's Oil Output Falls Again on Cheap Crude Oil Prices

North Dakota's daily oil production slid for the second month in a row in February as falling crude prices ended producers' incentives to keep the spigots fully open. The No. 2 U.S. oil producer pumped 1,177,094 b/d in February, down about 1 percent from January levels, according to data from the North Dakota Department of Mineral Resources.

Reuters, 11:04 April 14, 2015

U.S. Shale Oil Output to Fall 45,000 b/d in May – EIA

Oil production from the fastest-growing U.S. shale plays is set to fall some 45,000 b/d to 4.98 million b/d in May from April, the first monthly decline in over four years, projections from the U.S. Energy Information Administration (EIA) showed on Monday. The projected slip from 5.02 million b/d in April underscores how record crude production from the U.S. shale boom may be backtracking after global markets saw prices effectively slashed by 60 percent since June on oversupply and lackluster demand.

<http://www.eia.gov/petroleum/drilling/>

http://www.rigzone.com/news/oil_gas/a/138093/EIA_US_Shale_Oil_Output_To_Fall_In_May_First_Drop_In_4_Years#sthash.acfO2sIq.dpuf

National Energy Board Launches Online Canadian Pipeline Incident Mapping Tool

The National Energy Board has launched an online interactive Pipeline Incident Map that offers Canadians the opportunity to view all pipeline incidents in Canada since 2008. The Pipeline Incident Map includes customizable filters and incident details including location, company, and volumes released. Updates to the map will occur quarterly, with the next update scheduled to take place in July 2015. As incident investigations are completed or new information becomes available, records are updated and will be reflected on the online map.

<https://www.neb-one.gc.ca/bts/nws/nr/2015/nr17-eng.html>

<https://www.neb-one.gc.ca/sftnvrnmnt/sft/dshbrd/mp/index-eng.html>

Natural Gas

Atlas Reports Residue Outlets Shut Due to Power Outage at Its 200 MMcf/d Driver Gas Plant in Texas April 12

Atlas reported that a thunderstorm caused a power outage which shut the residue outlets at the Spraberry station. Operators put the residue units online as soon as possible after power was restored.

<http://www11.tceq.state.tx.us/oc/eer/index.cfm?fuseaction=main.getDetails&target=212578>

Targa Reports AGC, Cryogenic Skid Shut Due to Power Outage at Its 150 MMcf/d Sand Hills Gas Plant in Texas April 12

Targa reported a third party power glitch caused the C-14 acid gas compressor (AGC) and a cryogenic skid to shut down abruptly. This in turn, caused acid gas to be routed to the emergency acid gas flare, F-4, and residue gas to be routed to the emergency flare, F-2. Maintenance technicians were called out to restart the AGC and adjustments were immediately made to stabilize conditions within the cryogenic skid.

<http://www11.tceq.state.tx.us/oc/eer/index.cfm?fuseaction=main.getDetails&target=212597>

Other News

Nothing to report.

International News

Yemen LNG Says Its Balhaf Site Intact after Declaring Force Majeure Due to Worsening Security

Yemen's liquefied natural gas (LNG) plant's Balhaf site is intact and its surrounding environment secure, the company said on Tuesday. Earlier in the day, the operator declared force majeure due to worsening security and had halted all production at the plant. Yemen LNG also said some personnel remained on site. The company said arrangements are in place to ensure their security and the security of the site perimeter.

Reuters, 10:19 April 14, 2015

Energy Prices

| U.S. Oil and Gas Prices | | | |
|--|-------|----------|----------|
| April 14, 2015 | | | |
| | Today | Week Ago | Year Ago |
| CRUDE OIL West Texas Intermediate U.S. \$/Barrel | 53.25 | 53.61 | 103.92 |
| NATURAL GAS Henry Hub \$/Million Btu | 2.56 | 2.62 | 4.65 |

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