



# ENERGY ASSURANCE DAILY

Thursday Evening, April 16, 2015

## *Electricity*

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### **Wind Power Deliveries to Southern California Edison Down 50 Percent Due to Weak Winds in Western States; Exacerbates Electricity Shortfalls Caused by Drought-Impacted Hydropower**

Wind power deliveries to Southern California Edison (SCE) fell by half in the first two months of the year because of unusually weak winds in some Western states. The slowed wind energy production has exacerbated electricity shortfalls caused by a long drought, which has reduced hydroelectric power in California. SCE said that any gaps left by the 50 percent drop in wind production during an exceptionally warm January and February will be filled with electricity bought on the open market. The state currently gets about 7 percent of its electricity from wind projects inside and outside California and 25 percent from renewables, which include solar. Despite the lower wind production, SCE said it would still be able to meet the state's renewables goal over the long term. Reuters, 10:00 April 15, 2015

### **Update: TVA's 1,118 MW Browns Ferry Nuclear Unit 2 in Alabama Ramps Up to 99 Percent by April 16**

On the morning of April 15 the unit was operating at 75 percent, reduced from 90 percent on April 14. The unit returned from a scheduled refueling and maintenance shutdown on April 10.

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

### **Update: Entergy's 1,207 MW Grand Gulf Nuclear Unit 1 in Mississippi Ramps Up to 97 Percent by April 16**

On the morning of April 15 the unit was operating at 76 percent, reduced from 96 percent on April 14.

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

### **Solar Star California XX, LLC's 270 MW Solar Unit in California Shut by April 15**

The unit entered a planned and unplanned outage.

<http://content.aiso.com/unitstatus/data/unitstatus201504151515.html>

## *Petroleum*

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### **Update: PES Set to Restart Catalytic Cracker at Its 335,000 b/d Philadelphia, Pennsylvania Refinery - Source**

Philadelphia Energy Solutions (PES) was set to restart a catalytic cracker at its Philadelphia, Pennsylvania refinery late Wednesday or early Thursday after the unit shut unexpectedly earlier this week, according to a source familiar with the refinery's operations. Initial efforts to restart the 50,000 b/d unit had been unsuccessful. The source said that the company hoped to begin putting new feed into the unit by the weekend.

Reuters, 9:01 April 16, 2015

### **Update: BP Working to Complete FCCU Restart at Its 413,500 b/d Whiting, Indiana Refinery April 15 – Sources**

On Wednesday BP Plc's Whiting, Indiana, refinery was working to complete the restart of a 65,000 b/d fluidic catalytic cracking unit (FCCU), sources familiar with plant operations said. The FCCU was knocked out of production in early March and was quickly restarted, but problems developed in the unit's operation and it was shut for repairs on March 8. The 65,000 b/d FCCU is the smaller of two FCCUs at the refinery.

Reuters, 12:13 April 15, 2015

## **Total Stabilizes SRUs after Upset at Its 225,500 b/d Port Arthur, Texas Refinery April 15 – Source**

Total Petrochemical's Port Arthur, Texas, refinery stabilized operations on three sulfur recovery units (SRUs) on Wednesday afternoon following a morning malfunction, a source familiar with refinery operations said. The three units malfunctioned at about 10 a.m. local time, according to energy industry intelligence service Genscape. The malfunctioning units were brought under control at about 2:30 p.m. local time, the source said.  
Reuters, 18:08 April 15, 2015

## **U.S. Refineries Returning Early from Maintenance to Absorb Surplus Crude Oil Stocks**

U.S. refiners have come back unusually early from the maintenance season to maximize throughput of cheap crude oil and turn it into valuable products in time for the summer driving demand surge. Refinery run rates normally begin to rise around this time of year as maintenance ends and refineries come back online, but this year production is rising unusually early and fast. U.S. refineries processed an average of 16.212 million b/d last week compared with an average of just 14.767 million b/d at the corresponding point over the previous ten years. Crude processing has risen by almost 1.1 million b/d in six weeks and is only 414,000 b/d below the all-time high set last summer, according to an analysis of data published by the U.S. Energy Information Administration.  
Reuters, 9:03 April 16, 2015

## **Crude-by-Rail Shipments Resume in Maine after 2-Year Hiatus Following Lac-Megantic Accident**

Crude-by-rail shipments resumed through Maine after slowing to a near halt following the deadly train accident almost two years ago in Lac-Megantic, a small town just across the border in Quebec, according to state records. Pan Am Railways reported carrying 37,128 barrels through the state in February, the first rail-borne oil shipments since March of 2014, according to the most recent figures from the Maine Department of Environmental Protection. Maine had been among the largest oil exporting states in the nation before the Lac-Megantic incident, shipping crude from North America's interior fields mainly to the 300,000 b/d Irving oil refinery in Saint John, New Brunswick. Shipments of oil by rail through Maine dropped off from a peak of 5.2 million barrels in 2012, the year before the Quebec crash, to just 15,545 barrels in 2014.  
Reuters, 12:02 April 16, 2015

## **Kinder Morgan to Expand KMCC Pipeline in South Texas to 360,000 b/d**

Kinder Morgan Inc plans to expand its 300,000 b/d Eagle Ford crude and condensate pipeline in Texas to 360,000 b/d, the company said on Wednesday. The company said its Kinder Morgan Crude and Condensate (KMCC) pipeline now has long-term commitments for more than 90 percent of its existing capacity. The company also said a pipeline connecting the KMCC pipeline to its joint-venture Double Eagle pipeline started up in March.  
<http://ir.kindermorgan.com/press-release/all/kinder-morgan-increases-quarterly-dividend-048-share-14>  
Reuters, 16:21 April 15, 2015

## ***Natural Gas***

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### **Canada's NEB Recommends Approval for TransCanada's 2.4 Bcf/d North Montney Mainline Project in British Columbia**

TransCanada Corp announced today that the National Energy Board (NEB) issued its report recommending the Canadian federal government approve the company's proposed North Montney Mainline project in northeastern British Columbia. The project will add substantial capacity on TransCanada's NOVA Gas Transmission Ltd. (NGTL) system and connect Montney and other Western Canadian Sedimentary Basin supply to both existing and new natural gas markets. The project will consist of two large diameter, 42 inch pipeline sections, Aitken Creek and Kahta, totaling approximately 187 miles in length, and associated metering facilities, valve sites, and compression facilities. The project will also include an interconnection with TransCanada's proposed Prince Rupert Gas Transmission Project to provide natural gas supply to the proposed Pacific NorthWest LNG liquefaction and export facility near Prince Rupert, British Columbia. Subject to certain conditions, NGTL expects to have the Aitken Creek section in service in 2016, and the Kahta section in service in 2017. The initial capacity of the North Montney Mainline will allow the shipment of approximately 2.4 Bcf/d of natural gas. Progress Energy Canada Ltd has contracted for 2 Bcf/d of firm receipt service and 2.1 Bcf/d of firm delivery service. Other producers have signed contracts for 78 MMcf/d.

<http://www.transcanada.com/news-releases-article.html?id=1939161&t>

Nothing to report.

## International News

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### **Iraqi Troops Close to Securing Baiji Refinery from Islamic State Militants – Oil Minister**

Iraq's oil minister said troops were closer to securing the country's largest refinery after an attack by Islamic State militants last week. The minister said Iraqis control the "major part of the refinery," but storage tanks and other equipment probably have suffered severe damage by the Islamic State. The facility, which is about 130 miles north of Baghdad, has been closed since June.

<http://www.bloomberg.com/news/articles/2015-04-15/oil-minister-says-iraq-close-to-securing-refinery-from-militants>

### **Yemen's 150,000 b/d Aden Refinery Declares Force Majeure on Crude Oil Imports, Product Exports – Source**

Yemen's Aden Refinery Company has declared force majeure on its crude oil imports and product exports, a refinery source said on Thursday, as the conflict escalated. Several crude oil cargoes have been deferred from the refinery and suppliers are asking to defer cargoes to later dates as well, the source said, adding that all the ports are now under the control of the Arab coalition naval forces. The source added the refinery has declared force majeure to avoid the consequences of not being able to receive the cargoes. Aden refinery exports on average about 50,000 tonnes of naphtha every month and jet fuel occasionally.

<https://www.dailystar.com.lb/News/Middle-East/2015/Apr-16/294654-yemens-aden-refinery-declares-force-majeure-on-oil-imports-exports.ashx>

### **Yemen Tribesmen Take Control of Al-Shihr Oil Export Terminal – Local Officials**

The tribal group known as Al-Majles al-Ahli made up of former Al Qaeda militants and other tribal groups took over the terminal in the city of Al-Shihr in Hadramawt province after military forces protecting it withdrew from the site, according to local officials and residents in the region. The terminal is one of the major hubs for Hadramout region exporting an average of 120,000 b/d to 140,000 b/d of crude oil from fields in the area. The tribal groups also took over a military air base in the area and Al-Rayyan International Airport, local officials said.

Reuters, 14:42 April 16, 2015

### **Tanker Lifts One Million Barrels of Crude Oil at Libya's Hariga Port April 16**

A tanker left Libya's eastern oil port of Hariga after lifting one million barrels of crude, an oil official said on Thursday. No new tanker was expected in the next few days, said the official. The terminal located in the eastern city of Tobruk had closed over the weekend due to poor weather. Libya has managed to boost output to almost 600,000 b/d by reopening two western fields and keeping eastern ports open despite militant attacks and fighting between rival factions allied to two competing governments vying for control.

Reuters, 8:04 April 16, 2015

### **Shell Investigating Kolo Creek Oil Pipeline Leak in Nigeria**

Shell Petroleum Development Company (SPDC) has assembled an investigative team to ascertain the cause of oil leak discovered in the company's Kolo Creek Manifold. An SPDC spokesman said the leak, detected on April 15, has been stopped and the company's spill response team was deployed to the site to contain it. He added that a joint investigation visit will be conducted tomorrow to confirm the cause of the spill.

<http://dailytimes.com.ng/shell-to-investigate-kolo-creek-oil-leak/>

## Energy Prices

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| U.S. Oil and Gas Prices  |       |          |          |
|--|-------|----------|----------|
| April 16, 2015   |       |          |          |
|  | Today | Week Ago | Year Ago |
| <b>CRUDE OIL</b><br><b>West Texas Intermediate U.S.</b><br>\$/Barrel | 56.64 | 50.74    | 103.45   |
| <b>NATURAL GAS</b><br><b>Henry Hub</b><br>\$/Million Btu             | 2.58  | 2.67     | 4.67     |

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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