



# ENERGY ASSURANCE DAILY

Wednesday Evening, April 19, 2017

## **Electricity**

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### **AES's 506 MW Redondo Gas-fired Unit 7 in California Shut by April 18**

The unit entered an unplanned outage.

<http://content.caiso.com/unitstatus/data/unitstatus201704181515.html>

### **NRG, JX Nippon Open Petra Nova Carbon Capture Project in Texas April 18**

NRG Energy and JX Nippon Oil & Gas Exploration Corporation on Tuesday celebrated the opening of their joint venture Petra Nova project—the world's largest carbon capture system retrofitted on an existing coal plant. The project, which is located at the W.A. Parish power plant in Thompsons, Texas, was funded in part by the Department of Energy (DOE) to capture emissions from 240 MW of generation at the power plant. During performance testing, the system demonstrated a carbon capture rate of more than 90 percent. At its current level of operation, Petra Nova will capture more than 5,000 tons of carbon dioxide per day, which will be used for enhanced oil recovery (EOR) at the West Ranch Oil Field, which is estimated to hold approximately 60 million barrels of oil recoverable from EOR operations. The project is expected to boost production at West Ranch from 500 b/d to approximately 15,000 b/d.

<https://energy.gov/articles/secretary-perry-celebrates-successful-completion-petra-nova-carbon-capture-project>

[http://www.nex.jx-group.co.jp/english/newsrelease/2017/20170417\\_01.html](http://www.nex.jx-group.co.jp/english/newsrelease/2017/20170417_01.html)

### **GE, SCE Debut World's First Battery-Gas Turbine Hybrid in California April 17**

GE and Southern California Edison (SCE) on Monday unveiled a first-of-its-kind battery storage system that will enable instant power output from a natural gas peaking plant. The system was installed at Southern California Edison's Norwalk and Rancho Cucamonga "peaker" plants, which are small power plants designed to come online quickly when power demand is high, but are also among the least efficient resources available to the utility. The 10 MW batteries are capable of providing power immediately, eliminating the need for the plant to burn fuel in "standby" mode. Prior to integrating the batteries, the 50 MW plant would take about 10 minutes to ramp up to a desired capacity. Southern California Edison's president said the new system would cut plant startups in half and reduce total run hours by 60 percent. California is requiring its utilities to source half of their electricity needs from renewable sources by 2030.

<http://www.genewsroom.com/press-releases/ge-and-southern-california-edison-debut-world%E2%80%99s-first-battery-gas-turbine-hybrid>

<http://www.reuters.com/article/us-edison-intl-ge-batteries-idUSKBN17J1T5>

## **Petroleum**

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### **Shell Preparing to Restart McPherson Crude Pipeline after Precautionary Closure in California April 19**

Royal Dutch Shell on Wednesday said it was initiating efforts to restart its McPherson crude oil pipeline in California's Kern basin after a pressure drop was detected early on Wednesday morning, according to a California Emergency Management Agency filing. Shell said operators at the company's Houston Control Center immediately shut the line after noticing a loss of pressure during start-up following planned maintenance. Mobilized crews conducted ground assessments, confirming that no crude release occurred. The company suspected a power failure caused the pressure loss, and is keeping regulators informed during startup. The 8-inch McPherson pipeline spans about 15 miles in length, supplying crude oil to Shell's Bakersfield Tank Farm.

Reuters, 14:54 April 19, 2017

Reuters, 7:41 April 19, 2017

### **Update: Syncrude Expecting Reduced Rates at Its 350,000 b/d Mildred Lake, Alberta Oil Sands Project in May, June – Sources**

Syncrude issued an update to customers reiterating that its Mildred Lake oil sands project in northern Alberta will produce at reduced rates of 5.3 million barrels in May and 6.6 million barrels in June, two trading sources said on Wednesday. Production at the Mildred Lake Upgrader, which has the capacity to produce nearly 11 million barrels per month, was cut to zero in April following a major fire in March that forced Syncrude shut the facility and carrying out planned maintenance sooner than expected. Volumes were thin as the Canadian crude market is outside a 2.5-week-long trading window, which lasts from the first of the month until the day before pipeline nominations are due, during which the bulk of transactions take place.

Reuters, 11:33 April 19, 2017

### **Update: Total Shuts Hydrotreater at Its 225,500 b/d Port Arthur, Texas Refinery April 18 – Sources**

Total on Tuesday reported a jet fuel leak was discovered at its Port Arthur, Texas refinery, according to a filing with the Texas Commission on Environmental Quality. Total was performing a scheduled shutdown of the 30,000 b/d diesel hydrotreater, in addition to an overhaul of the cogeneration unit and sulfur recovery units, when the leak from a pressure safety valve was discovered, according to sources. Upon discovery of the leak, an exclusion zone called for at the unit and a control valve was opened to relieve the pressure in the line.

Reuters, 17:54 April 18, 2017

Reuters, 15:24 April 18, 2017

### **Petrobras Reports FCCU Emissions at Its 112,229 b/d Pasadena, Texas Refinery April 19**

Petrobras reported emissions from the fluid catalytic cracking unit (FCCU) at its Pasadena, Texas refinery on Wednesday. Petrobras said a process safety valve lifted, resulting in high sulfur and increased process gas flow to the west flare. The process safety valve was restored, reducing the additional process gas to the flare, the company said.

Reuters, 14:30 April 19, 2017

### **Shell Reports Oil Sheen from Its Deer Park, Texas Facility Contained in Patricks Bayou April 18**

Royal Dutch Shell reported an oil sheen was observed in Patricks Bayou from an onsite storm water outfall at its Shell Deer Park, Texas facility, according to a community information line. The oil sheen was contained and Shell said it was taking steps to mitigate any impact to the environment. Shell operates a 316,600 b/d refinery at its Deer Park facility.

Reuters, 18:04 April 19, 2017

### **Alberta Oil Sands Producers Increasing Preparations for Wildfire Season**

Northern Alberta's oil sands producers and communities are increasing preparations for wildfire season to avoid a repeat of the May 2016 fire in Fort McMurray, which shut in more than a million barrels of crude production across the province. Companies operating around Fort McMurray including Suncor Energy, Canadian Natural Resources Ltd, and Royal Dutch Shell cut production for weeks because of the fire threat last year. Canadian Natural's 34,000 b/d Horizon and Husky Energy's 172,000 b/d Sunrise sites have enhanced firebreaks by cutting back surrounding vegetation. Cenovus Energy, in the process of acquiring total ownership of its 200,000 b/d Christina Lake and 160,000 b/d Foster Creek projects from ConocoPhillips, said it has always kept a clear perimeter of approximately 30–100 feet around its operations. The company said its emergency response plan this year includes getting firefighters on scene faster by increasing the number of people on-call in its corporate center Calgary as well as Alberta. Cenovus has also given staff extra training on evacuations and implemented new operating procedures to improve communication during wildfires. A spokesperson for Syncrude Canada, which operates the 350,000 b/d Mildred Lake mining and upgrading project, said the company will focus on monitoring mental health and stress levels in employees who had to flee Fort McMurray last year. Additionally, Syncrude said much of the vegetation to the south of its facilities burned last year, but air pollution from large wildfires is a major problem for operators and can also trigger project shutdowns and evacuations.

Reuters, 13:49 April 19, 2017

## **Plains All American Pipeline Announces Open Season for Permian Basin to Cushing, Oklahoma Pipeline April 18**

A subsidiary of Plains All American Pipeline, L.P. on Tuesday announced it was conducting a binding open season for crude oil pipeline capacity from the Permian Basin in Texas to Cushing, Oklahoma. The pipeline would add up to 350,000 b/d of takeaway capacity from origin points, including Midland and Colorado City, Texas. Volumes would be delivered to Plains' terminal in Cushing, Oklahoma. The open season will end on May 30 with the pipeline projected to be operational in mid-2019.

<http://ir.paalp.com/profiles/investor/ResLibraryView.asp?ResLibraryID=83306&GoTopage=1&Category=117&BzID=789&G=549>

## **U.S. Commercial Crude Inventories Fall by 1 Million Barrels April 14 – EIA**

U.S. commercial crude inventories fell by 1 million barrels during the week ending April 14 to approximately 532.3 million barrels, the Energy Information Administration (EIA) said on Wednesday. Crude stocks at the Cushing, Oklahoma delivery hub fell by 778,000 barrels to about 68.6 million barrels, according to the data.

Reuters, 11:09 April 19, 2017

## **Natural Gas**

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### **U.S.-Mexico Natural Gas Pipeline Exports Fall to 2.4 Bcf/d Due to NET Mexico Line Maintenance April 18**

U.S. natural gas pipeline exports to Mexico fell to around 2.4 Bcf/d over the past three days, the lowest level since June 2015, due to maintenance on NextEra Energy's 2.1 Bcf/d NET Mexico pipeline in Texas. Exports were averaging 3.8 Bcf/d during the 30 days prior to the reductions, according to Reuters data. Meanwhile, Pemex started importing LNG from Cheniere Energy's Sabine Pass export terminal in Louisiana to Mexico's Altamira import terminal on the Gulf of Mexico earlier this month. The Creole Spirit LNG tanker, with a capacity to hold about 3.6 Bcf of gas, and the Magellan Spirit, with a capacity of around 3.3 Bcf, delivered cargoes from Sabine to Altamira on April 4 and April 14, respectively. A third vessel, the Methane Nile Eagle, is currently sitting off the coast of Altamira with about 2.9 Bcf of gas from Sabine.

<http://www.reuters.com/article/us-usa-mexico-natgas-lng-idUSKBN17K2HE>

### **Canyon Midstream Reports AGI Down at Its James Lake Gas Plant in Texas April 19**

Canyon Midstream reported the acid gas injector (AGI) shut due to issues with the cooling fan. A bad probe was found in the cooling fan and replaced

<http://www2.tceq.texas.gov/oce/eeer/index.cfm?fuseaction=main.getDetails&target=256550>

### **DCP Midstream Reports Operational Issues at Its 70 MMcf/d Fullerton Gas Plant in Texas April 18**

DCP Midstream reported the West Turbine failed causing operational issues throughout its Fullerton gas plant. Simultaneously, the tail gas incinerator (TGI) was being worked on to verify the sulfur dioxide emissions that could have impacted the air feed to the reaction furnace of the sulfur recovery unit (SRU). Maintenance was able to restart the West Turbine and operations returned the SRU to steady state conditions that eliminated the opacity from the TGI.

<http://www2.tceq.texas.gov/oce/eeer/index.cfm?fuseaction=main.getDetails&target=256549>

### **Enbridge Reports Emergency VRU Maintenance at Its Pittsburg Gas Plant in Texas April 17**

Enbridge reported the vacuum recovery unit (VRU) at its Pittsburg gas plant was depressurized to perform required emergency maintenance. The plant flare was used to mitigate impact to the environment as mechanics worked to return the VRU to service as quickly and safely as possible.

<http://www2.tceq.texas.gov/oce/eeer/index.cfm?fuseaction=main.getDetails&target=256504>

## Energy Transfer Reports Two Drilling Fluid Releases in Ohio during Rover Pipeline Installation

Energy Transfer's Rover Pipeline LLC business unit was notified by Ohio's Environmental Protection Agency of violations resulting from two drilling fluid releases discovered last week, according to FERC regulatory filings disclosed on Tuesday. The company is currently constructing its Rover natural gas pipeline in Ohio and Michigan that would transport 3.25 Bcf/d of domestically produced natural gas to markets in the Midwest, Northeast, East Coast, Gulf Coast, and Canada. An estimated 47,619 barrels of fluids were released into a Stark County wetland area adjacent to Ohio's Tuscarawas River on April 13, while another 1,190 barrel spill was discovered on April 14 in a Richland County wetland area. A company spokeswoman said that Energy Transfer is working with Ohio's Environmental Protection Agency, and that the spills would not affect the project's in-service date, which is slated for July 2017.

Reuters, 13:26 April 19, 2017

<http://www.worldoil.com/news/2017/4/19/energy-transfers-latest-woe-is-50-000-bbl-spill>

<http://www.roverpipelinefacts.com/>

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## Other News

Nothing to report.

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## International News

Nothing to report.

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## Energy Prices

U.S. Oil and Gas Prices			
April 19, 2017			
	Today	Week Ago	Year Ago
<b>CRUDE OIL</b> <b>West Texas Intermediate U.S.</b> \$/Barrel	52.46	53.33	40.83
<b>NATURAL GAS</b> <b>Henry Hub</b> \$/Million Btu	3.06	3.08	1.77

Source: Reuters

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## Links

***This Week in Petroleum*** from the U.S. Energy Information Administration (EIA)

<https://www.eia.gov/petroleum/weekly/>

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

<https://www.eia.gov/naturalgas/weekly/>

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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