



ENERGY ASSURANCE DAILY

Tuesday Evening, May 19, 2015

Electricity

Update: Abengoa's 250 MW Mojave Solar Unit in California Returns to Service by May 18

The unit returned from an unplanned curtailment of 125 MW that began on May 16.

<http://content.caiso.com/unitstatus/data/unitstatus201505181515.html>

Panoche Energy Center's 400 MW Gas-fired Unit in California Reduced by May 18

The unit entered an unplanned curtailment of 100 MW.

<http://content.caiso.com/unitstatus/data/unitstatus201505181515.html>

Duke Energy to Retire Its 376 MW Asheville Coal-fired Power Plant in North Carolina

Duke Energy Corp, the largest U.S. power company by generation capacity, announced plans to invest \$1.1 billion to retire and convert its 376 MW Asheville coal-fired power plant. The plan's major components include retiring the Asheville coal power plant, investing approximately \$750 million to convert the site to a 650 MW natural gas-fired power plant, installing solar generation, and investing approximately \$320 million to build a transmission substation near Campobello, South Carolina. The new substation will connect to the Asheville power plant with a new 40-mile, 230 kV transmission line. The company also plans to upgrade and rebuild additional electrical infrastructure such as transmission lines and distribution substations in the region.

<http://www.duke-energy.com/news/releases/2015051901.asp>

Arizona Public Service to Participate in California ISO's Energy Imbalance Market Starting October 2016

Arizona Public Service Co. (APS) and the California Independent System Operator (ISO) on Monday announced a signed agreement for APS to participate in the Energy Imbalance Market (EIM) starting in October 2016. The EIM uses technology to find the most efficient resources over a larger geographical area, aims to reduce electricity costs, and to enhance reliability by providing a larger pool of resources for grid operators. Apart from APS, the other participants in the EIM include Puget Sound Energy and PacifiCorp. NV Energy of Las Vegas is expected to begin participation in October. The EIM will encompass seven western states—California, Oregon, Washington, Nevada, Utah, Idaho, and Wyoming—by year-end, according to the ISO.

http://www.caiso.com/Documents/ArizonaPublicService_Participate_EnergyImbalanceMarket.pdf

Exelon and Pepco Holdings Accept, Pledge to Fulfill Conditions in Merger Order from Maryland Public Service Commission

Exelon Corp said on Monday it would agree to the 46 conditions placed last week by Maryland's Public Service Commission on the power company's \$6.8 billion bid for Pepco Holdings Inc, clearing one of the deal's last hurdles. The proposed transaction has won approval from New Jersey, Virginia, and the U.S. Federal Energy Regulatory Commission. The Justice Department is reviewing the deal, and the companies expect to hear from the District of Columbia in August. Exelon struck a deal with Delaware, which has to be approved by the state's utility commission. Exelon generates 55 percent of its power from nuclear plants, with the remainder coming from natural gas, oil and gas, hydroelectric, and coal, wind, oil, and solar/landfill gas. Exelon has some 7.8 million customers in Maryland, Illinois, and Pennsylvania. Pepco serves about 2 million customers in the District of Columbia, Delaware, Maryland, and New Jersey.

http://www.exeloncorp.com/Newsroom/Pages/pr_20150518_EXC_MdDecision.aspx

Reuters, 18:03 May 18, 2015

Update: USW Votes to Reject Contract Proposal at Marathon's 451,000 b/d Galveston Bay, Texas Refinery

Marathon Petroleum Corp said on Tuesday it was disappointed by the rejection of a contract offer by striking workers at the company's Galveston Bay Refinery in Texas City, Texas. Workers on Monday overwhelmingly rejected the offer developed by a federal mediator working with the company and United Steelworkers (USW). After announcing rejection of the contract offer, USW officials said on Monday night that they are willing to meet with Marathon negotiators and the mediator to conclude a new contract. The stoppage at the Galveston Bay Refinery has become especially bitter as the union said the company was pushing proposals that would eliminate job security and roll back safety policies put in place after an explosion that killed 15 workers in 2005, when the plant was owned by BP Plc. In addition to the Marathon Galveston Bay strike, workers remain on strike at the 135,000 b/d Toledo, Ohio refinery co-owned by BP and Husky Energy.
Reuters, 12:40 May 19, 2015

Phillips 66 Reports Emissions, Flaring at Its 239,400 b/d Westlake, Louisiana Refinery May 15

Reuters, 8:37 May 19, 2015

Marathon Reports Power Blip at Its 80,000 b/d Canton, Ohio Refinery May 15

Marathon Petroleum reported hydrogen sulfide was released during a flaring event due to a regional power outage at its Canton, Ohio, refinery, according to a filing with the National Response Center. The plant was powered down in a safe manner and was in the process of restarting.

Reuters, 8:33 May 19, 2015

Reuters, 8:47 May 19, 2015

Northern Tier Reports Process Upset at Its 89,500 b/d St. Paul Park, Minnesota Refinery May 17

Northern Tier Energy reported that due to a process upset, approximately 500 pounds of sulfur dioxide was released from the flare stack at its St. Paul Park, Minnesota refinery, according to a filing with the National Response Center.
Reuters, 8:38 May 19, 2015

Update: Motiva Restarting HCU at Its 600,250 b/d Port Arthur, Texas Refinery May 18 – Sources

Motiva Enterprises was restarting the 60,000 b/d hydrocracking unit 2 (HCU 2) at its Port Arthur, Texas, on Monday after completing two weeks of repairs, sources familiar with plant operations said. HCU 2 was shut on May 4 due to a malfunction and repairs were started. A Motiva spokesman said the Port Arthur refinery was continuing the start-up of a unit on Monday following unplanned maintenance.

Reuters, 17:05 May 18, 2015

ExxonMobil Says No Production Impact at Its 560,500 b/d Baytown, Texas Refinery after Compressor Snag May 18

ExxonMobil Corp said there was no impact to production after flaring was reported due to a compressor snag at its Baytown, Texas refinery on Monday.

Reuters, 20:02 May 18, 2015

Total Reports Heat Exchanger Leak, Emissions at Its 225,500 b/d Port Arthur, Texas Refinery May 19

Reuters, 14:43 May 19, 2015

Phillips 66 Says Its 120,200 b/d Rodeo, California Refinery Continues to Operate May 19 after Malfunction May 18

Phillips 66 said its Rodeo, California refinery was operating following an unspecified process interruption late Monday. The company said an investigation will be conducted to determine the exact cause.

Reuters, 11:13 May 19, 2015

Georgia DOT Denies Key Permit for Kinder Morgan's 167,000 b/d Palmetto Pipeline from South Carolina to Florida

Georgia's Department of Transportation (DOT) Commissioner denied Kinder Morgan Inc's request for a key permit to build a \$1.12 billion gasoline and distillate pipeline through the southeast part of the state. In a letter dated Monday, the Commissioner said he had determined that Kinder Morgan's proposed 360-mile Palmetto Pipeline was not critical enough to allow the company to condemn property and obtain construction easements along its proposed route. The Palmetto Pipeline would run from Belton, South Carolina, through southeast Georgia, to Jacksonville, Florida. In Georgia, most refined fuels in the region move by truck and Savannah has two marine terminals that receive vessels carrying products. McMurray said multiple petroleum suppliers compete in those markets and there is no evidence Palmetto would affect prices. Kinder Morgan said 88 percent of the proposed route is next to existing power lines, pipelines, roadways, and railways and more than 80 percent of affected landowners have agreed to property surveys. Kinder Morgan was "evaluating all options to move forward with the project," the company's head of products pipelines said. The project would also involve more storage tanks and pump stations to add 125,000 b/d of capacity on part of Kinder Morgan's 3,100-mile-long, 700,000 b/d Louisiana-to-Virginia Plantation Pipeline system. That new capacity would stretch from Baton Rouge, Louisiana, to the Palmetto connection in South Carolina.

Reuters, 13:30 May 19, 2015

Natural Gas

Tallgrass Energy Declares Force Majeure on Rockies Express Pipeline in Wyoming May 19

Tallgrass Energy Partners said the force majeure declared on Sunday at Wamsutter Echo Springs compressor station on its Rockies Express Pipeline remained in effect. The company said the unit would be returned to service on or about Friday, June 12.

<http://pipeline.tallgrassenergy.com/Pages/NoticeDetail.aspx?pipeline=501&type=CRIT>

http://www.tallgrassenergy.com/Pipelines/Images/REX_System_Map.pdf

Midstream Reports Valves Shut at Its 160 MMcf/d Goldsmith Gas Plant in Texas May 19

Midstream reported the andector inlet control valve and the cold plant inlet valve shut due to low instrument air pressure. The west air compressor was restarted and the cold plant inlet valve was opened, ending the flare event.

<http://www11.tceq.state.tx.us/oc/eer/index.cfm?fuseaction=main.getDetails&target=214386>

Regency Reports AGI Compressor Shut at Its 290 MMcf/d Waha Gas Plant in Texas May 18

Regency reported the acid gas injector (AGI) compressor shutdown due to a recompressor trip. A bad relay was found and required replacement. With the recompressor down there was not enough heat for the hot oil system and due to the low temperature, the plant went sour and was put in recycle. The faulty relay was replaced and the recompressor was restarted, raising the temperature with waste heat from the recompressor. The gas was recycled to sweeten the process stream. The plant processes were lined out and the AGI compressor was reset and restarted.

<http://www11.tceq.state.tx.us/oc/eer/index.cfm?fuseaction=main.getDetails&target=214387>

Other News

Texas Governor Abbott Enacts Law Prohibiting Frack Well Bans in the State May 18

Texas Governor Greg Abbott on Monday signed a bill into law that prohibits cities and towns from banning hydraulic fracturing, giving the state sole authority over oil and gas regulation. Lawmakers in Texas, a state that is home to the two of the most productive U.S. shale oil fields, have been under pressure to halt an anti-fracking movement since November, when voters in the town of Denton voted to ban the oil and gas extraction technique.

<http://gov.texas.gov/news/signature/20903>

International News

South Sudan Rebels Capture Oil Refinery, Tell Firms to Evacuate Staff

South Sudanese rebels said on Tuesday they had captured a refinery near a major oilfield in the Upper Nile state of Sudan. Fighting in the area has flared up in recent days with rebels demanding firms to shut down operations and evacuate their staff. Oil firms in South Sudan include China National Petroleum Corp, India's ONGC Videsh, and Malaysia's Petronas.

http://www.rigzone.com/news/oil_gas/a/138659/South_Sudan_Rebels_Say_Capture_Oil_Refinery_Tell_Firms_to_Leave#sthash.xUslY2WL.dpuf

Energy Prices

U.S. Oil and Gas Prices			
May 19, 2015			
	Today	Week Ago	Year Ago
CRUDE OIL West Texas Intermediate U.S. \$/Barrel	57.25	60.67	102.66
NATURAL GAS Henry Hub \$/Million Btu	3.01	2.85	4.52

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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