



ENERGY ASSURANCE DAILY

Wednesday Evening, May 20, 2015

Electricity

FAA Approves Xcel Energy's Use of Drones for Infrastructure Inspections

Xcel Energy said it received approval from the Federal Aviation Administration (FAA) to use drones to inspect more than 320,000 miles of electricity and natural gas infrastructure. The FAA said Xcel can use small, unmanned aircraft systems to visually inspect electrical transmission and distribution lines, power plants, renewable energy facilities, substations, and pipelines. Xcel's executive vice president added that utility employees will also use drones to minimize the impact of trucks, helicopters, and other utility equipment to environmentally sensitive areas. The company's current plan is to deploy drones over utility property and away from populated areas and airports. <http://minnesota.cbslocal.com/2015/05/19/xcel-energy-has-faa-approval-to-use-drones/>

Petroleum

Plains All American Crude Pipeline Ruptures in California, Oil Leaks into Ocean May 19

A crude oil pipeline operated by Plains All American (PAA) ruptured on Tuesday along Highway 101 near Santa Barbara, California, spewing oil down a storm drain and into the Pacific Ocean for several hours before the line was shut. PAA said the amount of oil spilled and the cause of the rupture were still unknown, but the 24-inch pipeline was operating at maximum capacity of 2,000 barrels per hour—equivalent to 84,000 gallons per hour. At 11:00 am PDT, the United States Coast Guard (USCG) updated that the oil slick spanned approximately 9 miles along Refugio State Beach and extended about 50 yards into the water. Coast Guard vessels have deployed three sets of floating booms in an effort to contain the slick while other boats were skimming oil from the sea surface. Officials from the USCG, Environmental Protection Agency (EPA), and Pipeline and Hazardous Materials Safety Administration (PHMSA) have established a unified response command and are being supported by state and local officials. PHMSA deployed four inspectors to the scene of the incident to investigate the cause of the rupture, the condition of the pipeline and any potential regulatory violations. Refugio State Beach has been closed and the Coast Guard, Department of Fish and Wildlife, Santa Barbara County, and a private company hired by PAA were assisting with the clean-up.

<https://twitter.com/USCGLosAngeles>

Reuters, 20:06 May 20, 2015

Reuters, 15:26 May 20, 2015

Reuters, 15:17 May 20, 2015

Marathon to Start Condensate Splitter at Its 242,000 b/d Catlettsburg, Kentucky Refinery on Tuesday - Sources

Marathon Petroleum Corp plans to start up its newly-constructed condensate splitter on Tuesday at its Catlettsburg, Kentucky refinery, according to a person familiar with the facility's operations. The 35,000 b/d splitter will process ultralight crude into naphtha and other feedstocks. The company also started a 25,000 b/d splitter at its 80,000 b/d Canton, Ohio refinery last December.

Reuters, 14:40 May 20, 2015

Tesoro Says Operations Continue after Flaring, Unit Outage at Its 166,000 b/d Martinez, California Refinery May 20

Tesoro Corp said flaring at its Martinez, California refinery was associated with an unplanned unit outage. The company said operations continued and there was no impact on its ability to fulfill supply commitments.

Reuters, 10:27 May 20, 2015

U.S. Crude Oil Stockpiles Fall for Third Week– EIA

U.S. crude oil stocks last week fell for a third consecutive week as refineries increased output, data from the Energy Information Administration (EIA) showed on Wednesday. Crude inventories fell 2.7 million barrels to 482.2 million in the week of May 15, compared with analysts' expectations for a decrease of 1 million barrels. Crude stocks at the Cushing, Oklahoma, delivery hub fell 241,000 barrels, a fourth consecutive weekly draw at the delivery point for the U.S. light sweet crude futures contract traded on the New York Mercantile Exchange, the data showed.

Reuters, 11:15 May 20, 2015

Natural Gas

Judge Blocks North Carolina's Mining and Energy Commission from Issuing Fracking Permits

North Carolina Mining and Energy Commission, tasked with issuing the state's first permits for fracking, must now put its work on hold. An order issued by Judge Donald Stephens of Wake County Superior Court on May 6 "effectively reinstates" a state moratorium on the method of shale gas exploration known as fracking, said the Southern Environmental Law Center in a statement. Last year, the state's legislature lifted North Carolina's longtime ban on fracking and the Mining and Energy Commission was tasked to begin issuing drilling permits. Judge Stephens ordered it to not accept or approve any permits until legal questions about the formation of state commissions are settled. Under state law, the governor appoints five members to the commission and the legislature eight. The law center, a nonprofit advocacy group also active in Virginia, Tennessee, South Carolina, Georgia and Alabama, has sued, saying that violates the state constitution's separation of powers.

Reuters, 13:42 May 20, 2015

Atlas Reports Complete Shutdown Due to Weather Conditions at Its 200 MMcf/d Driver Gas Plant in Texas May 19

Atlas reported a severe thunderstorm interrupted the power feed and all inlet and residue compressors went offline. Once power was restored, the plant was put back online.

<http://www11.tceq.state.tx.us/oc/eer/index.cfm?fuseaction=main.getDetails&target=214435>

Regency Reports Complete Shutdown Due to Weather Conditions at Its 290 MMcf/d Waha Gas Plant in Texas May 18

Regency reported its Waha plant began losing equipment due to weather conditions and the plant was shut down due to flooding in the control room. The plant was in the process of being brought back online.

<http://www11.tceq.state.tx.us/oc/eer/index.cfm?fuseaction=main.getDetails&target=214436>

Other News

Nothing to report.

International News

Update: Libya's El Feel Oilfield Remains Closed Due to Strike by Security Guards – Oil Officials

Libya's El Feel oilfield remained closed due to a strike by security guards, a spokesman for state oil firm NOC said on Wednesday. The guards shut down the western field, operated by NOC and Italy's ENI, to demand more jobs.

Reuters, 8:37 May 20, 2015

Energy Prices

U.S. Oil and Gas Prices			
May 20, 2015			
	Today	Week Ago	Year Ago
CRUDE OIL West Texas Intermediate U.S. \$/Barrel	58.91	60.93	102.90
NATURAL GAS Henry Hub \$/Million Btu	3.07	2.86	4.51

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

Energy Assurance Daily provides a summary of public information concerning current energy issues. Published Monday through Friday to inform stakeholders of developments affecting energy systems, flows, and markets, it provides highlights of energy issues rather than a comprehensive coverage. *Energy Assurance Daily* is updated online Monday through Friday after 5:00 p.m. ET. For more information, visit the Infrastructure Security and Energy Restoration (ISER) website at:

<http://www.oe.netl.doe.gov/ead.aspx>

Please direct comments and questions to: ead@oe.netl.doe.gov