



ENERGY ASSURANCE DAILY

Friday Evening, May 29, 2015

Electricity

Transmission Line Fault Knocks Out Power to Nearly 45,000 National Grid Customers in Massachusetts May 29

National Grid said power was knocked out to nearly 45,000 customers due to a transmission line fault at an Everett substation at about 7 a.m. EDT Friday. The outages were concentrated in Malden, Medford, and Everett. By 1 p.m. EDT, all the service had been restored

<https://www1.nationalgridus.com/PowerOutageMap-MA-RES>

<http://www.wcvb.com/news/power-outage-causes-orange-line-delays-thousands-left-in-dark/33282350>

Thunderstorms Knock Out Power to 25,000 NB Power Customers in New Brunswick May 28

NB Power said lightning caused a transmission outage affecting 25,000 customers in the greater Fredericton, New Brunswick area on Thursday. The majority of customers had power restored by midnight Thursday and NB Power expected to restore power to the remaining 900 customers by the end of today.

https://twitter.com/NB_Power

<http://www.nbpower.com/Open/Outages.aspx?lang=en>

<http://www.cbc.ca/news/canada/new-brunswick/power-coming-back-on-for-thousands-of-new-brunswickers-1.3091569>

Consortium Proposes Investing \$3.5 Billion to Modernize Puerto Rico's Electrical Infrastructure – Source

A consortium of York Capital Management, NRG Energy Inc, and ITC Holdings Corp have proposed investing as much as \$3.5 billion in Puerto Rico's electrical infrastructure, a source familiar with the consortium said on Thursday. The island's electricity is supplied by electric power authority PREPA, which has debt of around \$9 billion and is due to present creditors with a business plan on Monday. The proposed investment would be for a total of \$2.5 billion to \$3.5 billion and would be subject to due diligence, the source said. The investment would be to modernize the electrical system, the source said. PREPA, which provides electricity to Puerto Rico's roughly 3.5 million residents, charges consumers around double the average customers pay in the U.S. mainland. It is under pressure to convert from burning oil to generate power to generally cheaper and cleaner natural gas.

<http://finance.yahoo.com/news/group-proposes-investing-3-5-000607052.html>

PPL's 1,111 MW Susquehanna Nuclear Unit 2 in Pennsylvania Reduced to 70 Percent by May 29

On the morning of May 28 the unit was operating at 82 percent.

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

Southern's 1,149 MW Vogtle Nuclear Unit 2 in Georgia Reduced to 35 Percent by May 29

On the morning of May 28 the unit was operating at full power.

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

Update: Dynegy's 510 MW Moss Landing Gas-fired Unit 2 in California Returns to Service by May 28

The unit returned from an unplanned curtailment of 260 MW that began by May 26.

<http://content.aiso.com/unitstatus/data/unitstatus201505281515.html>

Flooding Hits Oklahoma Oil & Gas Exploration and Production Operations

Flooding in much of Oklahoma has resulted in extensive damage to oil and natural gas exploration and production operations across much of the state, an Oklahoma Corporation Commission (OCC) spokesman said. The spokesman said it was still too early to gauge the extent of the damage to Oklahoma's oil and gas sites as many of the affected areas are still under water. The OCC has responded to at least four incidents of tank batteries located on oil and gas sites that have been inundated by flood water, according to the spokesman. At one site on the Washita River, equipment from the tank battery had washed into the river as a result of the flooding. The spokesman added that the OCC and the U.S. Environmental Protection Agency (EPA) have responded to a leak on Saturday from an out-of-service Kinder Morgan oil pipeline in Healdton, which released an undetermined amount of product into a nearby creek. A Kinder Morgan spokeswoman on Wednesday said the pipeline "was impacted by heavy rains and rising water" over the weekend. The spokeswoman said debris that was caught on the pipeline caused a crack in the fitting on the segment, releasing a residual amount of product. Kinder Morgan said it worked with the OCC and the EPA to dig up the line, seal off the pipeline and begin remediation efforts. The OCC spokesman said that despite the number of energy-related sites that have been flooded, the OCC has not had any confirmed reports of pollution to public waterways or navigable waterways. Workers created new berms around some sites in danger of being inundated by flood water. Although operators are required to shut in their operations ahead of a known flooding event, the OCC spokesman could not confirm that all the oil and gas operations across the state had been shut.

<http://www.hellenicshippingnews.com/flooding-hits-oklahoma-oil-gas-exploration-and-production-operations/>

Update: Wildfire Intensifies Near Cenovus's Foster Creek and CNRL's Primrose Oil Sands Sites in Alberta May 29

An out-of-control wildfire, burning near two major oil sands projects in the key crude-producing region of northern Alberta, grew to 27,500 hectares on Friday morning from around 20,000 hectares on Thursday afternoon. Around 233,000 b/d of production, roughly 10 percent of Alberta's total crude output, was shut in as a result of wildfires across the province. The biggest fire was roughly 9 miles from Cenovus Energy Inc's Foster Creek project, and 16 miles from Canadian Natural Resources Ltd's (CNRL's) Primrose oil sands facility, according to a wildfire information officer for the Alberta government. The fire is also near Cenovus's Athabasca natural gas Caribou South plant. Neither Cenovus nor Canadian Natural, both of which shut in production and evacuated workers over the weekend as a precaution, had any updates on the status of operations Friday. Another 3,300-hectare fire that forced MEG Energy to evacuate non-essential staff from its Christina Lake oil sands project also remained out of control. Firefighters were hopeful a cold front and lower temperatures moving into the region would help control the fires. Reuters, 12:07 May 29, 2015

<http://www.cenovus.com/global/fire/forest-fire.html>

Update: Ruptured Section of Plains All American's Pipeline Extracted, Sent for Testing; Cleanup Efforts Continue on California Coast May 29

The Pipeline and Hazardous Materials Safety Administration said Thursday that a section of Plains All American's pipeline that leaked into California coastal waters was extracted and will be wrapped in protective insulation before it is sent to a laboratory in Ohio for metallurgical testing. As of 6 p.m. PDT Thursday, the Unified Command had 1,193 people working together in support of the response. There are 18 boats, one barge, two helicopters, and one fixed winged aircraft working on cleanup operations. Cleanup crews have removed more than 10,480 gallons of oily water mixture, and SCAT teams continue to comb the 27.56 miles of affected shoreline out of the 35.53 miles of surveyed shoreline. Cleanup crews have removed 251 cubic yards of oiled vegetation, 836.5 cubic yards of oiled sand and 2,000 cubic yards of oiled soil. The Unified Command at the Refugio oil response said it was aware of the tarballs discovered on 6.5 miles of shoreline at El Segundo, Manhattan, Hermosa, and Redondo beaches, and was working closely with the South Bay Incident Unified Command in Los Angeles. Samples are being collected from the South Bay incident for analysis and fingerprinting to determine if the pollution in the South Bay is the result of the Refugio Oil Spill or if it is the result of another source.

[http://www.refugioresponse.com/external/content/document/7258/2522226/1/Refugio_Incident_CurrentOilingSituationMap_Public_20150527_Reduced%20\(4\).pdf](http://www.refugioresponse.com/external/content/document/7258/2522226/1/Refugio_Incident_CurrentOilingSituationMap_Public_20150527_Reduced%20(4).pdf)

<http://www.refugioresponse.com/go/doc/7258/2521690/>

<http://fuelfix.com/blog/2015/05/28/section-of-pipe-involved-in-california-oil-spill-unearthed/#33115101=0>

PBF Says FCCU Shut 2–3 Weeks after Malfunction, Other Units at Reduced Rates at Its 160,000 b/d Toledo, Ohio Refinery May 28

PBF Energy Inc. announced Thursday that its Toledo, Ohio refinery experienced an unplanned shutdown of its fluid catalytic cracking unit (FCCU) due to a compressor malfunction. The company said it expects the FCCU to be out of service for approximately two to three weeks. The refinery continues to operate its unaffected units at reduced rates and expects total throughput for the second quarter to be approximately 130,000 to 140,000 b/d. Full-year throughput for the Toledo refinery is expected to be 145,000 to 155,000 b/d.

<http://investors.pbfenergy.com/press-release/pbf-energy-provides-update-toledo-refinery-operations>

Marathon Says Condensate Splitter Operational at Its 242,000 b/d Catlettsburg, Kentucky Refinery May 29

Marathon Petroleum Corp on Friday said a new condensate splitter at its Catlettsburg, Kentucky refinery was operational. Marathon had expected to start up the 35,000 b/d splitter this month. The new unit splits the ultra-light crude produced in Ohio's Utica shale into naphtha and other feedstock.

Reuters, 11:43 May 29, 2015

Marathon Planning FCCU Restart at Its 451,000 b/d Galveston Bay, Texas Refinery May 28

Reuters, 1:40 May 28, 2015

Valero Says Emissions Due to Small Exchanger Leak at Its 330,000 b/d Port Arthur, Texas Refinery May 28

Reuters, 12:04 May 28, 2015

Natural Gas

DOE Authorizes Alaska LNG Project to Export 2.55 Bcf/d to non-FTA Countries

The Department of Energy (DOE) on Thursday announced that it issued a conditional authorization for the Alaska LNG Project, LLC to export domestically produced liquefied natural gas (LNG) to countries that do not have a Free Trade Agreement (FTA) with the U.S. Subject to environmental review and final regulatory approval, Alaska LNG, in the Nikiski Area of the Kenai Peninsula, Alaska is authorized to export LNG up to the equivalent of 2.55 Bcf/d of natural gas for a period of 30 years.

<http://www.energy.gov/articles/energy-department-authorizes-alaska-lng-project-llc-export-liquefied-natural-gas>

ExxonMobil Reports Unit Down on Motor Vibration Shutdown at Its 65 MMcf/d Dollarhide Gas Plant in Texas May 27

ExxonMobil reported unit P-12 went down on a motor vibration shutdown. The unit remains down due to issues with the motor coupling. All flowing wells were shut in to reduce and mitigate emissions.

<http://www11.tceq.state.tx.us/oce/ee/index.cfm?fuseaction=main.getDetails&target=214748>

Other News

EPA Proposes Increases in Renewable Fuel Levels May 29

The EPA today announced proposed volume requirements under the Renewable Fuel Standard (RFS) program for the years 2014, 2015, and 2016, and also proposed volume requirements for biomass-based diesel for 2017. The proposal would boost renewable fuel production and provide for ambitious yet responsible growth over multiple years, supporting future expansion of the biofuels industry. After extensive outreach and dialogue with the agricultural community, biofuel producers and the oil and gas industry, EPA is proposing to establish 2014 standards at levels that reflect the actual amount of domestic biofuel use in that year, and standards for 2015 and 2016 (and 2017 for biodiesel) that increase steadily over time. EPA is proposing to use the tools provided by Congress to adjust the standards below the statutory targets, but the steadily increasing volumes in the proposal indicate that biofuels remain an important part of the nation's overall strategy to enhance energy security and address climate change. EPA will finalize the volume standards in this rule by November 30.

<http://yosemite.epa.gov/opa/admpress.nsf/21b8983ffa5d0e4685257dd4006b85e2/69cfa32a693424f785257e54004fc88d!OpenDocument>

BLM, USFS Plans for Western Public Lands Provide for Greater Sage Grouse Protection by Limiting Oil and Gas Development

The Bureau of Land Management (BLM) and the Forest Service (USFS) on Thursday released a federal plan to protect the greater sage grouse in the western U.S. by limiting oil and gas development and renewable energy in the bird's habitat. The plan comes as the Fish and Wildlife Service prepares to make a decision before the end of September on whether the bird should be protected under the Endangered Species Act. The agency will consider whether the land use plan and other actions underway to protect the bird are adequate to avoid listing it as endangered, which could impose another layer of restrictions on development. The plan calls for protecting sage grouse habitat by prioritizing future oil and gas leases development outside of areas designated as protected zones for the bird. Most of the areas with high potential for oil, gas and renewable energy development are outside of the sage grouse habitat, federal officials say. The plan would also allow wind farms and solar panels, which have been shown to harm sage grouse populations, in the bird's habitat, although it would steer projects outside of habitats given high priority for protection. Other measures in the plan include limits on power transmission lines and surface mining.

<http://www.reuters.com/article/2015/05/29/us-usa-sagegrouse-idUSKBN0OD2XM20150529>

<http://www.doi.gov/news/pressreleases/blm-and-usfs-plans-for-western-public-lands-provide-for-greater-sage-grouse-protection-and-balanced-development.cfm>

International News

Nothing to report.

Energy Prices

U.S. Oil and Gas Prices			
May 29, 2015			
	Today	Week Ago	Year Ago
CRUDE OIL West Texas Intermediate U.S. \$/Barrel	59.50	59.23	104.19
NATURAL GAS Henry Hub \$/Million Btu	2.77	2.93	4.55

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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