



ENERGY ASSURANCE DAILY

Thursday Evening, June 4, 2015

Electricity

Update: NMC's 522 MW Prairie Island Nuclear Unit 1 in Minnesota Restarts by June 3, Ramps Up to 30 Percent by June 4

On the morning of June 3 the unit had restarted and was operating at 1 percent. The unit was shut from full power due to a trip of the condensate and main feedwater pump May 31.

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

<http://www.nrc.gov/reading-rm/doc-collections/event-status/event/2015/20150601en.html>

Entergy's 1,075 MW Waterford Nuke Unit 3 in Louisiana Shut June 3

The unit shut from full power due to the loss of the main feedwater pump.

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

Georgia Power Completes 500 kV Switchyard at Its 2,234 MW Vogtle Nuclear Unit Expansion in Georgia June 3

Georgia Power announced Wednesday the latest milestone in the construction of Vogtle units 3 and 4 – the recently completed redesign of the existing 500 kV switchyard for Vogtle units 1 and 2. The 500kV switchyard takes energy from the plant and feeds it onto the power grid to serve customers across the state. The 500 kV redesign included the addition of four new breakers, associated disconnect switches and a new relay protection scheme.

<http://www.georgiapower.com/about-us/media-resources/newsroom.cshtml>

Duke Energy Buys Development Rights to 80 MW Conetoe Solar Project in North Carolina

Duke Energy Renewables has purchased the development rights for a second 80 MW solar project in eastern North Carolina, called the Conetoe Solar project. A filing made with the Federal Energy Regulatory Commission says the Duke Energy Corp. unit bought the project from Mooresville-based SunEnergy1 on May 14. The Conetoe project is expected to be complete by October.

<http://www.bizjournals.com/charlotte/blog/energy/2015/06/duke-energy-buys-developmentrights-to-80mw-solar.html?ana=yahoo>

Petroleum

Update: PHMSA Preliminary Report Says Corrosion Caused Plains All American Pipeline Spill in California

The Pipeline and Hazardous Materials Safety Administration (PHMSA) on Wednesday released a preliminary report on the Las Flores-to-Gaviota pipeline that spilled 2,500 barrels of oil on May 19 near Santa Barbara, California. The agency said investigators found corrosion at the break site, which had degraded the pipe wall thickness to 1/16 of an inch, and that there was a 6-inch opening near the bottom of the pipe. Additionally, the report noted that the area that failed was close to the area where three repairs were made because of corrosion found in 2012 inspections. The morning of the spill, operators in the company's Houston control center detected mechanical issues and shut down pumps on the line. The pumps were restarted about 20 minutes later and then failed, prompting another shutdown of the line. Plains All American said in a regulatory filing that there is no timeline to restart the line.

<http://www.refugioresponse.com/go/doc/7258/2522638/>

<http://finance.yahoo.com/news/plains-says-california-pipeline-not-223806957.html>

<http://abc7.com/news/refugio-oil-spill-pipeline-was-badly-corroded/765107/>

Update: CNRL Ramping Up Oil Sands Output as Alberta Wildfires Ease June 3

Canadian Natural Resources Ltd (CNRL) said on Wednesday it was ramping up production at its 30,000 b/d Kirby South oil sands project in northern Alberta as the wildfire threat in the region eases. The company was forced to cut production to 12,000 b/d last week because of wildfire disruptions. CNRL also said safety checks and equipment assessments at its 80,000 b/d Primrose project, which was evacuated because of the fire threat, will be taking place over the “next several days,” along with a staged start-up of production. A spokeswoman said only minor equipment repairs are required but until the assessment was complete, no timeline will be available for when Primrose will reach full capacity.

Reuters, 17:19 June 3, 2015

North Dakota Orders Oil Wells Shut-In Due to Flooding Concerns June 3

North Dakota oil regulators ordered small, privately held Zavanna LLC to shut-in oil wells near the confluence of the Missouri and Yellowstone rivers on Wednesday after more than 1.5 inches of rainfall sparked flooding concerns. The state’s Department of Mineral Resources said it was concerned the confluence, located near Williston, could exceed flood stage levels of 22 feet by this weekend after Tuesday’s rainfall. Zavanna, which produces 10,000 b/d of oil in North Dakota, typically keeps 15 wells near the confluence shut in during May due to flooding concerns. The state’s order on Wednesday effectively forces the company to keep those wells closed for the foreseeable future. Other oil producers nearby the confluence, including Statoil, ExxonMobil’s XTO Energy and Oasis Petroleum, have the option to voluntarily shut-in wells as they are not as close to the confluence, state officials said.

Reuters, 17:22 June 3, 2015

Phillips 66 Reports Small Pipeline Leak in California June 3

Phillips 66 reported an underground pipeline near Santa Maria, California leaked less than a barrel of crude oil before it was shut down on Tuesday. The company said cleanup and repair crews were working around the clock. The pipeline runs crude from oil fields near Orcutt to the company’s 44,500 b/d Santa Maria upgrading facility.

<http://www.keyt.com/news/oil-leak-from-pipeline-at-santa-maria-refinery/33378612>

CDU at PES’ 335,000 b/d Philadelphia, Pennsylvania Refinery Expected to Be at Full Capacity by Weekend – Source

Philadelphia Energy Solutions (PES) is expected to begin running its main crude unit at full capacity by the weekend after it was limited since a May 22 fire at its refinery complex in Philadelphia, according to a source familiar with the facility’s operations. The 200,000 b/d crude distillation unit (CDU) was initially shut down, but has been running at roughly half capacity since May 25 as workers repaired a nearby charge pump, the source said. The repairs are expected to be complete within the next few days, the source said.

Reuters, 13:50 June 3, 2015

Leak in Naphtha Stabilizer Reported at Monroe’s 185,000 b/d Trainer, Pennsylvania Refinery – Source

Monroe Energy discovered a leak Wednesday in its naphtha stabilizer unit at its refinery in Trainer, Pennsylvania, according to a source familiar with the facility’s operations. The unit was being shut down as workers try to isolate the problem, the source said. Monroe Energy is a subsidiary of Delta Air Lines Inc.

Reuters, 10:00 June 3, 2015

HollyFrontier Reports Emissions at Its 85,000 b/d Tulsa West, Oklahoma Refinery June 2

Reuters, 16:26 June 3, 2015

HollyFrontier Reports Flaring at Its 70,300 b/d Tulsa East, Oklahoma Refinery June 1

Reuters, 16:30 June 3, 2015

Alpha Crude Connector Announces Start of Construction of 100,000 b/d Delaware Basin Pipeline from New Mexico to Texas

Alpha Crude Connector, LLC today announced it received all necessary permits and has begun construction of its 400-mile Alpha Crude Connector Pipeline. The new pipeline is a FERC regulated, crude oil transportation pipeline serving Lea and Eddy Counties, New Mexico and Culberson, Loving, Reeves and Winkler Counties, Texas. The system will have capacity to accept over 100,000 b/d of crude oil from over 250 lease tank batteries, other local pipeline systems, and truck terminals in the Northern Delaware Basin. Shippers will have access to multiple downstream pipelines and a rail terminal, providing markets at local refineries, Cushing and the U.S. Gulf Coast. Construction is scheduled to be completed in November 2015.

Reuters, 12:02 June 4, 2015

Natural Gas

ExxonMobil Reports Unit Down on Motor Vibration Shutdown at Its 65 MMcf/d Dollarhide Gas Plant in Texas June 3

ExxonMobil reported the cat-3 unit shut due to high discharge pressure. Mechanics were working to repair the problem and all available flowing wells were shut-in to reduce and mitigate emissions.

<http://www11.tceq.state.tx.us/oc/eer/index.cfm?fuseaction=main.getDetails&target=215234>

Other News

EPA Says Fracking Poses Potential Risks to Some Drinking Water Supplies

The Environmental Protection Agency (EPA) today released a draft assessment on the potential impacts of hydraulic fracturing activities on drinking water resources in the U.S. The assessment, done at the request of Congress, shows that while hydraulic fracturing activities in the U.S. are carried out in a way that have not led to widespread, systemic impacts on drinking water resources, there are potential vulnerabilities in the water lifecycle that could impact drinking water. The assessment follows the water used for hydraulic fracturing from water acquisition, chemical mixing at the well pad site, well injection of fracking fluids, the collection of hydraulic fracturing wastewater (including flowback and produced water), and wastewater treatment and disposal.

<http://yosemite.epa.gov/opa/admpress.nsf/21b8983ffa5d0e4685257dd4006b85e2/b542d827055a839585257e5a005a796b!OpenDocument>

International News

Kurdish Oil Resumes Flowing into Iraqi Tanks at Ceyhan June 4 – Shipping Agent

Iraq's semi-autonomous region of Kurdistan resumed oil flows into Iraqi state oil firm SOMO's tanks at the Turkish port of Ceyhan on Thursday after a three-day halt, a shipping agent said. The halt caused concerns among traders and buyers of Iraqi crude as it came at a time of high tensions between Baghdad and Erbil. Kurdistan has accused Baghdad of not respecting a deal signed in December and paying too little for crude oil it is transferring to SOMO. Baghdad accused Erbil of not shipping enough oil. It was not clear what caused the three-day disruption of flows that normally run at 550,000 b/d.

Reuters, 11:28 June 4, 2015

Energy Prices

U.S. Oil and Gas Prices			
June 4, 2015			
	Today	Week Ago	Year Ago
CRUDE OIL West Texas Intermediate U.S. \$/Barrel	58.04	57.64	103.33
NATURAL GAS Henry Hub \$/Million Btu	2.63	2.82	4.59

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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