



ENERGY ASSURANCE DAILY

Friday Evening, June 12, 2015

Electricity

AES's 498 MW Alamosa Gas-fired Unit 5 in California Reduced by June 11

The unit entered an unplanned curtailment of 258 MW.

<http://content.aiso.com/unitstatus/data/unitstatus201506111515.html>

SCE's 242 MW Av Solar Ranch Unit 1 in California Shut by June 11

The unit entered an unplanned outage.

<http://content.aiso.com/unitstatus/data/unitstatus201506111515.html>

CDWR's 374 MW San Luis Hydro Unit in California Reduced by June 11

The unit entered an unplanned curtailment of 150 MW.

<http://content.aiso.com/unitstatus/data/unitstatus201506111515.html>

FirstEnergy Completes New Substation, Transmission Lines, System Inspections to Enhance Service Reliability this Summer in Ohio

FirstEnergy Corp. said it completed projects, inspections, and equipment maintenance in the Toledo Edison area to help enhance service reliability for its customers in northwest Ohio. The key project completed was a new high-voltage transmission substation in Middleton Township to help reinforce the grid and support future load growth following recent power plant deactivations due to environmental regulations. The work included connecting the new substation with other substations in the region with more than 45 miles of new 345-kV transmission lines.

https://www.firstenergycorp.com/newsroom/news_releases/new-substation--transmission-lines--system-inspections-enhance-s.html

Petroleum

Update: CNRL Says Its Alberta Oil Sands Projects Back at Full Output after Wildfires June 11

Canadian Natural Resources Ltd (CNRL) said output at its Primrose and Kirby South oil sands projects returned to normal levels after wildfires in northeastern Alberta cut production late last month. The company said output at its Primrose site, which was evacuated in late May, returned to 80,000 b/d while Kirby South, which had about half of its output suspended when a pipeline was closed, was producing 25,000 b/d.

Reuters, 17:19 June 11, 2015

Citgo Reports Leak from Crude Oil Pipeline at Clifton Ridge, Louisiana June 11

Citgo Petroleum Corp said on Friday it discovered a leak on a crude oil pipeline at Clifton Ridge in Lake Charles, Louisiana on Thursday. The leak was stopped at the source and remediation was underway, the company said, adding that no injuries or off-site impact had been reported. Operations have not been impacted by the incident, the cause of which was under investigation, the company said. The company operates a 427,800 b/d refinery in Lake Charles.

Reuters, 13:06 June 12, 2015

Imperial's 121,000 b/d Sarnia, Ontario Refinery Operating Unit Releases Hydrocarbons June 11 – Report

Reuters, 13:25 June 11, 2015

North Dakota Oil Production Falls 20,000 b/d in April to 1,170,000 b/d – State Industrial Commission

Oil production in North Dakota fell 20,000 b/d in April versus March to 1,170,000 b/d, monthly data from the state Industrial Commission showed. The data was released on the North Dakota Industrial Commission's monthly index report page and has been rounded to the nearest 5,000 barrels.

Reuters, 10:17 June 12, 2015

First Vessel in Shell's Arctic Drilling Fleet Heads for Alaska

The first vessel in Royal Dutch Shell's Arctic drilling fleet has embarked from Washington State to Alaska ahead of its planned resumption of oil and gas exploration in the remote region this summer, the company said on Thursday. The Arctic Challenger, an oil spill containment barge, left Bellingham, Washington, and was headed toward Dutch Harbor, in Unalaska, off mainland Alaska, a Shell spokeswoman said. The Arctic Challenger is one of about two dozen support vessels that will accompany drilling rigs slated to resume a search for fossil fuels as soon as next month in the Chukchi and Beaufort Seas, among the world's most ecologically sensitive regions. Shell had to pull out of the Arctic in 2012 after a rig ran aground and the company was still awaiting several federal permits before it can go ahead with its plans to return. The company contends it is prepared to safely resume drilling and could clean up 90 to 95 percent of any oil spilled. On Tuesday, Shell's plans to resume exploration in the Arctic cleared another legal hurdle when President Barack Obama upheld a 2008 Arctic lease sale. The Interior Department will review the company's drilling plan.

Reuters, 17:34 June 11, 2015

Natural Gas

Update: Williams' Transco Declares Force Majeure after Leidy Natural Gas Pipeline Outage in Pennsylvania June 11

Williams Cos Inc's Transcontinental Gas Pipeline Co (Transco) declared force majeure as a result of an unplanned pipeline outage on Transco's 24-inch Leidy natural gas Line B in Lycoming County, Pennsylvania. The company on Wednesday reported a rupture on a section of the 3.5 Bcf/d Transco Leidy pipeline, which moves gas from the Leidy area in north central Pennsylvania to the main Transco pipeline in New Jersey.

<http://www.1line.williams.com/1Line/wgp/download?delvid=6552427&hfNoticeFlag=Y&hfDownloadFlag=false&hfFileName=download.html>

TransCanada's Pacific NorthWest LNG Export Terminal in British Columbia Reaches Significant Milestone June 12

TransCanada Corporation announced today that its Prince Rupert Gas Transmission Project (PRGT) reached an important milestone with a positive Final Investment Decision, subject to two conditions, from Pacific NorthWest LNG (PNW LNG) for the proposed PNW LNG liquefaction and export facility in the District of Port Edward in British Columbia. Subject to successful completion of the regulatory process for PRGT, and resolution of the two conditions from PNW LNG for a positive final investment decision, TransCanada remains on target to begin construction in 2015 and bring the pipeline into service in 2019-2020. The 559-mile natural gas pipeline will deliver gas from the North Montney producing region near Fort St. John, British Columbia at an interconnect on the NGTL System to the proposed PNW LNG liquefaction and export facility planned for Lelu Island, south of Prince Rupert. In a related announcement, the Government of Canada announced a decision to accept the National Energy Board's (NEB) recommendation to approve the North Montney Mainline Pipeline Project, subject to certain conditions. The project will connect Montney and other Western Canadian Sedimentary Basin supply to existing and new natural gas markets including the proposed Pacific NorthWest LNG terminal through its interconnect with PRGT.

<http://www.transcanada.com/news-releases-article.html?id=1957905&t>

<http://news.gc.ca/web/article-en.do?nid=986479&tp=1>

<http://www.transcanada.com/news-releases-article.html?id=1939161&t>

Cheniere to Expand LNG Capacity on U.S. Gulf of Mexico

Cheniere Energy announced it is developing approximately 9 million tons per year (tpy) of incremental LNG production capacity through the addition of two liquefaction trains adjacent to the existing site of the Corpus Christi liquefaction project (CCL project). The expected nominal LNG production capacity of each of these liquefaction trains is approximately 4.5 million tpy, which would increase the expected capacity at the CCL project to approximately 22.5 million tpy. Cheniere initiated the regulatory process in June 2015 by filing the National Environmental Policy Act pre-filing request with FERC, and the FTA and non-FTA approval requests with DOE. Regulatory approvals would be expected in 2017. In addition, Cheniere has agreed in principle to partner with Parallax Enterprises, to develop up to 10 million tpy of LNG production capacity through Parallax's two mid-scale projects, Live Oak LNG (Live Oak) and Louisiana LNG (LLNG). Live Oak is located on the Calcasieu Ship Channel, in southwestern Louisiana, and LLNG is located on the Mississippi River, approximately 40 miles from New Orleans. Both projects are expected to have two liquefaction trains designed for an LNG production capacity of 2.5 million tpy each. Cheniere anticipates both project developments could be under construction as early as 2017, subject to receiving all required regulatory approvals and reaching FID. The projects would be targeted to begin production as early as 2021, with all of the 19 million tpy of new capacity targeted to be in production by 2025. <http://www.hydrocarbonprocessing.com/Article/3461837/Latest-News/Cheniere-to-expand-new-LNG-capacity-on-US-Gulf.html>

Other News

Nothing to report.

International News

Pemex Announces 200,000 b/d Oilfield Discovery in Gulf of Mexico June 10

Mexican state oil company Pemex said on June 10 it had made one of its biggest discoveries in years, unveiling new shallow-water oil fields in the southern Gulf of Mexico that could produce 200,000 b/d by mid-2018. As part of a reform ending Pemex's oil and gas monopoly, Mexico will auction 14 oil and gas exploration and production blocks not far from the new fields this summer. The find would make the tenders more attractive, Mexico's Energy Minister said.

Reuters, 16:39 June 11, 2015

Energy Prices

U.S. Oil and Gas Prices			
June 12, 2015			
	Today	Week Ago	Year Ago
CRUDE OIL West Texas Intermediate U.S. \$/Barrel	60.12	57.70	106.48
NATURAL GAS Henry Hub \$/Million Btu	2.87	2.59	4.50

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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