



ENERGY ASSURANCE DAILY

Thursday Evening, June 18, 2015

Electricity

Update: 2,800 Oncor Customers Remain without Power June 18 after Tropical Depression Bill Moves Inland in Texas June 16–17

Tropical Depression Bill hit central Texas Tuesday night into Wednesday morning knocking out power to 18,378. Oncor said extra crews had been called into the area from other regions to help restore power. As of 3:30 p.m. EDT, 2,808 Oncor customers remained without power.

<http://stormcenter.oncor.com/default.html>

<http://www.kwtx.com/home/headlines/307846551.html>

Agua Caliente Solar, LLC's 290 MW Solar Unit in California Reduced by June 17

The unit entered an unplanned curtailment of 120 MW.

<http://content.caiso.com/unitstatus/data/unitstatus201506171515.html>

Petroleum

PBF Energy to Buy 189,000 b/d Chalmette, Louisiana Refinery from ExxonMobil, PDVSA

PBF Energy Inc said it will buy the Chalmette oil refinery in Louisiana and related logistical assets from ExxonMobil Corp and Venezuela's national oil company, Petroleos de Venezuela SA (PDVSA). PBF said the purchase will increase its total throughput capacity to more than 725,000 b/d. The transaction also includes 80 percent ownership of Collins Pipeline Company and T&M Terminal Company, a marine terminal capable of importing waterborne feedstocks and loading or exporting finished products, and 100 percent ownership of the Moem Pipeline.

Reuters, 11:54 June 18, 2015

Phillips 66 Reports Process Upset, Equipment Restart at Its 146,000 b/d Borger, Texas Refinery June 18

Reuters, 10:51 June 18, 2015

Petrobras Reports Butane Rundown Line Leak at Its 100,000 b/d Pasadena, Texas Refinery June 17

Reuters, 17:43 June 17, 2015

NEB Says Hydrostatic Testing Required on Enbridge Line 9B before Operation in Ontario, Quebec

The National Energy Board (NEB) said it will require Enbridge to conduct hydrostatic tests on Line 9B to provide the necessary level of confidence in the pipeline's safe operation. Before Line 9B becomes operational, hydrostatic testing results of three segments of the pipeline must be provided to and approved by the NEB. The segments are located around Hilton, Ontario, between Kingston and Brockville, Ontario, and Mirabel, Quebec. The number and location of the segments to be tested were identified by NEB professional engineers to provide the best results to validate existing data. The findings gained will be applied, as appropriate, to the entire pipeline. Line 9B is located in a heavily urbanized area with a large number of waterways; any release would travel rapidly to the water systems and affect a large number of people. A higher degree of confidence in the integrity, or condition, of the pipeline is required to show that the pipeline is safe to operate. It will also provide useful data for tracking the condition of the pipeline over time while preserving the data already collected.

<http://news.gc.ca/web/article-en.do?mthd=tp&crtr.page=1&nid=988529&crtr.tp1D=1>

Imperial Delays Target for Next Kearn Oil Sands Expansion in Alberta

Imperial Oil Ltd said on Wednesday it will delay plans to boost the output of its Kearn oil sands project, backing off its 2020 fixed date for the next expansion phase. Imperial said a day earlier that production had begun at the second phase at Kearn, doubling capacity to 220,000 b/d when it reaches full output in a year. But Imperial said it will no longer adhere to the 2020 target it initially imposed on Kearn's next expansion to 345,000 b/d. The expansion plan entails upgrading the existing facility at the site, located 44 miles north of Fort McMurray in Alberta.

http://www.downstreamtoday.com/news/article.aspx?a_id=48076

U.S. Refiners Unexpectedly Cut Operating Rates – EIA

Oil fell after a government report showed that U.S. refineries unexpectedly reduced operating rates while stockpiles of crude oil at Cushing, Oklahoma rose for the first time since April. Refineries operated at 93.1 percent of their capacity, down from 94.6 percent the previous week. The rate had been expected to climb to 95.1 percent by analysts in a Bloomberg survey.

<http://www.hydrocarbonprocessing.com/Article/3463374/Latest-News/US-refiners-unexpectedly-cut-operating-rates-EIA.html>

Natural Gas

Construction Crew Ruptures Gas Line, Explosion Injures Two in Washington June 18

A gas line explosion outside a commercial building in the Seattle suburb of Bellevue, Washington, injured two people on Thursday, fire and hospital officials said. The explosion of the large-diameter gas line was reported at about 9 a.m. PDT, the Bellevue Fire Department said. Local media reported the explosion was triggered when a construction crew struck the line while working at the site. Puget Sound Energy said gas to the line was shut down after 10 a.m. PDT, and that crews were investigating the incident.

<https://twitter.com/bvuefd>

<https://twitter.com/PSETalk>

<http://www.seattletimes.com/seattle-news/2-injured-in-gas-line-explosion-in-bellevue/>

Reuters, 14:36 June 18, 2015

Update: Tallgrass Energy's REX Pipeline Says April 19 Force Majeure Declaration Station Remains in Effect at Its Wamsutter Echo Springs Compressor

Tallgrass Energy's Rockies Express Pipeline LLC (REX) reported repairs were continuing on unit no. 2 at the Wamsutter Echo Springs Compressor Station. REX was projecting that this unit would be returned to service on or about June 22. REX will continue to schedule down nominated quantities at the Wamsutter Echo Springs receipt point to 75,000 Dth/d until further notice.

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

New Jersey Board of Public Utilities Holds Hearings on South Jersey Gas' Pines Pipeline

The New Jersey Board of Public Utilities will hold public hearings Wednesday afternoon on a new application by South Jersey Gas to build a 22-mile, 24-inch high pressure natural gas pipeline from just outside Millville in Maurice River Township, Cumberland County, to Beesley's Point in Upper Township, Cape May County. About 10 miles of the pipeline would run underneath protected forests. An initial application for the pipeline was rejected last year by the Pinelands Commission amid opposition to the project from lawmakers as well as environmental groups. South Jersey Gas said in its amended application it responded to issues brought up during the previous Memorandum of Agreement process. The New Jersey Department of Environmental Protection has approved the route as the least environmentally damaging, according to the company. The new pipeline will reinforce the area's access to safe and reliable energy by providing a critical back-up supply route for natural gas to more than 142,000 customers in Cape May and Atlantic counties who are currently served by a single pipeline; the new pipeline will make them far less vulnerable to a service outage in the event of an accident or natural disaster. The pipeline will also provide the B.L. England electric generation facility in Beesley's Point, owned by RC Cape May Holdings, with the natural gas supply needed to stop burning coal, a major goal of New Jersey's 2011 Energy Master Plan and of air pollution regulations.

<http://www.sjindustries.com/press-release/south-jersey-gas-files-amendment-pending-application-pinelands-commission>

Reuters, 19:06 June 17, 2015

Canada's Environmental Ministry Approves Shell's LNG Export Terminal in British Columbia

Canada's environment ministry said on Wednesday it approved a Royal Dutch Shell Plc-led liquefied natural gas (LNG) export terminal in Kitimat, located on British Columbia's coast. The project is contingent on meeting 50 environmental, social, and operational conditions. The province of British Columbia also issued an environmental certificate for the export terminal on Wednesday, listing 24 conditions, including monitoring its environmental impact and ongoing consultation with aboriginal people and local communities. Shell and its partners are expected to make their final go or no-go decision on the project in 2016, with construction of the first phase set to take roughly five years.

<http://www.newsroom.gov.bc.ca/2015/06/lng-canada-export-terminal-granted-environmental-assessment-approval.html>

Reuters, 18:38 June 17, 2015

Other News

Nothing to report.

International News

OPEC Revenue Falls below \$1 Trillion for First Time Since 2010

The Organization of Petroleum Exporting Countries' (OPEC) revenue from petroleum exports fell below \$1 trillion last year for the first time since 2010, according to OPEC's annual report published Tuesday. The group's 12 members earned \$993.3 billion in 2014, a decrease of 11 percent from a year earlier, according to the report. Their combined current account balance fell by 35 percent to \$273.6 billion as the drop in exports was accompanied by an increase in imports. The revenue drop shows the strain on the group's members as they increase pumping at a time of oversupply, following a Saudi Arabia-led strategy of defending market share instead of prices. OPEC nations agreed on June 5 to keep a production limit of 30 million b/d, a level they have exceeded every month since June last year, according to data compiled by Bloomberg.

http://www.opec.org/opec_web/en/publications/338.htm

http://www.rigzone.com/news/oil_gas/a/139179/OPEC_Revenue_Slumps_Below_1_Trillion_First_Time_Since_2010#sthash.9qb21115.dpuf

Energy Prices

U.S. Oil and Gas Prices			
June 18, 2015			
	Today	Week Ago	Year Ago
CRUDE OIL West Texas Intermediate U.S. \$/Barrel	60.36	60.69	107.03
NATURAL GAS Henry Hub \$/Million Btu	2.93	2.92	4.66

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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