



ENERGY ASSURANCE DAILY

Thursday Evening, August 08, 2013

Electricity

Heavy Storms, Wind Leave 149,000 Customers Without Power in Minnesota, Wisconsin Overnight August 6-7; We Energies Reports Extensive Damage to Distribution Network

Heavy thunderstorms and high winds overnight left 148,900 customers without power in northern Wisconsin and eastern Minnesota. As of this afternoon, almost 67,000 customers remained without power in the affected service areas. We Energies reported the storm, which brought winds of up to 90 miles per hour, caused extensive damage to poles, wires, substations, transmission lines and some bulk electric system transformers in the utility's Fox Valley service area. The company expects that restoration will not be completed quickly, and says it may take several days before all customers are restored. In some areas, We Energies may need to completely rebuild much of the electric distribution network. Xcel Energy, which reported that a total of 70,500 customers experienced service interruptions and outages since the storm moved through the Twin Cities area yesterday, expected the vast majority of its customers still without service to be up and running by late this evening, but expects single outages to linger into Thursday. Along with its local force, Xcel Energy has additional crews from North Dakota, South Dakota, Wisconsin and its southwest service territories working to restore power.

<http://weenergies.blogspot.com/2013/08/fox-valley-storm-restoration-update.html>

<https://www.facebook.com/XcelEnergyMN>

Minnesota and Wisconsin Customer Power Outages			
August 7-8			
Electric Utility	State	Peak	Latest Reported
We Energies	WI	60,000	50,016
Wisconsin Public Service	WI	17,000	9,100
Wisconsin Power and Light	WI	1,400	198
Xcel Energy	MN	70,500	7,329
TOTAL*		148,900	66,643

*Total outages represent only electric utilities listed in this table.

Sources:

<http://www.xcelenergy.com/portal/site/xe-en/menuitem.471846b0c2475abf262a71986b108a0c/>

<http://www.we-energies.com/outagemapext/default.html>

<http://www.alliantenergy.com/Customerservice/StormandOutageCenter/OutageSummary/index.htm>

<http://www.wisconsinpublicservice.com/outagesummary/view/outagegrid.aspx>

<https://twitter.com/WPSstorm>

<http://wsau.com/news/articles/2013/aug/07/storm-damage-scattered-power-outages-from-overnight-storms/>

FPL's 512 MW Point Beach Nuclear Unit 2 in Wisconsin Reduced to 67 Percent by August 7

On the morning of August 6 the unit was operating at full power, according to the Nuclear Regulatory Commission.

<http://www.nrc.gov/reading-rm/doc-collections/event-status/reactor-status/2013/>

La Paloma Generating Company's 260 MW La Paloma Gas-fired Unit in California Shut by August 6

The unit entered a planned outage.

<http://content.caiso.com/unitstatus/data/unitstatus201308061515.html>

Koch Shuts 455,000 b/d Minnesota Crude Pipeline After Small Spill August 6

Koch Pipeline Co. has shut its Minnesota Pipeline system after discovering a small crude oil leak from a 16-inch pipe near Foley, Minnesota, a spokesman for the company said. The crude oil was discovered on Tuesday during a routine inspection of the pipeline. The company estimated that approximately 10 gallons of crude oil may have been released in an excavation area adjacent to the pipeline. The pipeline is out of service as the company conducts additional tests and there is no estimate for when the pipeline may start running again. The Minnesota Pipeline, which interconnects with Enbridge's pipeline system, transports crude oil produced in Canada and North Dakota primarily to refineries in the Minneapolis-St. Paul area.

Reuters, 10:01 August 7, 2013

Oil Spill in Paramount, California Shuts Paramount Petroleum and Crimson Crude Oil Pipelines August 6

Paramount Petroleum Corporation and Crimson Pipeline L.P discovered a small oil spill in Paramount, California near Alon Energy's asphalt plant on Tuesday, forcing the companies to shut down crude pipelines. The spill was reported in two filings to the California Emergency Management Agency. Crimson said in a statement that the spill did not come from one of its pipelines, but they had been shut as a precaution after it discovered the spill. The two filings did not say who owned the pipeline responsible for the spill or how big it was, but both said an investigation was in progress.

<http://www.reuters.com/article/2013/08/07/pipeline-operations-alon-idUSL1N0G80W320130807>

EPL Oil & Gas Shuts Well in Eugene Island Block 32 in Gulf of Mexico after Crude Oil Release from Production Platform August 6

EPL Oil & Gas Inc. reported that it shut-in a well after a crude oil spill from a production platform in the Eugene Island Area, Block 32, of the Gulf of Mexico. The spill was caused by an equipment failure on an oil and water separator, according to a filing with the U.S. National Response Center. An unknown amount of crude oil was spilled before the release was secured and repairs were made, the filing said.

http://www.nrc.uscg.mil/reports/rwservlet?standard_web+inc_seq=1056261

Citgo Restarts Platformer after Upset at Its 163,000 b/d Corpus Christi Refinery in Texas August 6

Citgo Petroleum Corp. said a platformer at the east plant of its Corpus Christi, Texas, refinery was restarted after repairs following an upset. According to a Citgo official, the refinery was moving towards normal production rates with the process expected to be completed by this Wednesday evening.

Reuters, 10:45 August 7, 2013

Phillips 66 Reports Process Upset at Its 146,000 b/d Borger, Texas Refinery August 5

Phillips 66 reported a process upset at its joint venture refinery in Borger, Texas on Monday, according to a notice filed with the state pollution regulators. The company had regained control of the process but did not specify which units were involved in the incident.

Reuters 16:33 August 6, 2013

Natural Gas

Energy Department Authorizes Lake Charles Export LLC to Export LNG to non-FTA Countries August 7

The Energy Department announced that it has conditionally authorized Lake Charles Exports, LLC to export domestically produced liquefied natural gas (LNG) to countries that do not have a Free Trade Agreement (FTA) with the United States from the Lake Charles Terminal in Lake Charles, Louisiana. Lake Charles previously received approval to export LNG from this facility to FTA countries on July 22, 2011. Subject to environmental review and final regulatory approval, the facility is conditionally authorized to export at a rate of up to 2 Bcf/d for a period of 20 years. The Department granted the first authorization to export LNG to non-FTA countries in May 2011 from the Sabine Pass LNG Terminal in Cameron Parish, Louisiana at a rate of up to 2.2 Bcf/d, and the second authorization in May 2013 from the Freeport LNG Terminal in Quintana Island, Texas at a rate of up to 1.4 Bcf/d.

<http://energy.gov/articles/energy-department-authorizes-third-proposed-facility-export-liquefied-natural-gas-1>

TransCanada to Proceed with 2 Bcf/d North Montney Mainline Extension to Supply Pacific NorthWest LNG Export Terminal in British Columbia

TransCanada Corporation announced Tuesday that its subsidiary, NOVA Gas Transmission Ltd. (NGTL), has signed agreements with Progress Energy Canada Ltd. for approximately 2 Bcf/d of firm gas transportation services to underpin the development of a major pipeline extension of the NGTL System. The proposed North Montney Mainline will be a large diameter extension from the existing Groundbirch Mainline section of the NGTL system in northeast British Columbia (B.C.). It will consist of two sections, Aitken Creek and Kahta, totaling approximately 189 miles in length, and will include associated metering facilities, valve sites and possible compression facilities. The project will also include an interconnection with TransCanada's proposed Prince Rupert Gas Transmission (PRGT) project to provide natural gas supply to the proposed Pacific NorthWest LNG export facility near Prince Rupert, B.C. Under the commercial arrangements with Progress, receipt volumes will ramp up between 2016 and 2019 to an aggregate volume of approximately 2.0 Bcf/d and delivery volumes to the PRGT project will be approximately 2.1 Bcf/d beginning in 2019. NGTL is also in discussions with other parties that have expressed interest in obtaining transportation services that would utilize the North Montney Mainline facilities.

<http://www.transcanada.com/news-releases-article.html?id=1747631>

Other News

EPA Says It Will Cut Renewable Fuel Standard Targets to Address ‘E10 Blend Wall’

As part of an ongoing effort to enhance energy security and reduce carbon pollution, the U.S. Environmental Protection Agency (EPA) finalized the 2013 percentage standards for four fuel categories that are part of the Renewable Fuel Standard (RFS) program established by Congress. Most of these fuels are produced by American farmers and growers domestically and help reduce the carbon pollution that contributes to climate change. The final 2013 overall volumes and standards require 16.55 billion gallons of renewable fuels to be blended into the U.S. fuel supply (a 9.74 percent blend). This standard specifically requires biomass-based diesel (1.28 billion gallons; 1.13 percent), advanced biofuels (2.75 billion gallons; 1.62 percent), and cellulosic biofuels (6.00 million gallons; 0.004 percent). These standards reflect EPA's updated production projections, which are informed by extensive engagement with industry and a thorough assessment of the biofuels market. During this rulemaking, EPA received comments from a number of stakeholders concerning the "E10 blend wall." Projected to occur in 2014, the "E10 blend wall" refers to the difficulty in incorporating ethanol into the fuel supply at volumes exceeding those achieved by the sale of nearly all gasoline as E10. Most gasoline sold in the U.S. today is E10. In the rule issued today, EPA is announcing that it will propose to use flexibilities in the RFS statute to reduce both the advanced biofuel and total renewable volumes in the forthcoming 2014 RFS volume requirement proposal. EPA is providing greater lead time and flexibility in complying with the 2013 volume requirements by extending the deadline to comply with the 2013 standards by four months, to June 30, 2014.

<http://yosemite.epa.gov/opa/admpress.nsf/0c0affede4f840bc8525781f00436213/02592be566ba346685257bbf005a7db2!OpenDocument>

International News

Yemen Says It Foiled Al Qaeda Plot to Attack City, Seize Oil and Gas Export Terminals

Yemen has foiled a plot by al Qaeda to attack two major oil and gas export terminals and smuggle explosives into Yemen's capital, Sanaa, on Sunday to carry out attacks there, the government said on Wednesday. The plot aimed to seize the al-Dabbah oil export terminal in Hadramout and the Balhaf LNG export facility, as well as the city of Mukalla. The plan was uncovered through joint Western and Arab cooperation.

Reuters, 10:42 August 7, 2013

Update: Crude Oil Flow Resumes Through Iraq-Turkey Pipeline – Iraqi Oil Officials

Oil flow through the Kirkuk-Ceyhan pipeline linking Iraq to Turkey restarted on Tuesday after a leak caused a 12-hour stoppage, two officials at Iraq's North Oil Company said.

Reuters, 16:48 August 6, 2013

Iraqi Kurdistan Opens Official Crude Oil Trade Route Via Iran – Sources

Iraq's Kurdistan region is exporting crude oil by truck to an Iranian port for shipping to Asia, industry sources say. In a dispute largely over revenue sharing, Kurdistan's crude exports through a pipeline controlled by the Iraqi central government dried up last year. However, it is transporting about 50,000 b/d of crude and condensates by road. The Kurdistan Regional Government (KRG) has approved a second route for crude through Iran used previously only for petroleum products, the sources said. For the past two months, crude, estimated at 30,000 b/d, has been trucked from Kurdish fields over the border to Iran's Bandar Imam Khomeini (BIK) terminal.
Reuters, 2:58 August 7, 2013

Energy Prices

U.S. Oil and Gas Prices			
August 8, 2013			
	Today	Week Ago	Year Ago
CRUDE OIL West Texas Intermediate U.S. \$/Barrel	104.87	104.63	93.48
NATURAL GAS Henry Hub \$/Million Btu	3.35	3.48	2.90

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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