



ENERGY ASSURANCE DAILY

Thursday Evening, August 28, 2014

Electricity

PG&E Asks for Public's Help to Support Theft Investigation at Its Metcalf Substation Near San Jose, California

PG&E on Wednesday said it was asking for the public's assistance in providing any information that could help lead to the apprehension of the individuals who stole construction equipment from its Metcalf Substation south of San Jose, California. PG&E said it takes the security of its facilities and the electric grid very seriously and was taking appropriate action to address this security breach. Although this incident was still under investigation, the preliminary review suggested human error as the apparent cause of the security breach as fence detection alarms received in security operations were not appropriately addressed. There was no impact to the electrical grid, no equipment damage and no customers lost service. While the intruders were able to access the site, no attempt was made to disrupt the grid as this would have activated other onsite security measures which did not occur. The Metcalf Substation was the site of a sniper attack in April 2013. As a result of that attack, PG&E is spending \$100 million over three years to enhance the security of its critical substations. The improvements being implemented include improved security cameras, enhanced intruder detection systems and a solid wall around the Metcalf substation and other critical stations to replace existing chain-link style fencing.

<http://www.pgecurrents.com/2014/08/27/pge-asks-for-public%E2%80%99s-help-to-support-theft-investigation-at-metcalf-substation/>

Update: 18,000 DTE Customers Remain Without Power August 28 after Strong Storms Hit Michigan August 26

Approximately 18,000 DTE Energy customers in southeast Michigan remained without power as of 6 a.m. EDT today, due to storms that produced high winds and lightning Tuesday evening. The storms produced wind gusts of up to 60 mph causing more than 1,000 downed wires and knocked out power to 165,000 DTE customers.

<https://www2.dteenergy.com/wps/portal/dte/residential/problemsSafety/details/outage%20center!ut/>
<http://www.dailypress.net/page/content.detail/id/582635/20-000-of-174-000-customers-still-without-power.html?isap=1&nav=5046>

Storms Knock Out Power to 16,000 Ameren Missouri Customers August 27

Storms and strong winds that felled trees and power lines knocked out power to more than 16,000 Ameren Missouri customers on Wednesday. As of 11:00 a.m. EDT today, 769 customers remained without power.

<http://www.ksdk.com/story/news/local/2014/08/28/storm-dogtown-rain-trees-power-branches-debri-st-louis-county-ameren/14722165/>
<http://apps.ameren.com/outage/outagemap.aspx?state=MO>

NRC Board Votes to Lift 2-Year Moratorium on New Nuclear Power Plant Licenses, Approves Indefinite Storage of Nuclear Waste,

The board of the U.S. Nuclear Regulatory Commission (NRC) voted August 26 to end a two-year moratorium on new nuclear power plant licenses and approved guidance on nuclear waste storage that allows power plants or formerly-operating power plants to store spent fuel on-site indefinitely.

http://www.reformer.com/localnews/ci_26412189/new-nrc-rule-supports-indefinite-storage-nuclear-waste

PPL's 1,105 MW Susquehanna Nuclear Unit 1 in Pennsylvania Shut August 28 Due to Pump Issue

PPL said the unit was shut early Thursday due to a water pump malfunction in the reactor. The U.S. Nuclear Regulatory Commission said in a report that power was reduced to 30 percent from full power.

<http://www.nrc.gov/reading-rm/doc-collections/event-status/reactor-status/2014/>

Reuters, 7:59 August 28, 2014

Energy Northwest's 1,107 MW Columbia Generating Station Nuclear Unit in Washington Reduced to 19 Percent by August 28

On the morning of August 27 the unit was operating at 47 percent.

<http://www.nrc.gov/reading-rm/doc-collections/event-status/reactor-status/2014/>

Dynegy's 335 MW El Segundo Gas-fired Unit 4 in California Reduced by August 27

The unit entered an unplanned curtailment of 185 MW.

<http://content.caiso.com/unitstatus/data/unitstatus201408271515.html>

Mirant's 312 MW Pittsburg Gas-fired Unit 5 in California Shut by August 27

The unit entered an unplanned outage.

<http://content.caiso.com/unitstatus/data/unitstatus201408271515.html>

Petroleum

BP's 405,000 b/d Whiting Indiana Refinery Continues to Operate after Hydrotreater Compressor Explosion, Fire August 27

BP said its Whiting, Indiana refinery continued to operate after a fire broke out on Wednesday night after a compressor exploded in one of the refinery's units. Trade and industry sources said the fire was confined to a hydrotreater for a fluidic catalytic cracking unit (FCCU). BP did not say which unit was affected by the blaze, but said it was on the north end of the refinery. There are two FCCUs at the refinery and two hydrotreaters. One hydrotreater has a capacity of 105,000 b/d and the other 100,000 b/d. It was unclear if both FCCUs can get by with just one hydrotreater. One of the FCCUs has a capacity of 110,000 b/d and the other can process 65,000 b/d. A BP spokesman confirmed that the Whiting refinery experienced "an operational incident" at about 9 p.m. CDT on the refinery's north end. The fire was out by 11 p.m. and an "all clear" was issued about 20 minutes later. The spokesman said refinery operations were minimally impacted as a result of the incident, and the refinery continues to produce products for customers.

http://www.publicopiniononline.com/nation-world/ci_26421678/explosion-at-bp-refinery-no-injuries-reported

<http://thinkprogress.org/climate/2014/08/28/3476659/explosion-bp-whiting-refinery/>

<http://www.nbcchicago.com/news/local/Loud-Explosion-Reported-at-BP-Refinery-in-Whiting-272973781.html>

<http://www.chicagotribune.com/news/local/breaking/chi-bp-whiting-refinery-20140828-story.html>

Reuters, 10:17 August 28, 2014

HollyFrontier Reports Emissions at Its 125,000 b/d Tulsa, Oklahoma Refinery August 26 and August 20

HollyFrontier Corp reported hydrogen sulfide emissions on August 26 at its West plant and hydrogen sulfide emissions from a malfunction on August 20 at its East plant, according to a filing with the Oklahoma Department of Environmental Quality.

Reuters, 12:50 August 27, 2014

CVR Energy Reports Sulfur Dioxide Emissions at Its 70,000 b/d Wynnewood, Oklahoma Refinery August 21

CVR Energy Inc reported sulfur dioxide emissions due to startup at its Wynnewood, Oklahoma refinery August 21, according to a filing with the Oklahoma Department of Environmental Quality.

Reuters, 13:04 August 27, 2014

California Government Shuts Down Two Kern County Oil Field Disposal Wells August 18

The California Division of Oil, Gas, and Geothermal Resources (DOGGR) disclosed August 26 that it issued emergency orders August 18 closing two oil field disposal wells in Kern County after the agency was ordered by the U.S. Environmental Protection Agency to re-examine its oversight of injection wells. DOGGR previously issued similar orders to nine other injection wells since July.

<http://www.bakersfieldcalifornian.com/business/kern-gusher/x983253674/State-shuts-two-more-oil-field-disposal-wells-in-Kern>

Shell Says Final Module in Place for Its Quest Oil Sands Carbon Capture and Storage Project in Alberta

Shell Canada said on Wednesday, it set the final module in place at its Quest oil sands carbon capture and storage (CCS) project north of Edmonton, Alberta, bringing the capture facilities to 70 percent completion. The project will start injecting carbon dioxide from Shell's oil sands operations 1.2 miles under the Alberta prairie in 2015. Quest CCS is being built by Shell Canada on behalf of its Athabasca Oil Sands Project partners Chevron and Marathon to capture over one million tonnes of carbon dioxide each year from the 225,000 b/d Scotford Upgrader and inject it deep underground for permanent storage under multiple impermeable rock layers. The carbon dioxide captured would represent up to 35 percent of the direct emissions from the Upgrader.

<http://www.shell.ca/en/aboutshell/media-centre/news-and-media-releases/2014/0827quest.html>

<http://www.shell.ca/en/aboutshell/our-business-tpkg/upstream/oil-sands/scotford-upgrader.html>

Natural Gas

Targa Reports AGC Shut at Its 150 MMcf/d Sand Hills Gas Plant in Texas August 26

Targa reported the acid gas compressor (AGC) shut down on low lube oil level, routing acid gas to the emergency acid gas flare, F-4. Maintenance technicians restarted the acid gas compressor, C-14, and flaring at the emergency acid gas flare ceased.

<http://www11.tceq.state.tx.us/oce/eer/index.cfm?fuseaction=main.getDetails&target=202838>

Other News

Cameco to Shut World's Largest Uranium Mine at McArthur River, Saskatchewan in Labor Dispute

Cameco Corp will shut the world's biggest uranium mine at McArthur River, Saskatchewan on Saturday, barring a last-minute labor settlement, after the United Steelworkers union said workers would go on strike. Cameco on Wednesday said it issued a lockout notice at the mine and the Key Lake mill. McArthur River's capacity of 18 million pounds of uranium annually represents 12 percent of global mine supply, said BMO Capital Markets analyst Edward Sterck, who forecasts an oversupply of uranium through 2017. A United Steelworkers representative in Saskatoon for Local 8914, said the parties would continue to meet to try and resolve the issues. Reuters, 12:02 August 27, 2014

International News

Gulf Keystone May Delay Output Rise to 2015 at Shaikan Oilfield in Iraqi Kurdistan

Gulf Keystone Petroleum said a production increase at its flagship Shaikan oilfield in Iraqi Kurdistan may be delayed until next year due to a shortage of international staff following their evacuation because of escalating violence. Gulf Keystone, said the return of around 44 evacuated staff was essential to meeting its year-end target of increasing output at Shaikan to 40,000 barrels of oil equivalent per day (boepd), up from 20,000–25,000 boepd now. Apart from a small reduction in output for one day in early August, production from Shaikan has been unaffected by security tensions in the area.

<http://ir1.euroinvestor.com/asp/ir/GulfKeystone/NewsRead.aspx?storyid=12954011&ishtml=1>

Reuters, 4:16 August 28, 2014

Libya's Waha Oil Co. Resumes Small Volume of Es Sider Crude Oil Production

Libya's Waha Oil Co. resumed a small volume of Es Sider crude oil production, a senior Libyan oil official said on Thursday. The oil grade will be exported through the Es Sider port, the country's largest export terminal, which was reopened after being closed for a year due to protests and maintenance. Libya's National Oil Corp loaded two tankers of Es Sider this month after the resumption of exports from the neighboring Ras Lanuf terminal which has a capacity around 220,000 b/d. Waha Oil Co. exported around 320,000 b/d pre-blockade.

Reuters, 10:16 August 28, 2014

Wintershall Says It Lacks Infrastructure to Restart Libyan Onshore Output

Wintershall, a unit of chemicals firm BASF, said it was ready to restart production at its onshore Libyan operations but lacks the export infrastructure due to conflict in the country. The company said it was awaiting the signal of the state-owned National Oil Corp that proper pipeline and harbor infrastructure were in place. Wintershall was the second-largest foreign oil company in Libya, producing 100,000 b/d, before leader Muammar Gaddafi was removed from power in 2011.

http://www.downstreamtoday.com/news/article.aspx?a_id=44293

Update: Libya's Oil Production Rises to 665,000 b/d – NOC

Libya's oil production rose to 665,000 b/d from 650,000 b/d earlier this week, a spokesman for the state-run National Oil Corp (NOC) said on Thursday. Oil production in Libya is now more than five times the level of two months ago.

Reuters, 9:01 August 28, 2014

Energy Prices

U.S. Oil and Gas Prices			
August 28, 2014			
	Today	Week Ago	Year Ago
CRUDE OIL West Texas Intermediate U.S. \$/Barrel	96.13	94.23	110.36
NATURAL GAS Henry Hub \$/Million Btu	3.99	3.85	3.50

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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