



ENERGY ASSURANCE DAILY

Wednesday Evening, September 24, 2014

Electricity

Four Companies Propose \$8 Billion Green Energy Initiative to Transmit Wind Energy from Wyoming to Los Angeles, California

Four companies—Pathfinder Renewable Wind Energy, Magnum Energy, Dresser-Rand, and Duke-American Transmission—on Tuesday jointly proposed an \$8 billion green energy initiative that would bring 9.2 million megawatt-hours per year of clean electricity to the Los Angeles area by 2023. The project would require construction of one of America's largest wind farms in Wyoming, one of the world's biggest energy storage facilities in Utah, and a 525-mile electric transmission line connecting the two sites. Under the initiative, Pathfinder Renewable Wind Energy would build, own and operate the \$4-billion, 2,100 MW wind farm near Chugwater, Wyoming. Pathfinder Renewable Wind Energy, Magnum Energy and Dresser-Rand would install the \$1.5-billion, 1,200 MW "compressed air energy storage" system at a site near Delta, Utah where four vertical caverns – carved out of an underground salt formation at the site – would store the energy equivalent of 60,000 megawatt-hours of electricity. During periods of low customer demand, the storage facility would use excess electricity from the Pathfinder wind farm to compress and inject high-pressure air into the caverns for storage. During periods of high customer demand, the facility would use the stored, high-pressure compressed air, combined with a small amount of natural gas, to power eight generators that would produce electricity. Duke-American Transmission proposes to build the \$2.6-billion, 525-mile, high-voltage electric transmission line that would transport the Wyoming wind farm's electricity to the Utah energy storage facility. The transmission line – a shorter alternative to Duke-American Transmission's previously proposed 850-mile Zephyr transmission project – would traverse Wyoming, Colorado and Utah, with a target in-service date of 2023. A separate, existing 490-mile transmission line – traversing Utah, Nevada and California – would transport electricity from the Utah energy storage facility to the Los Angeles area. The four companies will formally submit their proposal to the Southern California Public Power Authority by early 2015 in response to the agency's request for proposals to supply the Los Angeles area with renewable energy and electricity storage.

<http://www.datcllc.com/news-releases/8-billion-green-energy-initiative-proposed-for-los-angeles/>

Exelon's 1,131 MW Byron Nuclear Unit 2 in Illinois Reduced to 90 Percent by September 24

On the morning of September 23 the unit was operating at full power.

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

FirstEnergy's 1,235 MW Perry Nuclear Unit 1 in Ohio Reduced to 85 Percent by September 24

On the morning of September 23 the unit was operating at 97 percent.

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

AES's 332 MW Alamosa Gas-fired Unit 3 in California Shut by September 23

The unit entered an unplanned outage.

<http://content.caiso.com/unitstatus/data/unitstatus201409231515.html>

Cabrillo Power I, LLC's 110 MW Encina Gas-fired Unit 3 in California Shut by September 23

The unit entered an unplanned outage.

<http://content.caiso.com/unitstatus/data/unitstatus201409231515.html>

North Dakota Oil Producers Tell North Dakota Industrial Commission Rail Transport is Safe; No Need for New Stabilizers

North Dakota oil producers told the North Dakota Industrial Commission (NDIC) on Tuesday that existing field practices used to prepare Bakken crude for rail transport were safe and that tougher rules could do more harm than good. The NDIC, which plans to issue any new regulations no later than mid-December, asked for testimony about how changes could affect the safety of Bakken crude oil and producers' costs. Critics urged regulators to deploy new "stabilizers" that remove flammable natural gas liquids (NGLs) from the crude oil to reduce its volatility. Producers say some NGLs can be removed by simpler equipment that already exists near wells and that stabilization would backfire by putting an even more potent material, pure NGLs, onto railroad tracks. They also say existing tank cars are strong enough to carry the crude. More than 1 million barrels of crude are extracted each day from shale formations underneath North Dakota and more than 60 percent of that leaves the state on trains. Most of the crude contains higher-than-average concentrations of ethane, propane, and other combustible NGLs.

<http://www.reuters.com/article/2014/09/23/energy-bakkenregulation-idUSL3N0RO4HP20140923>

North Dakota to Receive \$200,000 from U.S. DOT for Pipeline Safety

North Dakota will receive more than \$200,000 in federal funds from the U.S. Department of Transportation's (DOT's) Pipeline and Hazardous Materials Safety Administration to maintain the safety of pipelines and protect the state from potential pipeline incidents.

<http://www.prairiebizmag.com/event/article/id/20919/>

Natural Gas

Flash Fire Reported at EOG Resources Natural Gas Storage Tank in Wyoming September 23

An explosion at an EOG Resources owned natural gas storage tank injured four workers on Tuesday at a natural gas well site in western Wyoming, authorities said. The explosion occurred as a maintenance crew was cleaning out the tank in the desert about 30 miles northwest of Green River, the Lincoln County Sheriff's Office said. Firefighters quickly put out the fire and the cause of the explosion remained unknown.

<http://www.ksl.com/?nid=148&sid=31683739>

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

Regency Reports Recompressors Shut at Its 290 MMcf/d Waha Gas Plant in Texas September 23

Regency reported the recompressors shut down due to a plant upset. The plant upset caused the gas to go off spec and the sales line to be shut in. The acid gas injector (AGI) did not have enough suction pressure due to low inlet volumes to run continuously. All equipment was restarted and plant operation was brought to within proper operating parameters. The sales line was opened, establishing adequate inlet gas flow, and AGI compressor was reset and restarted.

<http://www11.tceq.state.tx.us/oc/eer/index.cfm?fuseaction=main.getDetails&target=204056>

Southern Union Reports Flaring at Its Keystone Gas Plant in Texas September 22

Southern Union reported it had to flare some low pressure gas coming into the plant because producer TW shut in gas production and the plant had no fuel gas to operate its combustion sources. TW opened up their valve and started selling the plant fuel gas again.

<http://www11.tceq.state.tx.us/oc/eer/index.cfm?fuseaction=main.getDetails&target=204041>

Other News

Nothing to report.

Iraq's Oil Exports from Southern Terminals Average 2.58 Million b/d in September

Exports from Iraq's southern terminals have averaged 2.58 million b/d, according to shipping data for the first 23 days of September tracked by Reuters. Oil industry sources said there has been less impact on exports in September from bad weather and logistical delays, which had held up some shipments in August. Southern exports so far in September are up from the average of 2.38 million b/d during all of August and if sustained, would equal May's average of 2.58 million b/d, which was the highest since at least 2003.

<http://www.reuters.com/article/2014/09/23/iraq-crisis-oil-exports-idUSL6N0RN3G820140923>

Saudi Arabia's 400,000 b/d Satorp Refinery Hits Full Capacity in August

Saudi Arabia's Satorp oil refinery reached full capacity of 400,000 b/d on August 1. The refinery is a venture between Total and Saudi Arabian Oil Co. Satorp is the first of three new Saudi refineries. Saudi Arabian Oil Co., known as Aramco, is constructing a 400,000 b/d plant at Yanbu on the Red Sea coast with China's Sinopec Group. The project is in the precommissioning stage, Aramco's CEO said on September 10. The Jazan refinery project in Saudi Arabia's southwest will also process 400,000 b/d of crude and is planned to begin operations in 2016, according to Aramco.

<http://www.hydrocarbonprocessing.com/Article/3383284/Latest-News/New-Saudi-refining-JV-Satorp-hits-full-capacity.html>

Energy Prices

U.S. Oil and Gas Prices			
September 24, 2014			
	Today	Week Ago	Year Ago
CRUDE OIL West Texas Intermediate U.S. \$/Barrel	90.83	94.06	102.81
NATURAL GAS Henry Hub \$/Million Btu	3.87	3.85	3.66

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

Energy Assurance Daily provides a summary of public information concerning current energy issues. Published Monday through Friday to inform stakeholders of developments affecting energy systems, flows, and markets, it provides highlights of energy issues rather than a comprehensive coverage. *Energy Assurance Daily* is updated online Monday through Friday after 5:00 p.m. ET. For more information, visit the Infrastructure Security and Energy Restoration (ISER) website at:

<http://www.oe.netl.doe.gov/ead.aspx>

Please direct comments and questions to: ead@oe.netl.doe.gov