



ENERGY ASSURANCE DAILY

Thursday Evening, September 25, 2014

Electricity

PG&E Reports Over 15,000 Customers without Power Due to Fallen Power Lines September 25

Pacific Gas and Electric (PG&E) reported 15,820 customers were without power in the East Bay and San Jose, California, Thursday morning after an overnight rainstorm caused mud to gather on power lines, causing them to fall. As of 3:30 p.m. EDT today, 6,100 customers remained without power.

<http://www.pge.com/myhome/outages/outage/>

<http://sanfrancisco.cbslocal.com/2014/09/25/thousands-of-pge-customers-without-power-in-el-cerrito-richmond-san-jose-east-bay/>

<http://www.ktvu.com/news/news/local/thousands-lose-power-east-bay-vallejo-san-jose/nhTxM/>

SCE Submits Decommissioning Plan to NRC for Its Idled 2,254 MW San Onofre Nuclear Generating Station in California

Southern California Edison (SCE) submitted a plan to the U.S. Nuclear Regulatory Commission (NRC) September 23 stating that the decommissioning of the idled San Onofre Nuclear Generating Station in San Diego County will cost an estimated \$4.4 billion with work slated to begin in early 2016. The plant was idled in January 2012 due to a small leak in one of the two reactors. Last year, SCE shelved plans to restart the reactors in favor of retiring the plant.

<http://www.encinitasadvocate.com/news/2014/sep/23/san-onofre-plant-decommission/>

Update: DTE's 1,089 MW Fermi Nuclear Unit 2 in Michigan at Full Power by September 25

On the morning of September 24 the unit was operating at 64 percent, up from 53 percent on September 21. The unit was operating at full power on September 14.

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

Update: FirstEnergy's 1,235 MW Perry Nuclear Unit 1 in Ohio at Full Power by September 25

On the morning of September 24 the unit was operating at 85 percent, down from 97 percent on September 23.

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

Update: AES's 332 MW Alamosa Gas-fired Unit 3 in California Returns to Service by September 24

The unit returned from an unplanned outage that began by September 23.

<http://content.caiso.com/unitstatus/data/unitstatus201409241515.html>

Update: Cabrillo Power I, LLC's 110 MW Encina Gas-fired Unit 3 in California Returns to Service by September 24

The unit returned from an unplanned outage that began by September 23.

<http://content.caiso.com/unitstatus/data/unitstatus201409241515.html>

Oil Prices Would Hit \$150 a Barrel without U.S. Shale Oil – EIA

Crude oil would cost at least \$150 a barrel due to supply disruptions in the Middle East and North Africa were it not for rising production in North Dakota and Texas, U.S. Energy Information Administration (EIA) chief Adam Sieminski said in an interview on Wednesday. Oil output from the oil-rich Bakken, Permian, and Eagle Ford shale formations in those two states, as well as other smaller formations around the nation, spiked in the past decade to more than 4 million b/d. That new oil has helped the U.S. weather supply disruptions from Libya, Iraq, and other oil producers in which political and military turmoil has sharply depressed production, Sieminski said. Sieminski also said he expects production in North Dakota to continue and could eventually hit 2 million b/d. North Dakota's oil production was 1.1 million b/d in July, according to data released earlier this month by state regulators. Reuters, 13:58 September 24, 2014

API Issues Guidelines for Crude Oil by Rail

The American Petroleum Institute (API) today published a new set of recommended practices for testing and classifying crude oil for rail shipment and loading it into rail tank cars. API's Recommended Practice for Classifying and Loading of Crude Oil into Rail Tank Cars, known as RP 3000, provides guidance on many important aspects of preparing to ship crude oil by rail, including procedures for initial and ongoing sampling and testing of crude oil for transport classification; criteria for determining the frequency of crude oil sampling and testing, and how to document results; how to assign the correct Packing Group; establishing a crude oil sampling and testing program; and proper quantity measurement procedures to prevent overfill when loading crude oil into rail tank cars.

<http://www.api.org/news-and-media/news/newsitems/2014/sept-2014/api-publishes-industry-standard-for-shipments-of-crude-by-rail>

<http://www.api.org/rail>

Crude Oil Shipments Out of Corpus Christi, Texas Port Increase by Over 100,000 b/d in August

Crude oil shipments out of the Texas port of Corpus Christi soared by more than 100,000 b/d to a record over 730,000 b/d in August as the port improved operations to better handle hundreds of smaller barges ferrying Eagle Ford shale oil to coastal refiners. Total outbound loadings reached 731,000 b/d, up from the previous high of 624,000 b/d reached in June, according to monthly data from the port. Crude oil shipments alone rose 16 percent to a record near 670,000 b/d, the data showed. Outbound shipments of crude and condensate, an ultra-light oil abundant in Eagle Ford, could climb to one million b/d in the next 12 months, according to the executive director of the Port of Corpus Christi Authority (POCCA). The increase in loadings was due to several factors, including more efficient handling of barge traffic, upgrades in loading equipment better suited to barges and an expansion in available dock space. The POCCA was working with Kirby Corp. to build a facility that will accommodate 70 additional barges. Reuters, 10:23 September 25, 2014

Marathon Reports CDU, FCCU, HCU Shut at Its 451,000 b/d Galveston Bay, Texas Refinery September 23 – Sources

Marathon Petroleum Corp shut one of two crude distillation units (CDUs), the largest fluid catalytic cracking unit (FCCU), and a hydrocracker (HCU) for work, sources familiar with refinery operations said on Tuesday. The 218,500 b/d CDU called Pipestill 3A, 120,000 b/d fluidic catalytic cracking unit 3, along with the 31,500 b/d alkylation unit were shut for about two weeks of repairs, the sources said. The 60,000 b/d hydrocracking ultracracker, 65,000 b/d reformer called an ultraformer, along with an aromatics unit and petrochemical unit were shut until mid-November for a planned overhaul, the sources said. Despite all the units begin shut, they're still making gasoline, one of the sources said. The FCCU was shut for work on the unit's heat exchanger, the sources said. The refinery's 60,000 b/d FCCU 1 continued to operate while FCCU 3 is shut. Sections of Pipestill 3A will be cleared of coke that formed when the CDU malfunctioned. Pipestill 3A had remained in operation while its twin, the 218,500 b/d Pipestill 3B, was undergoing a planned overhaul between January and March.

Reuters, 17:49 September 23, 2014

ExxonMobil Reports No Production Impact from Snag at Its 344,600 b/d Beaumont, Texas Refinery September 25

ExxonMobil reported instrumentation failure leading to flaring at its Beaumont, Texas, refinery on Thursday. The instrumentation associated with the flare in question was fixed and there was no ongoing impact to production.

Reuters, 7:32 September 25, 2014

Reuters, 00:17 September 25, 2014

Phillips 66 Reports Unit Upset During Startup at Its 146,000 b/d Borger, Texas Refinery September 24

Phillips 66 reported unit 45 experienced a process upset during startup and emissions from a gas oil hydrodesulphurizer flare at its Borger, Texas, refinery, according to a filing with the Texas Commission on Environmental Quality.

Reuters, 9:17 September 24, 2014

Citgo Reports SRU, Incinerator Trip at Its 163,000 b/d Corpus Christi, Texas Refinery September 23

Citgo Petroleum Corp reported emissions from a tail gas incinerator and WP sulfur recovery unit (SRU) at its Corpus Christi refinery West plant. The SRU and incinerator tripped due to PLC processor failures, according to a filing with the Texas Commission on Environmental Quality.

Reuters, 18:13 September 23, 2014

Alon Reports Leak in Exchanger Stopped at Its 67,000 b/d Big Springs, Texas Refinery September 24

Alon USA Energy Inc reported alkylation no. 6 cooling tower fugitive emissions from cooling water were being contaminated by a leaking exchanger. Operations were blocked in the water side to the exchanger, stopping the leak, according to a filing with the Texas Commission on Environmental.

Reuters, 15:13 September 24, 2014

Tesoro Says Equipment Restarted after Malfunction at Its 251,000 b/d Carson, California Refinery September 20

Tesoro Corp reported a unit upset and flaring at its Carson, California refinery on Saturday morning. The equipment affected by this event was been restarted, according to the company

Refinery capacity: 251,000 barrels per day

Reuters, 10:26 September 23, 2014

Reuters, 4:10 September 23, 2014

Chevron Reports SRU Emissions at Its 245,271 b/d Richmond, California Refinery September 19

Chevron Corp, on Friday, reported emissions from the sulfur recovery unit (SRU) at its refinery in Richmond, California, according to a filing with the U.S. National Response Center made public on Tuesday.

Reuters, 4:06 September 23, 2014

ExxonMobil Reports Flaring at Its 149,500 b/d Torrance, California Refinery September 24

ExxonMobil Corp reported flaring at its Torrance, California, refinery, according to a filing with the California Emergency Management Agency. The refinery continues to operate.

Reuters, 17:28 September 24, 2014

Philadelphia Energy Firms Seek Rail Line Changes to Boost Bakken Crude

Philadelphia-area energy officials were in talks with the local commuter rail agency to increase access to a three-mile stretch of rail near the city's airport to allow for greater shipments of Bakken crude oil, people familiar with the talks told Reuters. The outcome of the negotiations would determine whether Monroe Energy, the Delta subsidiary that runs the 165,000 b/d refinery in Trainer, Pennsylvania, would be able to reduce its reliance on oil shipped from the Gulf Coast and increase its intake of less-expensive Bakken crude. The airport line helps bring crude oil to the Eddystone rail facility, a joint venture between Enbridge Inc. and Canopy Prospecting. It takes in about a unit train a day and pumps the oil into a ship that carries it to Delta's refinery. Eddystone could accept more crude oil daily, but there is a restriction that limits its access to the commuter line to about four hours each night. Monroe Energy wants to build a 200,000 b/d pipeline between its refinery and Eddystone. The company held community hearings on the topic this summer, and a final decision about moving forward is expected soon. Meanwhile, Eddystone wants to expand its facility by adding additional tracks and storage on an adjacent lot it owns.

http://www.downstreamtoday.com/news/article.aspx?a_id=44630

EnLink Midstream Announces Completion of Phase II of Cajun-Sibon NGL Expansion Project in Louisiana, 60 MMcf/d Bearkat Natural Gas Processing Plant in Texas

The EnLink Midstream Partnership on Wednesday announced it completed the construction of Phase II of the Cajun-Sibon natural gas liquids (NGL) expansion project in South Louisiana. The Partnership also completed the construction of the Bearkat natural gas processing plant and rich gas gathering system in West Texas. The expanded Cajun-Sibon system connects EnLink Midstream's Eunice fractionator in South Louisiana to Mt. Belvieu supply pipelines in East Texas. Phase II of the Cajun-Sibon project includes the expansion of the Partnership's Cajun-Sibon pipeline capacity by an additional 50,000 b/d of raw-make NGL to 120,000 b/d; the installation of a 100,000 b/d fractionator adjacent to the Partnership's Plaquemine natural gas processing plant; the modification of the Riverside fractionator facility; and the construction and conversion of approximately 90 miles of NGL pipelines that originate at the Partnership's Eunice fractionator and connect to the new Plaquemine fractionator. The first phase of the Bearkat Processing Complex and Gathering System expansion project includes the construction of a new 60 MMcf/d natural gas processing plant, known as Bearkat, and 65 miles of high pressure gas gathering pipeline. The Bearkat plant, which is located in Glasscock County, is complete. The Partnership has also completed a portion of the gas gathering system, which includes 30-miles of high pressure pipeline that provides gas takeaway capacity for producers in Glasscock and Reagan Counties. The additional 100 MMcf/d, 35-mile, high pressure pipeline, which will provide further gas gathering capacity for the Bearkat natural gas processing complex, was underway and expected to be operational in the fourth quarter of 2014. The second phase of the expansion project includes a new 120 MMcf/d natural gas processing plant, multiple low pressure gathering pipelines, and a new 23-mile high pressure gathering pipeline that will tie into the Bearkat gas gathering system. The natural gas processing plant, known as Ajax, will be located to the north of the Bearkat plant, and will increase the total transportation capacity of the Bearkat gas gathering system to over 400 MMcf/d. The new pipelines were expected to be operational in the first quarter of 2015 and the Ajax gas processing plant was expected to be operational in the second half of 2015.

<http://enlk.enlink.com/investor/investor-news/investor-news-details/2014/EnLink-Midstream-Completes-Construction-Projects-in-South-Louisiana-and-West-Texas/default.aspx>

Transco Says Southeast Louisiana Lateral Repairs to Be Complete by September 30

Williams Cos Inc's Transcontinental Gas Pipeline Co (Transco) said it was conducting repair work at Station 62 in Gibson (Terrebonne Parish), Louisiana along with Southeast Louisiana Lateral (SELA) in the SS 47 area and that all repairs should be complete by September 30. Transco said total production impacted was 105 MMcf.

<http://www.1line.williams.com/1Line/wgp/download?delvid=6028554&hfNoticeFlag=Y&hfDownloadFlag=false&hfFileName=download.html>

Reuters, 16:56 September 24, 2014

Fire Reported after Car Ruptures Natural Gas Pipeline in Indiana September 23

A fire from a ruptured natural gas pipeline near Elwood in Madison County, Indiana burned out 3 hours after a vehicle ran over a roadside valve igniting the fire September 23. Vectren and Panhandle Eastern closed off the line between two valves while two nearby farms were evacuated as a precaution.

<http://www.wthr.com/story/26600403/2014/09/23/pipeline-fire-prompts-evacuations-near-elwood>

<http://www.theindychannel.com/news/local-news/gas-line-fire-burns-50-feet-in-the-air-for-hours-after-madison-county-crash>

ExxonMobil Reports Unit Shut at Its 65 MMcf/d Dollarhide Gas Plant in Texas September 24

ExxonMobil reported the Wauk 3 unit went down on lubrication no flow alarm for the right bank of the engine and would not restart. Operations shut in all flowing wells to reduce and mitigate emissions. Mechanics replaced the lubricator pumps for the right and left engine banks, replaced the spark plugs, and restarted the unit.

<http://www11.tceq.state.tx.us/oc/eer/index.cfm?fuseaction=main.getDetails&target=204136>

DCP Midstream Reports Turbine Shut at Its 160 MMcf/d Goldsmith Gas Plant in Texas September 24

DCP Midstream reported turbine B went down on raw gas interstage gas scbr high level shutdown. A supervisor was called to shutout the gas and an operator drained the level down. Maintenance changed filters on the raw gas inlet filter/seperator because it had high DP.

<http://www11.tceq.state.tx.us/oc/eer/index.cfm?fuseaction=main.getDetails&target=204138>

Other News

Duke Energy to Excavate Portion of Coal Ash at Its 370 MW W.S. Lee Steam Station in South Carolina

Duke Energy on Tuesday announced a briefing before the Public Service Commission of South Carolina (PSCSC) that it will excavate a portion of coal ash at the W.S. Lee Steam Station in Belton, South Carolina, while it continues engineering work on the rest of the site. The W.S. Lee Steam Station currently manages ash in two active ash basins, referred to as the primary and secondary basins. The site also has an inactive ash basin constructed in the 1950s, a structural fill, and an ash fill. The company's evaluation determined a capping system would not be suitable for the inactive basin and fill area. Constructed many years ago, the inactive basin's dike walls are steep and would require extensive tree removal and additional work to make that location appropriate for long-term storage. Duke Energy will evaluate a variety of disposal options, including the feasibility for permitting a landfill on plant property or relocating ash to an off-site landfill or structural fill. All those options will include a double bottom liner, leachate collection, synthetic capping system, and groundwater monitoring. The company continues to perform engineering studies on the two active ash basins and remaining structural fill to inform its recommended closure strategy. The company plans to submit that strategy to the South Carolina Department of Health and Environmental Control by year-end. The W.S. Lee Steam Station is expected to cease using coal by April 2015. Unit 3 will be converted to a natural gas boiler, and a separate 750 MW natural gas combined cycle plant will be constructed at the site to continue meeting customers' needs in the Upstate.

<http://www.duke-energy.com/news/releases/2014092302.asp>

International News

U.S., Saudi Arabia, UAE Strike Islamic State Modular Oil Refineries in Syria September 24

The United States was joined by Saudi Arabia and the United Arab Emirates (UAE) in striking modular oil refineries in eastern Syria on Wednesday, in an effort to stop Islamic State finances, officials said. One U.S. official told Reuters that such refineries could produce about \$2 million a day in oil revenue. Modular refineries are pre-fabricated and constructed off-site so they can be transported and made operational quickly.

http://www.downstreamtoday.com/news/article.aspx?a_id=44635

Libya's Oil Output Reaches 925,000 b/d; 120,000 b/d Hariga Port Operating Normally – NOC

Libya's oil output reached 925,000 b/d, a spokesman for the National Oil Corporation (NOC) said on Thursday, the highest since before militias turned on each other after the overthrow of Muammar Gaddafi. Oil production had fallen as low as 200,000 b/d at times over the last year due to protests and port blockades, but has been recovering since the summer. Rising output from Libya has contributed to a fall in the international benchmark oil price to a two-year low this week, despite fears of supply disruptions in Iraq and Syria. Libya's eastern Hariga oil port has also fully recovered from eight months of blockades by protesters, port officials said, and is exporting more than 120,000 b/d. Hariga, located in Tobruk near the border with Egypt, reopened in April with three other eastern ports, under deal with a group of rebels which had ended a protest to demand regional autonomy.

Reuters, 10:54 September 25, 2014

Energy Prices

U.S. Oil and Gas Prices			
September 25, 2014			
	Today	Week Ago	Year Ago
CRUDE OIL West Texas Intermediate U.S. \$/Barrel	93.97	93.28	103.03
NATURAL GAS Henry Hub \$/Million Btu	3.84	3.97	3.59

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