



ENERGY ASSURANCE DAILY

Tuesday Evening, September 30, 2014

Electricity

EPA Approves Revised State Plan to Close Two Coal-fired Units at PNM's 1,800 MW San Juan Generating Station in New Mexico

The U.S. Environmental Protection Agency (EPA) on Friday approved a revised state plan to comply with federal environmental rules that calls for closing two of four units at PNM's San Juan Generating Station, a coal-fired power plant located in the Four Corners area of northwestern New Mexico. Implementation of the revised plan would result in a significant reduction of water use and emissions at the plant and a 30 percent reduction of coal in PNM's portfolio. The revised plan was proposed 18 months ago by PNM, the N.M. Environment Department, and EPA representatives, with encouragement from N.M. Gov. Susana Martinez and the Navajo Nation President Ben Shelly, as a cost-effective approach for complying with federal haze regulations. The revised plan will also put New Mexico down the path toward compliance with new carbon regulations proposed by the EPA in June. EPA approval is the second of three regulatory milestones necessary before the revised plan can be implemented. Last year, it won unanimous approval from the N.M. Environmental Improvement Board. N.M. Public Regulation Commission approval was still required. Settlement discussions with the various parties to the NMPRC case were ongoing.

<http://www.pnmresources.com/press/releasedetail.cfm?ReleaseID=873402>

Update: Dynegy, LLC's 510 MW Moss Gas-fired Unit 1 in California Returns to Service by September 29

The unit returned from an unplanned curtailment of 260 MW that began by September 28.

<http://content.caiso.com/unitstatus/data/unitstatus201409291515.html>

Blythe Energy, LLC's 493 MW Blythe Energy Center Gas-fired Unit in California Reduced by September 29

The unit entered an unplanned curtailment of 253 MW.

<http://content.caiso.com/unitstatus/data/unitstatus201409291515.html>

Petroleum

ConocoPhillips Tanker Carrying Alaska Crude Oil Heads to South Korea in First U.S. Crude Oil Export in 10 Years

ConocoPhillips' Polar Discovery oil tanker left Valdez, Alaska, on Friday with a crude oil shipment bound for South Korea, the first export shipment of Alaska oil in a decade, according to Genscape, which operates a vessel tracking business providing market information to traders. Genscape said the tanker was expected to arrive October 10 at Yeosu, South Korea, the home of the 775,000 b/d GS Caltex refinery. ConocoPhillips on Monday confirmed the shipment to Asia. The oil company said terms of the deal are confidential and that future shipments would be "primarily determined by market conditions and in part by tanker availability." The U.S. Energy Information Agency says that while oil exports from Alaska have been allowed since 1996, there have been none since 2004.

<http://www.adn.com/article/20140929/conocophillips-tanker-carrying-alaska-crude-oil-headed-s-korea>
<http://www.chevron.com/documents/pdf/southkoreafactsheet.pdf>

Niland-to-Imperial Lateral on Kinder Morgan's SFPP Pipeline in California Back Online September 28 after Power Outage Due to Storms September 27

Kinder Morgan Energy Partners said its 6-inch Niland to Imperial product pipeline lateral on its SFPP system in southern California was shut at 5:30 p.m. PDT, Sunday after a wind storm in Niland knocked out power. The line was back in service by 9:50 p.m. PDT Sunday and there were no customer impacts, according to the company. Reuters, 11:05 September 30, 2014

http://www.kindermorgan.com/business/products_pipelines/imperial.cfm

Calumet Reports Operations Suspended at Its 14,500 b/d San Antonio, Texas Refinery after Crude Unit Fire September 30

Calumet Specialty Products Partners reported a small fire in the crude unit at its San Antonio, Texas refinery. The fire was extinguished within minutes and operations at the refinery were temporarily suspended while the damage was assessed and repairs made, according to Calumet.

Reuters, 9:54 September 30, 2014

Chevron Reports Unit Upset at Its 245,271 b/d Richmond, California Refinery September 19

Chevron Corp reported a unit upset on September 19 at its Richmond, California refinery, according to a filing with Contra Costa Health Services. No offsite impact was expected, according to Chevron.

Reuters, 17:38 September 29, 2014

Marathon to Install Condensate Splitter at Its 80,000 b/d Canton, Ohio Refinery by Late November

Marathon Petroleum Corp planned to finish installing a new condensate splitter at its refinery in Canton, Ohio, by November 27, three people familiar with the plans said. The installation of the splitter had not resulted in production losses at the facility, one source said. During its earnings call in May, company officials said the 25,000 b/d condensate splitter would be finished by the end of the year. Marathon was also installing a 35,000 b/d condensate splitter at its 240,000 b/d Catlettsburg, Kentucky, refinery. That unit was expected to come online during the first quarter of 2015, the company said.

Reuters, 14:31 September 29, 2014

ExxonMobil Crews Repairing Leak on Baytown-to-San Antonio Product Pipeline in Texas September 28

ExxonMobil crews were repairing an underground pipeline in Marion, Texas Sunday evening, after an unknown amount of oil leaked on September 24, forcing the pipeline to shut down indefinitely. Crews installed booms to keep the oil from entering a tributary that feeds into the Santa Clara Creek. The pipeline delivers refined products from Exxon's Baytown refinery to South Houston and San Antonio.

<http://www.kens5.com/story/news/local/2014/09/28/exxonmobil-leak-marion/16406093/>

<http://www.ksat.com/content/pns/ksat/news/2014/09/28/exxon-mobil-claims-responsibility-for-marion-oil-leak0.html>

Enbridge Says Its Reversed 300,000 b/d Crude Oil Line 9 from Ontario to Quebec Will Re-enter Service in Early November

Enbridge Inc said on Tuesday it expected Line 9, carrying about 300,000 b/d of crude oil from Sarnia, Ontario, to Montreal, Quebec would be in service in early November. The company had reversed the flow of the pipeline in order to take Western Canadian crude to refiners in Eastern Canada. Enbridge also said it expected to make a final decision on whether to proceed with the Northern Gateway pipeline project, carrying Alberta crude oil to a port on British Columbia's northern Coast, in 2015.

Reuters, 10:25 September 30, 2014

TransCanada Declares Force Majeure on Its 1.6 Bcf/d Portion of ANR Gas Pipeline in Michigan September 29 after Rupture September 16

TransCanada declared force majeure on its ANR natural gas pipeline after a rupture in Michigan last week caused a loss in pressure and reduced supplies to customers, according to a notice on Monday. The cause of the leak on the 1-100 Line in Benton Harbor in southwest Michigan on September 16 was unknown and TransCanada was investigating, a company spokeswoman said. It was not clear when the pipeline would return to full service. The Pipeline and Hazardous Materials Safety Administration (PHMSA) issued a corrective action order last week ordering TransCanada to restrict flows following the incident. Deliveries were reduced on three sections of the ANR pipeline, the affected portion of which can carry 1.6 Bcf/d. On September 26, TransCanada issued an operational posting identifying locations where pressure reductions could affect service along mainline segment. TransCanada said capacity in Southwest Mainline, Michigan Leg South, and Michigan Leg North would be reduced by a total of 1.186 Bcf/d.

<http://anrebb.transcanada.com/>

Reuters, 18:08 September 29, 2014

Reuters, 16:51 September 29, 2014

Update: FERC Approves Dominion's Cove Point LNG Export Project in Maryland

Dominion on Monday received the Federal Energy Regulatory Commission's (FERC's) approval to site, construct, and operate the Cove Point LNG liquefaction and export project. Dominion must review and accept the order. Upon completion of that review, the company expects to file an implementation plan describing how it will comply with the conditions set forth in the order. Dominion expects to ask the FERC for a "Notice to Proceed" at that time and plans to begin construction when the notice is received. This process—from Dominion review through FERC's notice—was expected to take several weeks. With its June 2012 pre-filing application, Dominion notified the FERC that it was planning to add export capability at its Cove Point terminal in Lusby, Maryland. The FERC had been researching and analyzing the proposal since then. The proposed export facility will be within the 131-acre footprint of the existing LNG terminal site in Calvert County. No new pipelines or storage tanks were needed at the facility. Dominion fully subscribed the marketed capacity of the project with 20-year service agreements.

<http://dom.mediaroom.com/2014-09-29-Dominion-Welcomes-FERC-Approval-Of-Cove-Point-LNG-Export-Project>

Enterprise to Build 200 MMcf/d Natural Gas Processing Facility, Pipelines to Serve Delaware Basin in New Mexico and Texas

Enterprise Products Partners L.P. today announced plans to construct a new cryogenic natural gas processing plant in Eddy County, New Mexico and associated natural gas and natural gas liquid (NGL) pipeline infrastructure to facilitate growing production of NGL-rich natural gas in the Delaware Basin. These assets were expected to begin operations in the first quarter of 2016. The South Eddy natural gas processing plant will have an initial capacity of 200 MMcf/d of natural gas, with the potential for future expansions. To supply the new plant, Enterprise plans to construct approximately 80 miles of natural gas gathering pipelines to complement its existing 1,500 miles of natural gas pipelines located in the Delaware Basin. Enterprise will also build a 75-mile, 12-inch diameter NGL pipeline to transport NGLs from the South Eddy plant to the company's 75,000 b/d Hobbs NGL fractionation and storage facility in Gaines County, Texas. Through the connection at Hobbs, customers will have access to Enterprise's integrated network of pipelines linking them to the company's NGL fractionation and storage complex in Mont Belvieu, Texas. Additionally, Enterprise plans to construct pipelines to deliver residue gas from the South Eddy plant to multiple third party pipelines.

<http://phx.corporate-ir.net/phoenix.zhtml?c=80547&p=irol-newsArticle&id=1972211&highlight>

Enterprise Announces Ninth 85,000 b/d NGL Fractionator at Its Mont Belvieu, Texas Complex

Enterprise Products Partners L.P. on Monday announced it will build its ninth natural gas liquid (NGL) fractionator at its complex in Mont Belvieu, Texas. The fractionator will have a nameplate capacity of 85,000 b/d and was expected to begin operations as early as January 2016. Upon completion of the ninth NGL fractionator, Enterprise will have gross nameplate NGL fractionation capacity of 755,000 b/d at Mont Belvieu and total gross NGL fractionation capacity of approximately 1.2 million b/d. Enterprise secured the required permits and emission credits for both the ninth and a similarly-sized tenth NGL fractionator at Mont Belvieu.

<http://phx.corporate-ir.net/phoenix.zhtml?c=80547&p=irol-newsArticle&ID=1971765&highlight>

Enterprise Completes Initial Segment of Its 425,000 b/d Aegis Ethane Pipeline in Texas

Enterprise Products Partners L.P. on Monday announced that construction of the first segment of the Aegis pipeline between Mont Belvieu and Beaumont, Texas was completed and ready to make ethane deliveries to petrochemical customers. This 60-mile segment of 20-inch diameter pipeline is part of the 270-mile Aegis ethane pipeline that when complete will create a 500-mile header system that stretches from Corpus Christi, Texas to the Mississippi River in Louisiana. Including Enterprise's existing South Texas infrastructure, this system was in service from Corpus Christi to Beaumont. The remainder of the Aegis pipeline will be completed in two phases. The next segment between Beaumont and Lake Charles, Louisiana was scheduled to be completed in the third quarter of 2015. The final segment from Lake Charles to the Mississippi River was expected to be completed by the end of 2015. Aegis will have a capacity expandable to 425,000 b/d.

<http://phx.corporate-ir.net/phoenix.zhtml?c=80547&p=irol-newsArticle&ID=1971795&highlight>

Kinder Morgan Announces Anchor Ethane Shipper for Its 50,000 b/d Utica-to-Onatrio Pipeline Access Project

Kinder Morgan Energy Partners, L.P. on Monday announced it received a long-term transportation agreement from NOVA Chemicals Corp to transport ethane and ethane-propane mixtures from the Utica shale area through its previously announced Utica to Ontario Pipeline Access (UTOPIA) project, which was in a binding open season that began September 5, 2014, and will close on October 6, 2014. As part of the UTOPIA project, Kinder Morgan Cochin will develop, construct, own, and operate a 240-mile, 12-inch diameter pipeline from Harrison County, Ohio, to Kinder Morgan's 95,000 b/d Cochin Pipeline near Riga, Michigan, where the company would then move product eastward to Windsor, Ontario, Canada. UTOPIA would have an initial 50,000 b/d of capacity, which is expandable to more than 75,000 b/d. The pipeline project is expected to be in service by early 2018 with the receipt of timely permitting and regulatory approvals.

<http://phx.corporate-ir.net/phoenix.zhtml?c=93621&p=irol-newsArticle&ID=1971825&highlight>

http://www.kindermorgan.com/business/products_pipelines/cochin.cfm

Other News

Nothing to report.

International News

Protesters in Eastern Libya Close 25,000 b/d Jalo 59 Oilfield September 30

Protesters blocking Libya's 60,000 b/d Abu Attifel oilfield also closed al-Waha Oil Co's Jalo 59 oilfield, a security official and activist said on Tuesday. The Abu Attifel oilfield, a joint venture between Italy's ENI and Libya's state oil company, had been closed for a year by locals who demanded jobs, part of a wave of strikes at oil facilities that began in July 2013. The closure of the Jalo 59 oilfield lowered Libya's oil output by 25,000 b/d to 900,000 b/d, a spokesman for state-run National Oil Corp (NOC) said on Sunday.

Reuters, 9:21 September 30, 2014

Energy Prices

U.S. Oil and Gas Prices			
September 30, 2014			
	Today	Week Ago	Year Ago
CRUDE OIL West Texas Intermediate U.S. \$/Barrel	91.26	91.61	101.88
NATURAL GAS Henry Hub \$/Million Btu	4.02	3.87	3.51

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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