



ENERGY ASSURANCE DAILY

Tuesday Evening, October 21, 2014

Electricity

Exelon's 2,264 MW Limerick Nuclear Generating Station in Pennsylvania Has License Extended for 20 Years

The Nuclear Regulatory Commission (NRC) renewed the operating licenses of the Limerick Generating Station, units 1 and 2, for an additional 20 years of operation. The new licenses will expire October 26, 2044, for unit 1 and June 22, 2049, for unit 2.

<http://pbadupws.nrc.gov/docs/ML1429/ML14293A264.pdf>

Update: FirstEnergy's 831 MW Beaver Valley Nuclear Unit 2 in Pennsylvania at Full Power by October 21

On the morning of October 20 the unit was operating at 80 percent, down from full power on October 17.

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

Update: Exelon's 1,111 MW La Salle Nuclear Unit 1 in Illinois Ramped Up to 25 Percent by October 21

By the morning of October 20 the unit had restarted and was operating at 15 percent. The unit was shut from full power by October 12.

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

Entergy's 1,207 MW Grand Gulf Nuclear Unit 1 in Mississippi Reduced to 90 Percent by October 21

On the morning of October 20 the unit was operating at full power.

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

AES's 175 MW Redondo Gas-fired Unit 6 in California Shut by October 20

The unit entered an unplanned outage.

<http://content.aiso.com/unitstatus/data/unitstatus201410201515.html>

Petroleum

DOE to Reexamine Size of Strategic Petroleum Reserve Amid Increased Domestic Output

The U.S. Department of Energy (DOE) will examine how to boost efficiency of the Strategic Petroleum Reserve (SPR) now that domestic crude oil output is booming. DOE believes that a broad, long-range strategic review of the SPR needs to be accomplished, according to a letter the DOE Office of Fossil Energy wrote to the Government Accountability Office (GAO). According to the letter, the DOE, steward of the SPR, has started the process to conduct the review. The DOE will examine the program in light of gains in U.S. output and market changes, the letter said. U.S. oil output from energy patches like North Dakota's Bakken region has surged in recent years. As oil imports shrink, the country may need to store less oil in case of emergencies. The SPR, designed to hold 727 million barrels, currently holds about 690 million barrels. The GAO released the letter as part of a broader federal review on the domestic oil discovery, which also asked whether the 40-year-old ban on crude exports is still in the national interest. The SPR currently holds more oil than required by international agreements. As part of U.S. membership in the International Energy Agency, the country must maintain reserves of at least 90 days worth of net imports. As of May, the SPR held 106 days and private industry held 141 days, the report said.

Reuters, 17:04 October 20, 2014

<http://www.gao.gov/products/GAO-14-807>

Update: Citgo Restarting Production at Its 163,000 b/d Corpus Christi, Texas Refinery October 20 after Loss of Steam Supply October 15

Citgo Petroleum Corp on Monday was restarting production on all units in the East Plant of its refinery in Corpus Christi, Texas, said sources familiar with operations at the refinery. The supply of steam needed in the refining process in the East Plant stopped on Wednesday afternoon and was restored late on Sunday night, the sources said. The East Plant units were on hot circulation since the loss of steam supply and were expected to quickly return to planned production levels, according to the sources. The Corpus Christi/Nueces County Local Emergency Planning Committee warned area residents on Monday that the Citgo refinery East Plant would be starting up a unit. The Citgo East Plant and the adjoining East Plant of Flint Hills Resources' 293,000 b/d Corpus Christi refinery are supplied with steam by the Calpine Corp's Corpus Christi Energy Center. Sources said that both the Citgo and Flint Hills east plants were idle due to the steam loss.

Reuters, 14:20 October 20, 2014

Chemical Leak Contained at Phillips 66's 285,000 b/d Bayway, New Jersey Refinery Complex October 20

Police, firefighters, and a hazmat team responded to a chemical leak at the Infineum plant inside Phillip 66's Bayway refinery complex in Linden, New Jersey around 8 a.m. EDT Monday on a report of a chemical cloud, Linden authorities said. A 25 percent concentration of ethylaluminum dichloride in a hydrocarbon oil was released but contained within one hour, according to Infineum. Plant employees were ordered to shelter in place until about 9:50 a.m. EDT, as a precautionary measure. No injuries were reported and refinery operations were uninterrupted. Crews that were dispatched to monitor the fence line and surrounding areas did not detect any odor or hydrocarbon concentrations.

<http://www.infineum.com/Pages/news20141020.aspx>

<http://newyork.cbslocal.com/2014/10/20/emergency-crews-responding-to-incident-at-plant-in-linden-nj/>

<http://www.phillips66.com/EN/about/our-businesses/refining-marketing/refining/bayway/Pages/index.aspx>

Reuters, 10:43 October 20, 2014

Phillips 66 Reports Unplanned Flaring at Its 139,000 b/d Wilmington, California Refinery October 20

Reuters, 21:30 October 21, 2014

Phillips 66 Reports Process Unit Upset at Its 336,000 b/d Wood River, Illinois Refinery October 20

Reuters, 4:15 October 21, 2014

Update: Tesoro Continues Cleanup One Year after 20,600 Barrel Oil Spill in North Dakota

Tesoro Corp. was still working around the clock cleaning up a 20,600 barrel oil spill after a pipeline rupture flooded a wheat field in northwestern North Dakota on September 29, 2013. Tesoro blames a lightning strike for causing the rupture. Cleanup costs increased from the company's original estimate of \$4 million to a forecast of more than \$20 million, and it may be at least another year before work is completed, the company and state officials said. The 35-mile long pipeline was restarted last November and had leak-detection equipment installed, and frequent aerial and ground inspections were being done. The state Health Department, which was monitoring the cleanup, said no water sources were contaminated and no wildlife was hurt from the spill. Cleanup crews recovered about 6,000 barrels of oil, though more than 14,000 barrels were lost, officials said. Crews initially burned oil from the surface and later used vacuums to recover it although that proved ineffective after the oil seeped far underground, officials said. Tesoro was using a thermal desorption process that involves excavating contaminated soil and heating it before being replaced. University scientists from North Dakota were studying the soil and plan to plant a test crop there next year, state and company officials said.

http://www.huffingtonpost.com/2014/10/20/north-dakota-oil-spill-cleanup_n_6017286.html

XTO Energy's Well Leaks 300 Barrels of Oil, Water Due to Mechanical Failure in North Dakota October 16

The Oil and Gas Division reported October 17 that 300 barrels of oil and water were contained and recovered at XTO Energy Inc.'s well near Watford City, North Dakota. The well began leaking October 16 due to a mechanical failure at a wellhead.

<http://abcnews.go.com/US/wireStory/north-dakota-leaking-oil-gas-water-26284040>

Crestwood Midstream Partners Announces Successful Non-Binding Open Season for 700 MMcf/d MARC II Pipeline from Pennsylvania to New York

Crestwood Midstream Partners LP on Monday announced that its subsidiary, Central New York Oil & Gas Company LLC (CNYOG), which owns the North-South and MARC I pipelines and the Stagecoach storage facility, successfully concluded a non-binding open season to solicit interest for firm transportation of natural gas on a proposed new 30-mile pipeline extending CNYOG's system to the proposed PennEast Pipeline, a new interconnect on Transco's Leidy Line, and Transco's proposed Atlantic Sunrise Expansion Project in Luzerne County, Pennsylvania. Crestwood received non-binding indications of interest for firm transportation on the proposed MARC II Pipeline in excess of 700 MMcf/d. The MARC II Pipeline would provide additional market access for gas received from multiple receipt points into the existing CYNOC system including the Stagecoach storage facility, major gathering systems owned by Southwestern Energy and Access Midstream Partners, and both the Millennium and Tennessee Gas Pipeline interstate natural gas systems. CYNOC's existing system has the capability to receive over 2.5 Bcf/d of Marcellus supply and is in the process of adding a third interconnect with Access Midstream Partners' gathering system in 2015 that will expand its total Marcellus supply access to approximately 3.3 Bcf/d. Crestwood plans to conduct a binding open season for the MARC II Pipeline in early November. Crestwood will use the information received during the non-binding open season and the subsequent binding open season in November to determine the appropriate design capacity of the MARC II Pipeline and the respective receipt and delivery point interconnects. FERC approval of the project will be sought once the appropriate design capacity of the MARC II Pipeline is determined. Crestwood anticipates a MARC II Pipeline in-service date in the fourth quarter of 2017. <http://phx.corporate-ir.net/phoenix.zhtml?c=248209&p=RssLanding&cat=news&id=1979538>

LNG America and Buffalo Marine Service Sign Cooperation Agreement for LNG Bunker Fuel Network for Gulf Coast Region

LNG America on Monday announced an agreement with Buffalo Marine Service, Inc. to cooperate on the design of an LNG bunker fuel network for the U. S. Gulf Coast region. LNG America was developing a hub-and-spoke delivery system for LNG as fuel for the marine market and other high horsepower applications. Ultimately, LNG America will establish a robust delivery infrastructure to ensure the secure and safe delivery of LNG as fuel in major US ports. The agreement would incorporate Buffalo Marine's logistical, commercial, and administrative expertise regarding bunkering operations with LNG America's experience with LNG as fuel for high horsepower applications; understanding of the emerging demand for LNG as a bunker fuel; and overall business-development efforts related to LNG bunkering. <http://www.lngamerica.com/lng-america-and-buffalo-marine-service-inc-sign-cooperation-agreement>

DCP Midstream Reports SRU Shut at Its 160 MMcf/d Goldsmith Gas Plant in Texas October 20

DCP Midstream reported the sulfur recovery unit (SRU) went down on combustion air blower lube oil malfunction. Repairs were being made to the lube oil pump. <http://www11.tceq.state.tx.us/oce/eer/index.cfm?fuseaction=main.getDetails&target=205391>

Other News

Nothing to report.

Pemex Evacuates 15,000 Workers from Platforms in Gulf of Mexico Due to Storms

Mexico's state oil company Pemex said on Tuesday it was evacuating 15,000 workers from installations in the Gulf of Mexico because of bad weather, adding the evacuation would have only a minimal impact on crude oil output. The evacuation from over 60 platforms in the Bay of Campeche was a precautionary measure and was carried out in accordance with the company's emergency response procedure, Pemex said. The U.S. National Hurricane Center said there is a 40 percent chance of a cyclone formation in the area, where there are currently thunderstorms and showers. The port of Cayo Arcas, one of Mexico's three main oil exporting ports in the Gulf of Mexico, was closed on Tuesday morning.

Reuters, 11:28 October 21, 2014

<https://twitter.com/Pemex>

Energy Prices

U.S. Oil and Gas Prices			
October 21, 2014			
	Today	Week Ago	Year Ago
CRUDE OIL West Texas Intermediate U.S. \$/Barrel	82.48	83.89	99.79
NATURAL GAS Henry Hub \$/Million Btu	3.61	3.87	3.72

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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