



ENERGY ASSURANCE DAILY

Friday Evening, October 24, 2014

Electricity

DTE Biomass Completes 9.6 MW Landfill Gas-fired Power Plant in North Carolina

DTE Biomass Energy on Thursday celebrated the completion of its 9.6 MW landfill gas-to-energy project at the Uwharrie Environmental Landfill in Mt. Gilead, North Carolina. DTE Biomass Energy last month started operating the facility at the landfill, which is owned and operated by Republic Services of North Carolina. Landfill gas at the site is used to generate renewable energy which is subsequently sold to Duke Energy Progress.

<https://dteenergy.mediaroom.com/2014-10-23-DTE-Biomass-dedicates-renewable-energy-facility-in-N-C>

Petroleum

Enbridge Asks NEB to Revisit Directive for Valve Shut-off on Its 300,000 b/d Line 9 Pipeline from Ontario to Montreal

In a letter to the National Energy Board (NEB) filed Thursday, Enbridge Inc. said it should not be required to install shut-off valves at every major water crossing of its Line 9 oil pipeline because it essentially meets the requirement to ensure the pipeline can be quickly shut down to prevent spills in rivers and creeks across Ontario and Quebec. Enbridge had been hoping to start its Line 9 reversal this fall in order to ship Western Canadian crude through Ontario to refineries in Quebec. But two weeks ago the NEB demanded the company identify all major waterways along the route, and explain why it had not installed valves on both banks of each one, as the board had required when it conditionally approved the project last spring. In its response filed Thursday, Enbridge noted that the regulations do not specify how far from the banks the valve must be, and insisted that in using modern engineering techniques with a number of remote-control shut-off valves, it had "met or exceeded" the rule. Enbridge has largely completed the work to reverse the 397-mile stretch of the 40-year-old pipeline that previously carried crude from Montreal to southwestern Ontario, and to expand the capacity to 300,000 b/d. The NEB will now have to review Enbridge's response and determine whether to order further action before awarding a certificate to commence operations.

Reuters, 19:38 October 23, 2014

NEB Grants Kinder Morgan's 590,000 b/d Trans Mountain Expansion Project Access to Burnaby Mountain in British Columbia

The National Energy Board (NEB) on Thursday issued an order granting Trans Mountain access to Burnaby Mountain to complete technical studies related to the company's proposed pipeline. The order prevents the City of Burnaby from blocking Trans Mountain from carrying out the required surveys and technical studies. The order requires Trans Mountain to provide the City of Burnaby with 48 hours written notice before entering Burnaby Mountain to carry out the surveys and studies. Furthermore, Trans Mountain must do as little damage as possible and remediate any damage it does cause, to the extent possible. Kinder Morgan applied with the NEB last December for permission to boost the capacity of the existing pipeline to 890,000 b/d from 300,000 b/d. The company hopes to complete the \$5.4 billion Trans Mountain expansion by 2017. That expansion involves twinning, or building, 610 miles of new pipeline along the existing 715-mile route between Edmonton in Alberta and Burnaby.

<http://www.neb-one.gc.ca/bts/nws/nr/2014/nr35-eng.html>

<http://online.wsj.com/articles/canada-regulator-grants-kinder-morgan-access-to-pipeline-route-1414123659>

Update: ExxonMobil Reports Minimal Production Impact from Snag at Its 560,500 b/d Baytown, Texas Complex

ExxonMobil Corp reported plugging in the discharge line to compressors resulted in flaring at its Baytown complex, according to the Texas Commission on Environmental Quality. The company reported minimal impact to production from the emissions. The Baytown complex includes a refinery and two chemical plants.

Reuters, 20:50 October 23, 2014

Husky Says Its 32,300 b/d Terra Nova Oilfield Offshore Eastern Canada Running at Reduced Rate

Husky Energy on Thursday reported its Terra Nova oilfield offshore Atlantic Canada was running at reduced rates of a few thousand barrels per day below normal levels. Husky has a 13 percent working interest on the Terra Nova field, which is operated by Suncor Energy Inc. In July the field produced 32,300 b/d. Last month Suncor completed planned maintenance lasting four weeks at Terra Nova.

Reuters, 13:14 October 23, 2014

Natural Gas

Regency Reports AGI Compressor Shut at Its 290 MMcf/d Waha Gas Plant in Texas October 23

Regency reported the acid gas injector (AGI) compressor shut on low suction pressure during the amine filter change out. Difficulties were experienced during startup of the compressor. The set point was adjusted on bypass to flare and allowed the unit to ramp up before putting gas to it, allowing for the startup of the compressor. After troubleshooting, valve sequencing was suspected of causing the difficulties during startup operations. A work order was written to look at the valve sequencing and programming.

<http://www11.tceq.state.tx.us/oce/eer/index.cfm?fuseaction=main.getDetails&target=205532>

Targa Reports Generator, Compressor Shut at Its 150 MMcf/d Sand Hills Gas Plant in Texas October 22

Targa reported a plant generator, G-3, shut and in order to reduce the load on the remaining two generators, operations switched the acid gas cooling fans from generated power to purchased power. During this switch, the cooling fan breakers reset and caused high discharge temperature at the acid gas compressor, C-14. This then shut down the compressor and routed gas to the emergency acid gas flare, F-4. The cooling fan breakers were activated, and the cooling fan motors and acid gas compressor, C-14, were restarted. As soon as this was accomplished, the flaring at the emergency acid gas flare, F-4, ceased.

<http://www11.tceq.state.tx.us/oce/eer/index.cfm?fuseaction=main.getDetails&target=205540>

Southern Star Announces Binding Open Season for Sooner Trails Project in Oklahoma

Southern Star Central Gas Pipeline, Inc. on Friday announced the commencement of a binding open season for the Sooner Trails Project from the South Central Oklahoma Oil Province (SCOOP) production play in Grady County, Oklahoma to the Bennington Pipeline Hub in Bryan County, Oklahoma. Binding bids must be submitted by November 21. If a binding open season is successful, Southern Star anticipates service provided through the proposed expansion to begin April 1, 2017. Southern Star is also interested in receiving non-binding bids for capacity.

<http://www.prnewswire.com/news-releases/southern-star-announces-binding-open-season-for-sooner-trails-project-214526766.html>

Reuters, 10:48 October 24, 2014

Other News

Nothing to report.

Islamic State Continues Syrian Oil Flow despite U.S-led Strikes

Islamic State was still extracting and selling oil in Syria and has adapted its trading techniques despite a month of strikes by U.S.-led forces aimed at cutting off this major source of income for the group, residents, oil executives and traders say. While the raids by U.S. and Arab forces have targeted some small makeshift oil refineries run by locals in eastern areas controlled by Islamic State, they have avoided the wells the group controls. This has limited the effectiveness of the campaign and means the militants are able to profit from crude sales of up to \$2 million a day, according to oil workers in Syria, former oil executives and energy experts. U.S.-led forces want to avoid hitting the oil installations hard because it could hurt civilians more than the militants and could radicalize the local population, analysts say. Over the summer Islamic State was pumping anything between 40,000 to 80,000 b/d of crude oil from the wells it controls in the Deir al-Zor and Hasaka provinces, according to estimates from oil experts, traders and local sources. The International Energy Agency said in a report this month that output in Islamic State-controlled areas had fallen to less than 10,000 b/d as a result of the air strikes.
Reuters, 9:07 October 24, 2014

Iraq’s Oil Exports Rising to 2.55 Million b/d in October despite Unrest

Iraq’s oil exports from its southern terminals were holding close to a record high in October and Kurdish shipments were climbing. Exports from Iraq’s southern terminals have averaged 2.55 million b/d, according to shipping data for the first 23 days of October tracked by Reuters. The export figure has been achieved despite some delays to shipments and loadings caused by bad weather, making the achievement all the more impressive, oil industry sources said. Southern Iraqi exports so far in October are slightly up from the average of 2.54 million b/d during all of September and are within sight of May’s average of 2.58 million b/d, which was the highest since at least 2003.
http://www.downstreamtoday.com/news/article.aspx?a_id=44989

Yemen’s 110,000 b/d Maarib Crude Oil Pipeline Attacked, Halting Flows

Tribesmen blew up Yemen’s main oil export pipeline on Friday, halting crude flows, local officials said, less than a week after it was repaired. The last attack was on October 16 and the pipeline was repaired two days later. The officials said the pipeline, which transports crude from Maarib oil fields in central Yemen to Ras Isa on the Red Sea, was blown up in the Wadi Obaida area. Yemen has said oil flows through the Maarib pipeline, one of its main petroleum export routes, at a rate of around 70,000 b/d. Before the wave of attacks began three years ago, the 270-mile pipeline carried around 110,000 b/d to Ras Isa.
Reuters, 11:41 October 24, 2014

Colombian Oil Pipeline Attacked by Rebels in Putumayo State

Local authorities in southern Colombia on Thursday requested a suspension of pumping oil after another rebel attack on a pipeline. The latest attack was carried out just outside La Hormiga, a small village in the south of the Putumayo state where the FARC has a strong presence. The FARC, Colombia’s largest rebel group, and the smaller ELN stepped up attacks against oil infrastructure between 2010 and 2013 when the number of attacks against oil pipelines went from 31 to 259, according to Ministry of Defense statistics. This year, rebels have carried out 111 attacks on oil pipelines.
<http://colombiareports.co/rebels-attack-oil-pipeline-southern-colombia/>

Energy Prices

U.S. Oil and Gas Prices			
October 24, 2014			
	Today	Week Ago	Year Ago
CRUDE OIL			
West Texas Intermediate U.S.	81.23	83.45	96.51
\$/Barrel			
NATURAL GAS			
Henry Hub	3.60	3.79	3.66
\$/Million Btu			

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>

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