



ENERGY ASSURANCE DAILY

Thursday Evening, November 20, 2014

Electricity

ISO New England Says Sufficient Power Supplies for Winter Expected, Natural Gas Pipeline Constraints an Ongoing Concern

ISO New England Inc., the operator of the region's bulk power system and wholesale electricity markets, said in a press release today that the New England region should have sufficient resources in place this winter to meet consumer demand for electricity. However, insufficient pipeline capacity to meet power generators' demand for natural gas continues to be a particular concern during the winter months. To address potential fuel-availability issues and to help protect system reliability during the cold winter weeks, ISO New England has for a second year developed a Winter Reliability Program (WRP). The executive vice president and chief operating officer of ISO New England Inc said even with that program, system operators' ability to maintain a reliable supply of power was challenged as a result of the limited supply of natural gas coming into New England to serve natural gas power plants. Because of the retirement of several large non-natural-gas-fired generators since last winter, as well as the possibility of pipeline constraints, the ISO and stakeholders implemented another winter program to increase the fuel availability for oil- and natural-gas-fired power plants. If this winter is the same or colder than last winter, having generators with oil on site or a committed source of liquefied natural gas will help improve power system operations.

<http://www.iso-ne.com/static-assets/documents/2014/11/2014-winter-outlook-press-release-final.pdf>

PJM Records New Peak Power Demand for Month of November

At 7 p.m. Tuesday, grid operator PJM Interconnection recorded a new preliminary peak of 121,987 MW for power demand for the month of November. By comparison, the highest demand for electricity last November was 114,699 MW. In January 2014, usage over PJM's territory reached an all-time winter high, surpassing by a few thousand megawatts the previous record of 136,000 MW set in 2007. Single-digit temperatures, which resulted in equipment failures at some power plants, tested PJM's capacity to generate enough electricity under such conditions. The grid operator said it has been taking steps to prepare for the winter season, including more testing of generating equipment beforehand, improving operating procedures, and improving coordination with the gas pipeline industry.

<http://www.mcall.com/business/mc-pjm-electricity-record-20141119-story.html>

Petroleum

Petroleum Federated Co-operatives Reports Leak at Its 130,000 b/d Regina Refinery in Saskatchewan November 19

Officials at Petroleum Federated Co-operatives Regina refinery said repairs were being made and an investigation was underway after a leak in one of its production units that forced a partial evacuation Wednesday afternoon. The director of communications estimated the refinery would be back in full production by Friday afternoon.

<http://www.cbc.ca/news/canada/saskatchewan/investigation-underway-after-leak-at-regina-co-op-refinery>

Frozen Valve Causes Oil, Saltwater Spill at Whiting Oil and Gas Tank Battery Site in North Dakota November 17

Inspectors were monitoring the site of a spill after the North Dakota Oil and Gas Division reported that workers contained 317 barrels of saltwater and 4 barrels of oil at a Whiting Oil and Gas tank battery site near Alexander November 17. The company reported that a frozen valve caused the spill and did not cause any environmental damage.

http://bismarcktribune.com/bakken/north-dakota-energy-workers-contain-oil-water-spill/article_058a3972-6f3d-11e4-80db-1baa73c05ccf.html

Explosion, Fire Reported at Midwest Fuels Plant in Wisconsin November 19

Authorities were investigating the cause of an explosion after a tank of liquid asphalt at the Midwest Fuels plant in La Crosse, Wisconsin exploded, prompting officials to warn residents within a 10 block radius to stay indoors November 19. Firefighters extinguished the blaze and deployed absorbent material to protect the Black River from possible contamination. Worried about the possibility the tank could collapse, employees deployed absorbent material to protect the nearby Black River from possible contamination by the mixture of asphalt and diesel fuel. An environmental cleanup crew on Wednesday removed any contaminated water from the site.

http://lacrossetribune.com/news/local/update-fire-extinguished-after-morning-explosion-rocks-north-side/article_9ae162c7-bbc3-54dd-8cca-84a8be35a888.html

Quebec to Impose Conditions on TransCanada's 1.1 Million b/d Energy East Oil Pipeline

TransCanada Corp's plans for the Energy East pipeline to ship Alberta oil to Canada's East Coast face new obstacles with the province of Quebec imposing conditions before allowing the project to proceed through its territory, according to media reports on Thursday. The Quebec Environment Minister, in a letter to the company, set out seven conditions that Energy East must meet. They include an environmental assessment that examines its impact on greenhouse gas emissions as well as an outline of the pipeline's economic benefits for the province.

Energy East would take 1.1 million barrels per day of crude oil to refineries in Quebec and New Brunswick as well as to ports in both provinces for export. About 434 miles of the line's 2,858-mile route would run through Quebec.

<http://www.reuters.com/article/2014/11/20/transcanada-energyeast-quebec-idUSL2N0TA1DJ20141120>

Hiland Crude Announces Open Season to Expand Capacity on Its 100,000 b/d Double H Crude Oil Pipeline from North Dakota and Montana to Wyoming

Hiland Crude, LLC on Wednesday announced the launch of an open season to solicit shipper commitments to expanded capacity of Hiland's Double H crude oil transportation system, a new 488-mile pipeline currently under construction. An initial open season was held in 2012 for the base capacity. The Hiland pipeline currently under construction originates in the Bakken oil production areas near Dore, North Dakota and Sydney, Montana and terminates at Hiland's tankage near Guernsey, Wyoming. Under the service offered, Hiland will deliver oil into connecting pipelines near Guernsey, Wyoming. Interconnections near Guernsey will include the Tallgrass Pony Express Pipeline and various other proposed interconnections. Initial start-up service on Double H pipeline will begin in late December of 2014 and monthly nominations will be accepted for the month of January 2015. The expansion announced herein will take place in phases with up to 45,000 b/d of interim capacity expected to be made available in the first half of 2015 to shippers committing volumes under this open season. Full capacity expansion including the installation of additional pump facilities and pipe expansions as required is expected to be completed by December of 2016.

<http://www.hilandpartners.com/index.cfm?id=5&nid=45>

<http://www.hilandpartners.com/index.cfm?id=5&nid=39>

Natural Gas

Navitas Midstream Announces Agreement to Construct 120 MMcf/d La Bahia Natural Gas Plant in Texas

Navitas Midstream Partners, LLC announced today the execution of a long-term, fee-based agreement with an investment grade independent producer to provide gathering and processing services in the northern Eagle Ford Shale in Brazos and Grimes Counties, Texas. Navitas will construct the La Bahia system, which will consist of a 20-inch gathering line that will deliver gas from Brazos County to Navitas' natural gas processing plant to be located in Grimes County. When fully completed in mid-2015, the cryogenic processing plant will have a capacity of approximately 120 MMcf/d. The new La Bahia system will be located at the intersection of multiple producing horizons, including the Eagle Ford and Woodbine, according to the President and Chief Executive Officer of Navitas.

<http://navitas-midstream.com/news/detail/navitas-midstream-partners-announces-the-signing-in-the-northern-eagle-ford>

Copper Theft Reported at Caddo Creek's Mining Operation in Texas November 17

The Harrison County, Texas, Sheriff's Office on Monday was searching for suspects in connection to a copper theft at Caddo Creek Resources Company after approximately \$250,000 worth of spools of copper were taken from the mining operation.

http://www.marshallnewsmessenger.com/news/police/worth-of-copper-stolen/article_8bb3ef9e-6eab-11e4-b3a9-03c6730aff77.html

International News

Iraqi Minister Says Oil Shipments to Turkey Include Kirkuk Crude

Oil sourced from Kirkuk fields was shipped through Kurdish-built infrastructure, Iraq's Oil Minister said on Thursday, as a deal reached with Iraqi Kurds to end a long-running feud over oil revenues was implemented. Iraqi Kurds and the central government in Baghdad last week struck a deal in which Kurds agreed to give half, or 150,000 b/d, of their overall oil shipments to the federal government in exchange for Baghdad paying overdue civil servants' salaries. Kurds are currently pumping 300,000 b/d via a Kurdish Regional Government-built pipeline through Turkey. Iraq's northern export route, the Kirkuk-Ceyhan pipeline controlled by the federal government, has been damaged and segments of it fell under the control of Islamic State militants earlier this year, rendering it unusable. Many analysts have said the only viable option for Baghdad to sell its oil via the north was to use the Kurdish-built pipeline.

<http://news.yahoo.com/iraqi-minister-says-oil-shipments-turkey-kirkuk-crude-170700099--business.html>

Update: Venezuela's 645,000 b/d Amuay Refinery Reports Flexicoker Shut, Catalytic Cracker Operational – Workers

The flexicoker at Venezuela's Amuay refinery remained shut following a blackout earlier this month, though its catalytic cracker had resumed operations, workers said on Monday. Venezuela had rushed to import diesel and gasoline after power outages hit its main refining complex.

http://www.downstreamtoday.com/news/article.aspx?a_id=45299

Shell May Restart Work on Norway's Ormen Lange Gas Project in 2016

Royal Dutch Shell could restart work on offshore compression at its Ormen Lange gas field in Norway in the first quarter of 2016, after stopping the project in April, it said on Wednesday. The Ormen Lange gas field, which feeds the Langeled pipeline under the North Sea, is one of Britain's biggest sources of natural gas. Shell called off work on the subsea gas compression project, an innovative development, after costs spiraled and studies showed the decision was not time critical.

http://www.rigzone.com/news/oil_gas/a/135998/Shell_To_Revisit_Norways_Ormen_Lange_Gas_Project_In_2016#sthash.fvtcA8vt.dpuf

Iran Says Will Double Oil Exports in Two Months if Sanctions End

Iran's Oil Minister said it would double its oil exports within two months if sanctions against it end. Iran currently exports around 1.3 million b/d of oil. At OPEC's June meeting the Oil Minister said Iran could increase oil exports by 500,000 b/d immediately after any lifting of sanctions and could pump 4 million b/d in less than three months after.

<http://www.reuters.com/article/2014/11/20/opec-iran-saudi-idUSL6N0TA1DT20141120>

Energy Prices

U.S. Oil and Gas Prices			
November 20, 2014			
	Today	Week Ago	Year Ago
CRUDE OIL West Texas Intermediate U.S. \$/Barrel	74.95	74.08	93.77
NATURAL GAS Henry Hub \$/Million Btu	4.41	4.20	3.63

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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