



# ENERGY ASSURANCE DAILY

Friday Evening, January 13, 2017

## ***Electricity***

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### **Midwest States, Utilities Preparing to Respond to Weekend Winter Storm**

On Friday States in the Midwest United States were preparing for a winter storm, which is forecast to bring significant ice and snow to the region over the weekend. According to the National Weather Service, an extensive, widespread freezing rain event is possible from the southern Plains to the Ohio Valley Friday into Sunday, with the potential to cause downed trees, power outages, and dangerous travel conditions. In Missouri, Governor Eric Greitens declared a State of Emergency on Thursday, activating the State's emergency operations center and waiving Federal Motor Carrier Safety Act restrictions that limit the number of operating hours for commercial truck drivers carrying electrical, fuel, or other restoration supplies. Oklahoma Governor Mary Fallin also declared a state of emergency for all counties effective Friday. Numerous utilities in region, including Oklahoma Gas & Electric, Kansas City Power & Light, Nebraska Public Power District, Ameren Missouri, Ameren Illinois, and Southwestern Electric Cooperative in Illinois were also preparing to respond to downed power lines.

<http://www.weather.gov/>

<http://www.sos.mo.gov/library/reference/orders/2017/eo5>

<https://www.sos.ok.gov/documents/executive/1066.pdf>

<https://www.sos.ok.gov/documents/executive/1067.pdf>

<https://www.wunderground.com/news/winter-storm-jupiter-impacts-washington-oregon>

<http://thetelegraph.com/news/95085/southwestern-electric-prepared-for-winter-storm-recruits-additional-crews>

<http://ameren.mediaroom.com/news-releases?item=1512>

<https://twitter.com/OGandE>

<http://www.kcpl.com/>

<https://www.facebook.com/nebraskapublicpowerdistrict>

### **TVA's 1,125 MW Sequoyah Nuclear Unit 1 in Tennessee Ramped Up to 53 Percent by January 13**

On the morning of January 12 the unit was operating at 14 percent.

<http://www.nrc.gov/reading-rm/doc-collections/event-status/reactor-status/2017/>

### **TVA's 1,126 MW Sequoyah Nuclear Unit 2 in Tennessee Reduced to 72 Percent by January 13**

On the morning of January 12 the unit was operating at full power.

<http://www.nrc.gov/reading-rm/doc-collections/event-status/reactor-status/2017/>

### **Entergy's 836 MW Arkansas Nuclear Unit 1 in Arkansas Reduced to 38 Percent by January 13**

On the morning of January 12 the unit was operating at 99 percent.

<http://www.nrc.gov/reading-rm/doc-collections/event-status/reactor-status/2017/>

### **AmerenUE's 1,125 MW Callaway Nuclear Unit in Missouri at Full Power by January 13**

On the morning of January 12 the unit was operating at 90 percent.

<http://www.nrc.gov/reading-rm/doc-collections/event-status/reactor-status/2017/>

## **PCWA's 218 MW Middle Fork and Ralston Hydro Unit in California Returns to Service by January 12**

The unit returned from an unplanned outage.

<http://content.aiso.com/unitstatus/data/unitstatus201701121515.html>

## **Martinez Cogen Limited Partnership's 115 MW Martinez Gas-fired Unit in California Shut by January 12**

The unit entered an unplanned outage.

<http://content.aiso.com/unitstatus/data/unitstatus201701121515.html>

## **NRC To Review Permit for TVA's Proposed Clinch River Nuclear Site in Tennessee**

The U.S. Nuclear Regulatory Commission (NRC) has accepted an early site permit application for the Clinch River site near Oak Ridge, Tennessee for review. The Tennessee Valley Authority submitted the application and associated information in May 2016 and provided follow-up information through the remainder of the year. The review process determines whether a site is suitable for future construction and operation of a nuclear power plant. TVA is seeking resolution of safety and environmental issues related to a potential small modular reactor at the site, approximately 5 miles southwest of Oak Ridge. Accepting the application for review, or "docketing" the application, does not indicate whether the Commission will approve or reject the request. The NRC has established docket number 52-047 for this application. In the near future the NRC will publish in the Federal Register a notice of opportunity to intervene in an adjudicatory hearing. Petitions to intervene in a hearing must be filed within 60 days of the notice, by anyone whose interest may be affected by the proposed permit and who wishes to participate as a party in the proceeding.

<https://www.nrc.gov/reading-rm/doc-collections/news/2017/17-002.pdf>

## ***Petroleum***

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### **Update: Colonial Returns Its Line 19 Gasoline Spur Pipeline to Service in Tennessee January 12 after Discovering Gasoline Leak January 7**

Colonial Pipeline Co. reported its Line 19 gasoline spur pipeline between Atlanta, Georgia and Nashville, Tennessee returned to service at 9:30 p.m. EST Thursday night after being shut last Saturday following the discovery of a 15 barrel gasoline leak in Chattanooga. Line 20, a distillates line, was also shut as a precaution, but restarted last Sunday. Lines 19 and 20 are spur lines supplied from Colonial's Line 1 and Line 2 breakout junction in Atlanta. Colonial Pipeline, the largest refined products system in the United States, can carry more than 3 million barrels of gasoline, diesel, and jet fuel between the U.S. Gulf Coast and the New York Harbor area.

Reuters, 23:09 January 12, 2017

### **PBF Energy May Shut Coker for Repairs at Its 182,200 b/d Delaware City, Delaware Refinery – Source**

PBF Energy is considering shutting down the 49,000 b/d coker at its Delaware City, Delaware refinery to deal with a compressor issue, according to a source familiar with the plant's operations. The company plans to make a decision by Monday at the latest, the source said. The unexpected problems with the coker come ahead of the planned March 5 shutdown of the 65,000 b/d fluid catalytic cracking unit for 5 weeks of maintenance.

Reuters, 13:39 January 13, 2017

### **OSHA Cites Marathon's 451,000 b/d Galveston Bay, Texas Refinery for July 27 Butane Leak**

The U.S. Occupational Safety and Health Administration (OSHA) has issued two citations to Marathon Petroleum Corp's Galveston Bay, Texas refinery stemming from a July 27 butane leak, according to the citations. OSHA found an alarm in the refinery's Central Maintenance Building was not audible to employees when a leak from a damaged butane pipeline forced an evacuation of a portion of the refinery. OSHA also issued a citation alleging supervisors and employees were not informed of the evacuation process, according to the citation.

Reuters, 09:11 January 12, 2017

### **ExxonMobil to Restart FCCU, HCU at Its 344,600 b/d Beaumont, Texas Refinery by January 15 – Sources**

ExxonMobil Corp expects to return the 120,000 b/d fluidic catalytic cracking unit (FCCU) and the 65,000 b/d hydrocracking unit (HCU) to production by Sunday at its Beaumont, Texas refinery, sources familiar with plant operations said on Thursday. Operators were in the process of restarting units and the plant was continuing to meet contractual commitments, a spokeswoman said Thursday. The FCCU, HCU, one 80,000 b/d reformer, and one 75,000 b/d reformer were knocked out of production at the refinery last Saturday due to cold weather. The units were shut when severe cold weather affected compressors, the sources said.  
Reuters, 18:39 January 12, 2017

### **FCCU Upset Leads to Emissions at Flint Hills' 295,630 b/d Corpus Christi, Texas Refinery January 12**

Flint Hills Resources reported an upset led to emissions from the fluidic catalytic cracking unit (FCCU) at its Corpus Christi, Texas refinery on Thursday after the FCCU wet gas compressor unexpectedly shut down.  
Reuters, 14:33 January 13, 2017

### **Total Plans to Restart Turbine after Repairs at Its 225,000 b/d Port Arthur, Texas Refinery January 13 – Sources**

Total SA plans to restart the cogeneration unit's gas turbine on Friday afternoon at its Port Arthur, Texas refinery after completing repairs that began following a malfunction 6 days ago, according to sources familiar with plant operations. Refinery production was not affected by the turbine's outage as the cogen unit's boilers remained in operation while an external steam producer maintained steam supply.  
Reuters, 10:58 January 13, 2017

### **Western Refining Shuts FCCU after Fire Causes Minor Damage at Its 122,000 b/d El Paso, Texas Refinery January 12**

A fire caused minor damage to a 29,500 b/d fluidic catalytic cracking unit (FCCU) at Western Refining's 122,000 b/d refinery in El Paso, Texas on Thursday night, the company said. The unit was secured and will be restarted once all inspections are completed, the company said. Separately, the company reported emissions from the FCCU on Wednesday due to a valve malfunction.  
Reuters, 11:57 January 13, 2017  
Reuters, 10:27 January 13, 2017

### **North Dakota Oil Production Down 10,000 b/d in November to 1,034,000 b/d –State Regulator**

Oil production in North Dakota fell to 1,034,000 b/d in November, down 10,000 b/d from October, according to monthly data from the North Dakota Industrial Commission's monthly index report.  
Reuters, 11: 39 January 13, 2017

### **Shell Issues Tariff to Move SPR Crude on Zydeco Pipeline; Establishing New Routes in Texas and Louisiana to Accomplish Sale**

Shell on Friday filed a tariff to move oil from two Strategic Petroleum Reserve (SPR) sites on its Zydeco Pipeline after the U.S. Department of Energy issued a sales notice for the oil earlier this week, according to a filing with the Federal Energy Regulatory Commission (FERC). Shell's Zydeco pipeline is connected to the Big Hill, Texas and West Hackberry, Louisiana SPR sites. No oil has moved on the pipeline from the storage sites since 2014, and therefore no active tariff is available, Shell said in the filing. To accommodate the sale, Shell is establishing a new route from Big Hill to Port Neches, Texas. The route will allow shippers to reach existing points on the Zydeco system, but require additional movements beyond Port Neches because there is no available storage at that location, the filing said. Shell is also establishing routes from West Hackberry to destinations in Houma, Clovelly and St. James, Louisiana. The tariff will take effect on February 1.  
Reuters, 11: 20 January 13, 2017

## **Washington Supreme Court Delays Plans for Contanda's Proposed Terminal Expansion**

Washington State's Supreme Court on Thursday said Contanda LLC's planned terminal expansion to store crude oil in Grey's Harbor must be reviewed under the Ocean Resources Management Act – a 1989 state law protecting coastal environments following the Exxon Valdez spill in Alaska. Contanda, formerly Westway Terminal Group, intends to expand its existing methanol facility in Hoquiam to receive up to 17.8 million barrels of oil a year from sources including the Bakken region of North Dakota and Montana for shipping to refineries in California and Puget Sound. The plan includes the construction of four aboveground storage tanks that would each hold up to 8.4 million gallons, with a trainload of oil arriving every 3 days. In court, the company argued that the Ocean Resources Management Act did not apply to the proposal because it was an expansion of an existing terminal and because the project would be located onshore, rather than in the water. Washington's justices unanimously reversed decisions by a state board and the state Court of Appeals. In an emailed statement, a Contanda executive said the company disagrees with the ruling, but will work to make the project happen.

<http://www.thenewstribune.com/latest-news/article126104464.html>

## **U.S. East Coast Refiners Import Record Amounts of Algerian Crude in October – EIA**

In October, U.S. East Coast refiners imported 156,000 b/d of Algerian crude, the second-highest monthly tally ever and the most since 2007, the U.S. Energy Information Administration (EIA) reports. November and December were also active months after nearly 2 years of limited buying. The renewed interest in Algerian crude comes as the country ramped up exports and fellow African OPEC producers Libya and Nigeria have seized on their exemption from global production cuts and turned on their oil spigots, flooding a well-supplied market in need of new customers. The surge also comes as U.S. East Coast refiners have all but abandoned domestic crude via rail out of North Dakota in favor of waterborne imports following the collapse of the wide discount U.S. crude enjoyed against the global benchmark Brent, during the outset of the shale revolution in 2011 until the back half of 2015. Algeria's crude oil exports hit record highs in October, a source from state-run oil company Sonatrach told reporters. The biggest buyers of the October Algerian cargoes were Philadelphia Energy Solutions and Monroe Energy, followed by Phillips 66, EIA data shows. All three are historically big buyers of Bakken crude, which is comparable to North and West African grades.

[http://www.downstreamtoday.com/news/article.aspx?a\\_id=54931](http://www.downstreamtoday.com/news/article.aspx?a_id=54931)

## **MEG Energy Plans to Add 20,000 b/d of Bitumen Production at Its Christina Lake Project in Alberta**

Oilsands producer MEG Energy Corp. says it will spend \$400 million over the next 2 years on a brownfield expansion plan to add 20,000 b/d of bitumen production from its steam-driven Christina Lake project in northern Alberta. The Calgary-based company says it plans to drill new wells and implement production-enhancing technology, boosting its overall output by about 25 percent to 100,000 b/d in the first half of 2019. The increased production will be gradually ramped up through 2018 and early 2019.

<http://www.bnn.ca/meg-energy-announces-400m-project-to-boost-oil-sands-production-1.648344>

## **Natural Gas**

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### **Williams Partners' Transco Pipeline Delivers Record Natural Gas Volumes in Early January to Meet Demand Driven by Cold Weather in Eastern U.S.**

Williams Partners L.P. announced today that it delivered a record amount of natural gas on its Transco interstate gas pipeline to meet demand driven by recent cold weather conditions in Transco's market area that includes the U.S. Eastern Seaboard. The nation's largest-volume natural gas transmission system, Transco delivered a record-breaking 13.7 Bcf/d on January 8. The new peak-day mark surpasses the previous high of 13.5 Bcf/d that was set on January 7, 2015. The Transco system, which stretches from South Texas to New York City, also established a new 3-day market area delivery record January 7–9, averaging 13.6 Bcf/d (eclipsing the previous 3-day peak of 12.9 Bcf/d). Completed expansions to the Transco system in 2015 and 2016 contributed to the new volume records in early January. Transco's Virginia Southside, Northeast Connector, Mobile Bay South III, Leidy Southeast, and Rock Springs segments have all been placed in service in the last 22 months to serve customers' demand for power generation, industries, and local distribution. Construction is already underway on the Garden State, Gulf Trace, Dalton, Hillabee (Phase 1) and Virginia Southside II expansion projects that will add even more capacity during 2017.

<http://investor.williams.com/press-release/williams/williams-partners-transco-pipeline-delivers-record-volumes-early-january>

## Other News

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### Judge Orders Quick Evaluation on Coal Mining Jobs Lost Due to Air Pollution Regulations

The U.S. Environmental Protection Agency (EPA) is under court order to quickly evaluate how many power plant and coal mining jobs are being lost due to air pollution regulations. A U.S. District Judge in West Virginia made the ruling Wednesday after reviewing a response from outgoing EPA Administrator Gina McCarthy. According to Wednesday's order, McCarthy asserted it would take the agency up to 2 years to devise a methodology for compliance. The judge replied that the EPA is required by law to analyze the economic impact on a continuing basis when enforcing the Clean Air Act. Bailey ordered the EPA to identify facilities at risk of closure or reductions in employment. The judge also set a December 31, 2017 deadline for the EPA to provide documentation on how it is continuously evaluating the loss and shifts in employment that may result from administration and enforcement of the Clean Air Act.

<http://www.washingtontimes.com/news/2017/jan/12/in-epa-rebuke-judge-orders-quick-evaluation-on-coa/>

## International News

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### Libya's Oil Production up 50,000 b/d From Last Week to 750,000 b/d – Government Official

Libya's oil production is up to 750,000 b/d, officials said on Friday, a rise of about 50,000 b/d from last week. A 2-year blockade on pipelines in western Libya was lifted last month following lengthy negotiations. Before the pipeline from Sharara field reopened in December, Libya's oil production was about 600,000 b/d, up from less than 300,000 b/d earlier last year. Output remains well below the more than 1.6 million b/d that Libya used to produce before the 2011 uprising that toppled Muammar Gaddafi. The National Oil Corporation aims to raise production to 900,000 b/d by March, though any gains are vulnerable to Libya's political turmoil. Libya is one of two members of OPEC that are exempted from a recent pledge to cut production.

Reuters, 14:26 January 13, 2017

## Energy Prices

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U.S. Oil and Gas Prices			
January 13, 2017			
	Today	Week Ago	Year Ago
<b>CRUDE OIL</b> <b>West Texas Intermediate U.S.</b> \$/Barrel	52.31	53.93	30.37
<b>NATURAL GAS</b> <b>Henry Hub</b> \$/Million Btu	3.32	3.30	2.38

Source: Reuters

## Links

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***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](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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