



ENERGY ASSURANCE DAILY

Wednesday Evening, March 23, 2016

Electricity

Winter Storm Knocks Out Power to Over 174,000 Customers in Colorado March 23

A severe winter storm in the Central Rockies beginning Wednesday morning knocked out power to at least 174,563 customers in Colorado with impacts lingering into the afternoon. As of 3:30 p.m. EDT Wednesday, 150,977 customers remained without power. Xcel Energy, the hardest hit utility with 113,424 customer outages, said it had crews working as quickly and safely as possible to assess each situation and formulate restoration plans. The utility said restoration estimates are not available at this time due to current road and weather conditions. United Power, which reported 32,000 customer outages as of 12:10 p.m. MDT, said it anticipated a lengthy outage event due to the loss of power transmission to its system and adverse road conditions delaying restoration efforts. United Power crews also reported downed power lines due to ice build-up. Additionally, the utility said its outage mapping tool was experiencing high volume and technical difficulties, which was preventing user access on Wednesday. The table below shows total affected customers and the latest reported outages by utility. The “Affected” column shows the total count of customers that lost power at one point or another over the course of the storm for each utility. These outages may not have occurred concurrently and are not the same as peak outages. Additional outages are likely as the storm continues to track east over the northeast plains with expected snow accumulations up to 15 inches and wind gusts of 50 mph. Blizzard warnings are in effect for portions of Colorado, Wyoming, Kansas, and Nebraska throughout this evening.

Colorado Customer Power Outages			
March 23, 2016			
Electric Utility	State	Affected	Latest Reported
Xcel Energy	CO	113,424	94,368
United Power	CO	32,000	32,000
Poudre Valley REA	CO	22,182	17,652
Colorado Springs Utilities	CO	6,957	6,957
TOTAL*		174,563	150,977

*Total outages represent only electric utilities listed in this table.

Sources:

- http://www.xcelenergy.com/Emergency_Notices/Colorado_power_outages
- <https://twitter.com/XcelEnergyco>
- http://www.outagemap-xcelenergy.com/outagemap/?_ga=1.219521565.546892019.1455647825
- <http://www.unitedpower.com/news/>
- <http://ebill.pvrea.com/oms/outageMap>
- <http://www.pvrea.com/news-article?NewsID=71>
- <https://twitter.com/CSUtilities>
- <http://stormcenter3.csu.org.s3.amazonaws.com/default.html>
- <https://weather.com/storms/winter/news/winter-storm-selene-impacts>

SCE Reports Over 14,000 Customers without Power in California March 23

Southern California Edison (SCE) on Wednesday morning reported 14,538 customers without power in southern California. The cause of the outage was unknown at this time. As of 3:30 p.m. EDT Wednesday, 10,116 customers remained without power.

<https://www.sce.com/wps/portal/home/outage-center/check-outage-status/>

TVA's 1,125 MW Watts Bar Nuclear Unit 1 in Tennessee Shut March 22

The unit shut from full power due to an automatic reactor trip, which was triggered by “the actuation of the Over Temperature Delta Temperature bistables.” Concurrent with the reactor trip, the Auxiliary Feedwater (AFW) system actuated. The unit is currently stable in Mode 3. The reactor coolant system is being maintained at normal operating pressure and no-load temperature with decay heat removal via the main condenser steam dumps and the AFW system. Watts Bar Unit 2 was in mode 4 preparing for power ascension testing and was unaffected by the event.

<http://www.nrc.gov/reading-rm/doc-collections/event-status/event/2016/20160323en.html>

Update: GVEA Says Its 50 MW Healy Coal-Fired Unit 2 in Alaska Will Remain Offline 4–6 Months after Explosion

Golden Valley Electric Association (GVEA) announced March 21 that its Healy coal-fired unit 2 in Alaska will be closed for at least 4–6 months following the plant's March 3 shut down when a fire in the coal feed system damaged a fan that transports pulverized coal dust, which accumulated and resulted in an explosion. An investigation into the cause of the fire will be completed during the plant's closure.

http://www.newsminer.com/news/local_news/explosion-will-keep-gvea-shealy-unit-coal-plant-offline/article_fe874caa-efd3-11e5-96e2-5f8c092158a9.html

Update: D.C. Public Service Commission Approves Pepco, Exelon Merger March 23

In a 2-to-1 vote on Wednesday, the District of Columbia Public Service Commission (D.C. PSC) approved the \$6.8 billion merger between Exelon Corp and Pepco Holdings Inc. D.C. regulators first turned down the merger in August 2015, saying it wasn't in the public interest. Later in February 2016, regulators rejected Exelon's effort to win approval with a settlement it struck with Washington Mayor Muriel Bowser and other city officials that included \$78 million in benefits. At that time, the commission offered a counterproposal that would allow the agency to approve the merger if all the parties agreed to its terms. Bowser and the Office of the People's Counsel said they could not accept the commission's plan because it didn't guarantee a freeze on residential bills for three years. On March 7, Exelon filed its latest proposal, which was an attempt to strike a compromise with regulators and D.C. officials by providing an option that would preserve the residential rate freeze as well as giving the commission discretion to spend \$20 million of the \$78 million of promised customer benefits. The companies had gotten approvals from Maryland, Virginia, New Jersey, Maryland, Delaware, and federal regulators.

http://dcpsc.org/pdf_files/pressreleases/PR_FC1119Decision.pdf

<http://www.bloomberg.com/news/articles/2016-03-23/d-c-regulator-approves-exelon-takeover-of-pepco-utility>

Petroleum

U.S. Crude Stocks Rise 9.4 Million Barrels to Record High; Cushing Down 1.3 Million Barrels – EIA

U.S. crude inventories rose by 9.4 million barrels in the last week to another consecutive record high of 532.5 million barrels. Crude stocks at the Cushing, Oklahoma delivery hub fell by 1.258 million barrels, declining for the first time in seven weeks, EIA said.

Reuters, 10:33 March 23, 2016

Enterprise Suspends Northbound Loop Project for Its Seaway Crude Pipeline System in Texas March 23

Enterprise Products Partners has suspended a possible northbound loop of its Seaway pipeline system between Texas City and its ECHO terminal. The company said initial shipper interest has decreased in light of low oil prices, so the project will not move forward. The project, which had not been formally approved for construction, could be resurrected if shipper interest rebounds, the company said.

Reuters, 11:40 March 23, 2016

Natural Gas

Southern Union Reports SRU Shut at Its Keystone Gas Plant in Texas March 23

Southern Union reported the recycle blower packing blew out and caught fire causing the shutdown of the sulfur recovery unit (SRU). The packing in the recycle blower was replaced and the unit was out back online.

<http://www2.tceq.texas.gov/oce/eeer/index.cfm?fuseaction=main.getDetails&target=229562>

Enbridge Shuts VRU Compressor, SRU at Its Pittsburg Gas Plant in Texas March 19

Enbridge reported that “PLC issues” resulted in a shutdown of a vapor recovery unit (VRU) and sulfur recovery unit (SRU). The units were restarted and the thermal oxidizer and flare were utilized in order to mitigate emissions during startup.

<http://www2.tceq.texas.gov/oce/ee/index.cfm?fuseaction=main.getDetails&target=229393>

Williams Announces Startup of Second Off-Gas Processing Plant in Alberta March 23

Williams today announced the startup of its second off-gas liquids extraction plant. The new plant boosts domestic production of petchem feedstocks and significantly reduces emissions in the oil sands production process while recovering valuable natural gas liquids (NGLs) and olefins. Serving an upgrader facility north of Fort McMurray, the plant is designed to reduce emissions of carbon dioxide by an average of approximately 200,000 tonnes per year and reduce emissions of sulphur dioxide by an average of approximately 2,800 tonnes per year. Following extraction at the upgrader, the NGL/olefins mixture will be transported by Williams’ Boreal Pipeline to its Redwater Olefinic Fractionator.

<http://investor.williams.com/press-release/williams/williams-advances-unique-position-canada-startup-second-offgas-processing-pla>

Other News

Nothing to report.

International News

Iraq-Turkey’s 600,000 b/d Kirkuk-Ceyhan Pipeline Resumes Crude Flow March 23 after Halting Flow Due Theft March 22 – Source

The flow of crude oil through the Iraq-Turkey pipeline resumed on Wednesday after it was halted on Tuesday due to theft in the southeastern Turkish province of Sanliurfa, a shipping source said. The pipeline, which has been repeatedly sabotaged in recent months, normally carries some 600,000 b/d of crude from Iraq’s autonomous Kurdistan region and the disputed Kirkuk oil fields to the port of Ceyhan for export.

Reuters, 11:09 March 23, 2016

Update: Petroperu Expects Crude Oil Pipeline in Peru to Resume Flow in 65 Days

State-owned energy company Petroperu said on Wednesday that it expects its crude oil pipeline in northwestern Peru to resume operations in about 65 days after two ruptures halted the flow of about 5,500 b/d. Petroperu’s president said the closure of the pipeline had not affected its Talara refinery. The ruptures, in late January and early February, spilled 3,000 barrels of crude in a remote Amazonian region, prompting protests from indigenous communities. The pipeline mainly transported oil from block 192, operated by Pacific Exploration & Production Corp. Official export data shows that Pacific has not produced any oil from block 192 this month after reporting output of about 4,200 b/d on average in February, down from 9,400 b/d in January.

Reuters, 13:34 March 23, 2016

Saudi Aramco Commences Natural Gas Production from Offshore Hasbah Field

State oil company Saudi Aramco on Wednesday said it started producing natural gas at the offshore Hasbah field. From its seven single-well platforms about 95 miles northeast of Jubail in the Gulf, Hasbah will provide up to 1.3 billion standard cubic feet per day (scfd) of gas while the adjacent Arabiyah field will provide around 1.2 billion scfd. The gas will be handled by the Wasit processing plant, helping to meet domestic demand for power generation.

Reuters, 5:55 March 23, 2016

TAP Gas Pipeline from Azerbaijan to Europe to Go Ahead Despite Low Oil Prices – Executive

Construction of the Trans-Adriatic Pipeline (TAP) to take gas from Azerbaijan to Europe will go ahead despite low oil prices, a senior executive for TAP said on Tuesday. The 540-mile pipeline, which will link Azerbaijan's Shah Deniz II field with Italy, crossing through Georgia, Turkey, Greece, Albania, and the Adriatic Sea, is the largest project to bring new supplies to European consumers. Around 10 billion cubic meters per year of Azeri gas should reach Europe by 2020 at the latest through TAP as well as the South Caucasus Pipeline through Georgia and the Trans-Anatolian Pipeline (TANAP) through Turkey. TAP is owned by BP, Azeri state energy firm SOCAR, Snam, Belgian company Fluxys, Spain's Enagas, and Axpo.

http://www.downstreamtoday.com/news/article.aspx?a_id=51524

Energy Prices

U.S. Oil and Gas Prices			
March 23, 2016			
	Today	Week Ago	Year Ago
CRUDE OIL West Texas Intermediate U.S. \$/Barrel	38.18	38.38	46.80
NATURAL GAS Henry Hub \$/Million Btu	1.75	1.78	2.82

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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