



ENERGY ASSURANCE DAILY

Tuesday Evening, April 05, 2016

Electricity

NV Energy Reports Power Restored to Over 19,000 Customers in Nevada April 4

NV Energy reported 19,293 customers experienced outages on Monday afternoon in Southern Nevada. An NV Energy spokeswoman said debris on a power line caused the outages, which were resolved within one hour.

https://www.nvenergy.com/outage/view/outagelist_state.cfm

<http://lasvegassun.com/news/2016/apr/04/unlv-campus-among-thousands-affected-by-power-outa/>

Apex Power Group's 401 MW Panoche Gas-fired Unit in California Shut by April 4

The unit entered an unplanned outage.

<http://content.aiso.com/unitstatus/data/unitstatus201604041515.html>

NRC Inspecting Safety Valves at Southern Company's 876 MW Hatch Nuclear Unit 1 in Georgia April 4

The Nuclear Regulatory Commission (NRC) on Monday launched a special inspection into the failure of safety valves associated with Unit 1 at Southern Company's Hatch nuclear power plant in Georgia. Three of the 11 valves, which provide protection from excessive steam pressure, did not function as expected during tests on the equipment following a refueling outage, which necessitated the inspection, the NRC said. The inspection is expected to take several days, and a report on the results will be issued within 45 days of its completion, the NRC added.

<http://www.nrc.gov/reading-rm/doc-collections/news/2016/16-014.ii.pdf>

Reuters, 16:50 April 4, 2016

New Hampshire, Massachusetts to Conduct Emergency Exercise for NextEra's 1,242 MW Seabrook Nuclear Power Plant

New Hampshire and Massachusetts this week will take part in a full-scale emergency planning exercise regarding the Seabrook nuclear power plant. The exercise allows federal teams to examine the ability of local, state, and utility officials in order to protect the health and safety of the public living near the power plant in the event of a radiological release. The Federal Emergency Management Agency will observe and evaluate governmental responses and the Nuclear Regulatory Commission will observe the performance of Seabrook plant staff.

Reuters, 00:46 April 4, 2016

PacifiCorp to Close 326 MW Coal-Fired Unit 3 at Its Naughton Power Plant in Wyoming in 2017

PacifiCorp announced March 31 that it will close unit 3 at its 707 MW Naughton Plant in Kemmerer, Wyoming at the end of 2017 due to the declining demand for electricity, and the magnitude of additional costs in order to meet federal environmental requirements.

http://billingsgazette.com/news/state-and-regional/wyoming/pacificorp-toclose-coal-unit-at-kemmerer-power-plant/article_b28e1308-e422-5253-ae3c-80b88149eb71.html

States, Federal Agencies to Remove 4 Hydroelectric Dams Totaling 163 MW from PacifiCorp's 169 MW Klamath River Project in California, Oregon

PacifiCorp on Monday said Oregon, California, the federal government, and others have agreed to move forward with a plan to remove four of its seven hydroelectric dams along the Klamath River, despite inaction and a lack of approval from Congress. The dams, which are located in predominantly rural areas in southwestern Oregon and northern California, generate approximately 716 gigawatt-hours of emissions-free electricity on an annual basis. The four dams to be removed under the agreement include the 98 MW J.C. Boyle, the 20 MW COPCO1, the 27 MW COPCO2, and the 18 MW Iron Gate. The dam removal is part of an announcement planned for Wednesday by the governors of both states and the U.S. Interior Secretary. Under the deal, a nonprofit corporation recently formed in California would take ownership of the hydroelectric dams and assume liability for any damage that stems from their removal, a spokesman for PacifiCorp said. The plan, which aims to remove the dams in 2020, still needs approval from the Federal Energy Regulatory Commission. Three tribes, which depend on the fish for subsistence and ceremonial needs, said dams thwart salmon migration, degrade water quality, alter water flows, and contribute to fish diseases, and algae bloom problems.

<http://www.pacificorp.com/es/hydro/hl/kr.html>

http://www.pacificorp.com/content/dam/pacificorp/doc/Energy_Sources/EnergyGeneration_FactSheets/PP_GFS_Klamath_River.pdf

Reuters, 20:01 April 4, 2016

Vermont Senate Committees Hold Joint Hearing on Purchase of 13 TransCanada Hydroelectric Dams

Two Vermont Senate committees were holding a joint hearing on 13 TransCanada-owned hydroelectric dams on the Connecticut and Deerfield rivers that are up for sale. The Governor's administration and the state Treasurer were expected to provide briefings to the Senate committees at the hearing on Tuesday at the Statehouse. Vermont tried to purchase the dams more than a decade ago, but was outbid by TransCanada.

Reuters, 00:46 April 5, 2016

Petroleum

Phillips 66's 336,000 b/d Wood River, Illinois Refinery Shuts Crude Unit, Coker April 5; Running at Minimum Rates Following TransCanada Keystone Pipeline Closure – Sources

Phillips 66 on Tuesday shut a 64,000 b/d heavy, sour crude distillation unit (CDU) and 16,000 b/d coker unit at its Wood River, Illinois refinery due to the sudden closure of the 591,000 b/d Keystone crude oil pipeline, according to a source familiar with operations. On April 4, sources indicated the refinery had cut processing rates to minimal levels as a result of the outage. Phillips 66 said it was still meeting product supply commitments to its customers in the region. TransCanada, which shut the pipeline on April 2 to investigate and remediate a spill of about 187 gallons near its Freeman pump station in Hutchinson County, South Dakota, anticipates the earliest restart date on Friday, April 8.

Reuters, 07:01 April 5, 2016

Reuters, 16:41 April 4, 2016

Reuters, 11:42 April 5, 2016

Colonial Says System Integrity Work to Impact Allocations on Its 1.37 Million b/d Line 1 in from Texas to North Carolina in Early May

Colonial Pipeline Co on Tuesday said it will perform system integrity work on Line 1, its main gasoline line, in early May, which will impact allocation levels to all customers for cycles 22 and 23. During those cycles, allocation levels will be reduced by approximately 20 percent, which enable operations to maintain an average five day length for the two cycles, the company said in a note to shippers. The work will impact the timing and rates of all schedules, the company added. Line 1 runs from Houston, Texas to Greensboro, North Carolina.

Reuters, 8:45 April 5, 2016

Magellan Midstream, TransMontaigne Jointly Assess Development of 150,000 b/d South Texas Refined Products Pipeline

Magellan Midstream Partners and TransMontaigne Partners on Monday announced they were jointly assessing the development of a new refined products pipeline in South Texas. The potential project would include construction of an approximately 150-mile, 16-inch diameter pipeline capable of transporting 150,000 b/d of gasoline, diesel fuel, propane, and condensate from Magellan's Corpus Christi, Texas terminal to TransMontaigne's Brownsville, Texas terminal in order to meet local market demand or for ultimate delivery to Mexico via truck, rail, or other pipeline connections. If warranted by additional demand, the pipeline capacity could be expanded to 250,000 b/d. Subject to receipt of necessary permits, regulatory approvals and sufficient customer demand, the potential pipeline could be operational by the end of 2018.

<http://www.prnewswire.com/news-releases/magellan-midstream-and-transmontaigne-jointly-assess-development-of-south-texas-refined-products-pipeline-300244983.html>

Judge Approves \$20 Billion Settlement Over 2010 BP Oil Spill in Gulf of Mexico

A federal judge in New Orleans, Louisiana, granted final approval on Monday to an estimated \$20 billion settlement over the 2010 BP offshore rig explosion that killed 11 workers and caused a 134-million-gallon oil spill in the Gulf of Mexico. The settlement, first announced in July 2015, includes \$5.5 billion in civil Clean Water Act penalties and billions more to cover environmental damage and other claims by the five Gulf states and local governments.

<http://finance.yahoo.com/news/us-judge-oks-20b-settlement-2010-bp-oil-184323435--finance.html>

Natural Gas

Update: California Energy Agencies Release Draft Action Plan to Preserve Energy Reliability in Greater Los Angeles This Summer in Wake of Aliso Canyon Leak

State and local energy agencies today released a plan to help preserve reliability of electrical service this summer in the greater Los Angeles area following the major natural gas leak at Southern California Gas Co.'s 86 Bcf Aliso Canyon underground natural gas storage facility. Currently, Aliso Canyon is prohibited from injecting and storing its typical gas supply until a comprehensive safety review is completed and the facility's wells are deemed safe or removed from service. Authored by the California Energy Commission, California Public Utilities Commission, California Independent System Operator, and the Los Angeles Department of Water and Power, the plan concludes that Aliso Canyon plays an essential role in maintaining both natural gas and electric reliability in the greater Los Angeles area and as a result, the facility's limited current operations create a distinct possibility of electricity service interruptions in the coming summer months. Considering this threat, the four agencies worked together to develop a draft action plan that calls for 18 measures to reduce the possibility of electrical interruptions, including a call for greater conservation from residents. A detailed technical assessment by the four agencies found that, without any use of Aliso Canyon gas supplies, the region faces up to 14 days this summer with gas shortages to electrical power plants that could be large enough to interrupt electrical service to utility customers. In response to this risk, the four agencies identified actions to reduce the possibility of electrical interruptions including the use of 15 billion cubic feet of natural gas that was preserved in the Aliso Canyon facility for use during periods of peak demand in order to avoid energy interruptions. The plan also recommends rolling out strong energy conservation programs to help local residents take action in mitigating any potential electric interruptions this summer. Other measures recommended in the plan include greater coordination among state and local gas and electrical utilities, more energy efficiency programs, and closer matching of gas supply and demand by large gas customers. The report concludes that the actions will reduce, but not eliminate, the risk of gas shortages this summer that are large enough to cause electricity interruptions for the region's residents and businesses. The plan will be presented publically on April 8 at the Energy Commission's Joint Agency Workshop on Aliso Canyon Action Plan for Local Energy Reliability in Summer 2016.

http://www.energy.ca.gov/2016_energypolicy/documents/

http://www.energy.ca.gov/releases/2016_releases/2016-04-05_Aliso_Canyon_Action_Plan_NR.pdf

American Midstream Announces Commencement of Operations at Its 4,500 b/d East Texas NGL Rail Facility in Texas April 4

American Midstream Partners, LP on Monday announced the completion and commencement of operations at the East Texas Rail Facility, allowing for receipt and delivery of natural gas liquids (NGLs) and condensate by rail to the Longview processing plant in Gregg County, Texas. The rail terminal, served by the Union Pacific railway via the Gladewater Station, includes more than 8,900 feet of lead track with the current capacity for more than 50 general purpose or pressure railcars. The facility currently has capability for the receipt and delivery of up to 4,500 b/d of on-spec and off-spec NGLs, including purity products and condensates, with similar capabilities for rail-to-truck transloading. Future plans include additional receipt and delivery capabilities and sufficient track on the 400-acre site for unit trains. The East Texas rail facility is located adjacent to American Midstream's Longview operations which include two cryogenic processing plants, a fractionation unit, a stabilization unit, product storage tanks, NGL sales pipelines, and a two-bay, semi-automated truck rack equipped to receive on-spec and off-spec NGLs and condensate.

<http://www.americanmidstream.com/investor-relations/press-releases/press-release-details/2016/American-Midstream-Announces-Commencement-of-Operations--at-the-Longview-Rail-Facility-/default.aspx>

Other News

Nothing to report.

International News

Nigeria's 110,000 b/d Kaduna Refinery Expected to Reopen by Mid-April after Pipeline Sabotage – NNPC

Nigeria's refinery in the northern city of Kaduna is expected to reopen by mid-April, the head of the upstream division at the Nigerian National Petroleum Corporation (NNPC) said on Saturday. The NNPC halted crude flows to its refineries in Kaduna, Port Harcourt, and Warri around mid-January after the key pipelines feeding the plants were attacked. The refineries were then shut down a few days later. NNPC has said crude flows have started at the Port Harcourt and Warri but there has been no word of them reopening.

<http://af.reuters.com/article/nigeriaNews/idAFL5N1750LA>

Update: Iraqi Kurdish Oil Exports to Turkey Fall to 327,371 b/d in March Following 3 Week Outage – Kurdistan Regional Government

Oil exports from Iraq's Kurdish region to Turkey fell to an average of 327,371 b/d in March, the Kurdistan Regional Government's ministry of natural resources said on Sunday, due to a pipeline outage and the suspension of flows from Kirkuk. Flows through the pipeline, which carries crude from fields in the Kurdistan region and Kirkuk to the Mediterranean port of Ceyhan, resumed on March 12, after a three-week outage. Iraq's state-run North Oil Company then suspended exports from the fields it operates in the Kirkuk area to pressure the Kurds into resuming talks over revenue sharing, reducing exports by 150,000 b/d.

Reuters, 10:25 April 3, 2016

Libya's NOC to Work with New Unity Government in Future Oil Sales

Libya's National Oil Corporation (NOC) said on Saturday it was working with the U.N.-backed unity government, which arrived in Tripoli last week, to coordinate future oil sales. The NOC's Chairman said he welcomed the U.N. Security Council's renewal on Thursday of measures to prevent illicit oil exports from Libya, a reference to efforts by Libya's eastern government to sell oil independently. The new government also received the endorsement of the PFG, a semi-official armed faction that controls key oil installations in the east, some of which it has shut down amid political disputes. Libya's oil production has been cut by rivalry between armed factions, attacks by Islamic State militants, and labor disputes, falling to less than a quarter of the 1.6 million b/d produced before the uprising.

Reuters, 16:20 April 2, 2016

Citgo, Aruba Government Postpone Deadline to Restart Idled 235,000 b/d Refinery in Aruba

Aruba and Venezuelan PDVSA's refining unit Citgo Petroleum postponed a deadline to reach a final agreement to lease and restart an idled refinery, the government of Aruba said late on Thursday. The parties have, since 2015, been negotiating a 25-year lease that would allow Citgo to operate the refinery after investing in an overhaul. The facility, which was operated by Valero Energy until 2012, was later classified as abandoned. The deadline to reach a deal, originally set for March 31, was extended for six more weeks following talks between Aruba's Energy ministry and Citgo executives in Houston, the government said.

http://www.downstreamtoday.com/news/article.aspx?a_id=51622

Energy Prices

U.S. Oil and Gas Prices			
April 5, 2016			
	Today	Week Ago	Year Ago
CRUDE OIL			
West Texas Intermediate U.S.	34.29	36.68	49.08
\$/Barrel			
NATURAL GAS			
Henry Hub	1.94	1.73	2.59
\$/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