



ENERGY ASSURANCE DAILY

Friday Evening, April 15, 2016

Electricity

Strong Winds Cut Power to Over 36,000 LADWP and SCE Customers in Southern California April 15

More than 36,000 customers were without power Friday morning as strong winds buffeted a swath of Southern California. High wind warnings and wind advisories were in effect Friday for large parts of the region. The Los Angeles Department of Water and Power (LADWP) reported 23,000 customers were without power in the city as of 11:30 a.m. PDT. By 12:35 p.m. PDT, 12,851 remained without power. The utility said its crews would work around the clock to restore power to customers as quickly and safely as possible. As of 12:30 a.m. PDT, Southern California Edison (SCE) reported 13,088 customers were without power across Los Angeles County. As of 3:30 p.m. EDT, approximately 25,939 customers remained without power.

<http://alerts.weather.gov/cap>

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

<https://www.ladwp.com/ladwp/outages>

Update: Exelon's 1,022 MW Clinton Nuclear Unit in Illinois Ramped Up to 85 Percent by April 15

On the morning of April 14 the unit was operating at 58 percent.

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

Exelon Says Its 1,022 MW Clinton Nuclear Unit in Illinois Will Have to Shut Down Due to Finances; Committed to Operate Through May 2017

Exelon Corp. on Friday said its Clinton nuclear plant is committed to operate through May 31, 2017, but that it continues to lose money and will have to be shut down, according to a Reuters report. Operators said a decision on future operations of the plant will be announced this year.

Reuters, 08:56 April 15, 2016

Update: BHE Renewables' 276 MW Solar Star 2 Solar Unit in California Returns to Service by April 14

The unit returned from an unplanned outage that began on April 13.

<http://content.aiso.com/unitstatus/data/unitstatus201604141515.html>

<http://content.aiso.com/unitstatus/data/unitstatus201604131515.html>

Southern Company, AGL Resources Receive Merger Approval from Georgia Regulators

Southern Company and AGL Resources on Thursday announced they have received unanimous regulatory approval of the companies' proposed merger from the Georgia Public Service Commission, with all intervening parties in support of the recently announced settlement agreement. AGL Resources is the parent company of Atlanta Gas Light, a regulated utility providing natural gas distribution services to approximately 1,578,000 customers in Georgia. When completed, the combination of Southern Company and AGL Resources would unite two Georgia-based energy leaders and is expected to create the second-largest utility company in the U.S. by customer base. The companies expect to complete the transaction in the second half of 2016.

www.doingenergybetter.com

<http://www.southerncompany.com/news/iframe-pressroom.cshtml>

Update: Duke Energy Retires 350 MW of Coal-fired Generation at Its Wabash River Station in Indiana April 15; May Convert 318 MW Coal-Fired Unit to Burn Natural Gas

Duke Energy on Friday reported it has retired power units 2, 3, 4, and 5, totaling 350 MW, at its Wabash River Station, but has not made an official decision on power unit 6, which could be converted to burn natural gas. That decision will be announced this year, a Duke spokesman said. The retirement of the coal-fired power plant is part of a 2013 settlement with the Sierra Club, Citizens Action Coalition, Save the Valley and Valley Watch over issues with air permits at Duke's Edwardsport power plant. Additionally, Duke had planned to retire the 1950s-vintage power units as a result of a new federal mercury rule. Decommissioning work is now under way, and could take two or more years. The work will remove equipment and address environmental concerns, such as coal piles or fly ash areas. Once that work is completed, then demolition can start, an operator who works at the plant said.

<http://www.indystar.com/story/money/2016/04/15/workers-mourn-indiana-power-plant-shutdown/83069016/>

Lawmakers Push Emergency Planning for Power Grid Attack

Lawmakers met with federal officials Thursday to discuss emergency plans in the event of a cyber or physical attack on the nation's electrical grid. At a hearing of the House Transportation Subcommittee on Economic Development, Public Buildings, and Emergency Management, lawmakers expressed concerns the government is not prepared to handle the aftermath of such an attack. Lawmakers said that any emergency plans should account for cyber incidents. Officials at the hearing said they were taking the issue seriously, but also shared some of the difficulties with preparing for the fallout from a massive attack on the grid. Federal Emergency Management Agency Administrator Craig Fugate said state and local officials are often ready to handle short-term or local outages, but more must be done to prepare for long-term or wider blackouts. Fugate said the situation would grow more complicated the longer the power is out. Witnesses told the committee that emergency planning begins with local utilities on the scene.

<http://transportation.house.gov/calendar/eventsingle.aspx?EventID=400038>

<http://thehill.com/policy/energy-environment/276359-lawmakers-push-emergency-planning-for-power-grid-attack>

Petroleum

Update: Lyondell Cuts Production Rates Again at Its 263,776 b/d Houston, Texas Refinery Due to Shutdown of Second VDU April 15 – Sources

LyondellBasell Industries' Houston refinery was cutting back production again on Friday from previously reduced levels due to the shutdown of the second vacuum distillation unit (VDU) early on Friday, Gulf Coast market sources said. The new reduced level of production had not been determined, the sources said, but prior to the vacuum unit's outage shortly after midnight, the refinery was running between 110,000 and 120,000 b/d following damage from a fire on a coker unit and the shutdown of one of the two 91,000 b/d VDUs on the evening of Monday, April 11. A fire broke out on a 42,000 b/d coker on April 8, which prompted initial production cuts. Repairs on the coker unit are expected to take at least six weeks. The smaller crude distillation unit (CDU), which has a capacity of 120,000 b/d and is known as Unit 536, was shut on Monday night due to a leak from its attached 91,000 b/d VDU, further cutting processing rates at the facility. Repairs to that VDU were expected to take six weeks to complete. No time frame has been set for restoring the VDU that shut down early on Friday. That vacuum unit is tied into the refinery's largest CDU, the 147,000 b/d Unit 537. A 57,000 b/d coker unit remains in operation at the refinery.

Reuters, 14:20 April 15, 2016

Interior Department Releases Final Well Control Regulations to Ensure Safe and Responsible Offshore Oil and Gas Development

Secretary of the Interior Sally Jewell and Director of the Bureau of Safety and Environmental Enforcement Brian Salerno on Thursday announced final well control regulations to reduce the risk of an offshore oil or gas blowout that could result in the loss of life, serious injuries, or substantial harm to the environment. The regulations represent one of the most significant safety and environmental protection reforms the Interior Department has undertaken since Deepwater Horizon, and builds upon a number of reforms instituted over the last six years to strengthen and modernize offshore energy standards and oversight. The final rule is a comprehensive regulation addressing all dimensions of well control, including more stringent design requirements and operational procedures for critical well control equipment used in oil and gas operations on the U.S. Outer Continental Shelf.

<https://www.doi.gov/pressreleases/interior-department-releases-final-well-control-regulations-ensure-safe-and>

<http://finance.yahoo.com/news/agency-rules-needed-offshore-drilling-safer-145113896.html>

Phillips 66 Reports Emissions at Its 146,000 b/d Borger, Texas Refinery April 14–15

Operators reported that sulfur dioxide emissions from the “GOHDS HC flare” at the refinery on Thursday afternoon continued for more than 2 hours, according to a filing with state regulators. Operators investigated the cause of the incident and restarted the equipment. In another filing, operators reported emissions from the Unit 40 Fluid Catalytic Cracking Unit began early Friday morning and continued for almost an hour. Operators were investigating the cause of that incident, as well.

<http://www2.tceq.texas.gov/oce/eeer/index.cfm?fuseaction=main.getDetails&target=231435>

<http://www2.tceq.texas.gov/oce/eeer/index.cfm?fuseaction=main.getDetails&target=231416>

Citgo Reports FCCU Snag at Its 157,500 b/d Corpus Christi East, Texas Refinery April 14

Operators reported that the No. 2 Fluid Catalytic Cracking Unit (FCCU) experienced an opacity spike above estimated levels during planned maintenance activity on Thursday, according to a filing with state regulators. The maintenance activity was ongoing at the time of the filing, but operators had lowered opacity levels and turned off electrostatic precipitator (ESP) during the maintenance event for safety reasons. Once the maintenance activity is complete, operators will restart the ESP as quickly as possible, the filing said.

<http://www2.tceq.texas.gov/oce/eeer/index.cfm?fuseaction=main.getDetails&target=231410>

Shell Reports Process Unit Upset at Its 316,600 b/d Deer Park, Texas Refinery April 15

Shell reported it was continuing to experience unplanned flaring activity due to a process unit upset at its Deer Park refinery Friday, according to a community alert. Operators reported unplanned flaring due to a process unit upset on Thursday, as well, but it is unclear whether the two events are related.

Reuters, 06:11 April 15, 2016

Chevron Reports Unplanned Flaring, Breakdown at Its 269,000 b/d El Segundo, California Refinery April 14

Chevron Corp. reported unplanned flaring due to a breakdown at its El Segundo refinery, according to a filing with the South Coast Air Quality Management District. The event started Thursday evening and continued for about 6 hours, the filing said.

Reuters, 23:33 April 15, 2016

Source Says 50,000 b/d FCCU at Delta’s 185,000 b/d Trainer, Pennsylvania Refinery Could Remain Shut for 15 Days

The Fluid Catalytic Converting Unit (FCCU) could remain shut for up to 15 days, a person familiar with the plant’s operations said on Thursday following its closure a day earlier. The plant attempted to restart the unit earlier on Thursday, but a leak prevented the restart. The reason for the 15-day shutdown was not clear.

Reuters, 16:01 April 14, 2016

Valve Malfunction Causes FCCU Emissions at Phillips 66’s 247,000 b/d Sweeny, Texas Refinery April 14

Operators reported emissions from a regenerator glue gas stack and the Unit 27.1 FCCU occurred Thursday after two vent valves malfunctioned, according to a filing with the Texas Commission on Environmental Quality. Operators shut the electrostatic precipitator while they corrected the problem, the filing said. Emissions continued for four hours.

<http://www2.tceq.texas.gov/oce/eeer/index.cfm?fuseaction=main.getDetails&target=231453>

Natural Gas

Update: TGP Lifts Force Majeure for Receipt Meter HPL/Sabine April 13 Due to Flooding March 14

Tennessee Gas Pipeline (TGP) Company LLC has lifted a force majeure declaration at receipt meter HPL/Sabine, according to the final notice posted by the company on April 14. The company had declared force majeure on March 14 due to flooding along the Sabine River, which prompted the shut in of the meter. The notice said the issue had been resolved, the post said.

Reuters, 16:42 April 14, 2016

http://pipeline2.kindermorgan.com/Notices/NoticeDetail.aspx?code=TGP¬c_nbr=359147&date=4/15/2016&subject=¬c_type=15¬c_sub_type=-1¬c_ind=C

http://pipeline2.kindermorgan.com/Notices/NoticeDetail.aspx?code=TGP¬c_nbr=358840&date=4/15/2016&subject=¬c_type=15¬c_sub_type=-1¬c_ind=C

Compressor Snag Leads to Flaring at DCP Midstream’s 160 MMcf/d Goldsmith Gas Plant in Texas April 14

Operators reported that the inlet A Turbine raw gas compressor tripped offline on high vibration Thursday afternoon, which led to flaring, according to a filing with state regulators. Operators made repairs and restarted the compressor, ending the flaring event three hours later.

<http://www2.tceq.texas.gov/oce/eer/index.cfm?fuseaction=main.getDetails&target=231437>

Power Outages Leads to Flaring at Atlas Pipeline’s 195 MMcf/d Midkiff Gas Plant in Texas April 13–14

Operators reported that Wednesday night, a third party-purchased power outage caused residue and inlet gas to be routed to the flare, according to a filing with the Texas Commission on Environmental Quality. Operators restart the plant when power was restored the following morning, the filing said.

<http://www2.tceq.texas.gov/oce/eer/index.cfm?fuseaction=main.getDetails&target=231409>

Other News

Nothing to report.

International News

ENI Declares Force Majeure on Nigeria’s Brass River Grade Crude Due to Pipeline Fire – Trader

ENI has declared a force majeure on Nigeria’s Brass River grade of crude oil after a fire on a pipeline, a trader said on Friday. ENI did not immediately respond to a request for confirmation of the outage.

Reuters, 11:59 April 15, 2016

Mexico to Attend OPEC’s April Meeting in Qatar – Government Source

Mexico will send its deputy energy minister to OPEC’s April 17 meeting in Qatar, a senior government official said on Thursday. Mexico’s energy ministry sent an observer to oil talks in Ecuador last week to share information but emphasized its crude output has already declined by more than a million barrels per day. Mexico is not a member of OPEC.

Reuters, 18:48 April 14, 2016

Energy Prices

U.S. Oil and Gas Prices			
April 15, 2016			
	Today	Week Ago	Year Ago
CRUDE OIL			
West Texas Intermediate U.S.	40.35	39.69	56.20
\$/Barrel			
NATURAL GAS			
Henry Hub	1.92	1.94	2.55
\$/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>

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