



ENERGY ASSURANCE DAILY

Thursday Evening, June 02, 2016

Electricity

Update: Constellation's 825 MW Calvert Cliffs Nuclear Unit 1 in Maryland Restarts, Ramps Up to 75 Percent by June 2

The unit shut from full power on May 31 due to a loss of load turbine.

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

<http://www.nrc.gov/reading-rm/doc-collections/event-status/event/2016/20160601en.html>

Exelon Announces Early Retirement of Its 1,138 MW Clinton, 2,018 MW Quad Cities Nuclear Plants in Illinois June 2

Exelon Corporation on Thursday announced it will move forward to shut down its Clinton and Quad Cities nuclear plants, given the lack of progress on Illinois energy legislation. The Clinton Power Station in Clinton, Illinois will close on June 1, 2017, and the Quad Cities Generating Station in Cordova will close on June 1, 2018. Quad Cities and Clinton have lost a combined \$800 million in the past seven years, despite being two of Exelon's best-performing plants.

<http://www.exeloncorp.com/newsroom/clinton-and-quad-cities-retirement>

BGE, PECO Ready for Summer Heat, Potential Severe Storms in Maryland, Pennsylvania

BGE and PECO on Wednesday said they have been working to ensure safe, reliable, affordable, and clean energy services for customers due a potentially higher number of severe storms predicted this summer. BGE has invested more than \$8 million in critical distribution projects and new technologies to prepare for heat and storms this summer, including upgraded wires, installation of substation and feeder capacitors, execution of switching only load transfers, and the installation of a new substation and feeder. BGE, headquartered in Baltimore, Maryland, is the state's largest natural gas and electric utility. Meanwhile in southeastern Pennsylvania, PECO has invested more than \$13 million in new technology and projects to prepare for heat and storms this summer, including upgraded substation equipment, new wires and poles, and inspections. Based in Philadelphia, PECO is an electric and natural gas utility subsidiary of Exelon Corporation

<https://www.peco.com/News/NewsReleases/Pages/PECOReadiesforSummerHeatandPotentialSevereStorms.aspx>

<http://www.bge.com/Article%20Documents/BGE%20News%20Release->

[BGE%20Readies%20for%20Summer%20Heat%20and%20Potential%20Severe%20Storms.pdf](http://www.bge.com/Article%20Documents/BGE%20News%20Release-BGE%20Readies%20for%20Summer%20Heat%20and%20Potential%20Severe%20Storms.pdf)

SRP Reports No Customer Impacts from Fire at Its 500 kV Avondale Substation in Arizona June 1

Salt River Project (SRP) reported no customer impacts when a transformer at its substation in Avondale, Arizona exploded and caught fire on Wednesday morning. An SRP spokesman said a 27,000 gallon tank of mineral oil that keeps the transformers cool was burning. The fire was extinguished later on Wednesday morning and fire crews remained on scene to monitor for any hot spots.

<https://twitter.com/SRPconnect>

<http://www.azcentral.com/story/news/local/southwest-valley-breaking/2016/06/01/srp-fire-smoke-west-valley/85235688/>

IESO Says Northland Power's 100 MW Grand Bend Wind Farm in Ontario Achieves Commercial Operation

Northland Power Inc., the Aamjiwnaang First Nation, and the Bkejwanong Territory (Walpole Island First Nation) announced that the Independent Electricity System Operator (IESO) on Thursday confirmed that the 100 MW Grand Bend Wind Farm achieved commercial operation on April 19, 2016. The project, located near the eastern shore of Lake Huron in Ontario, is a 50/50 partnership between Northland and Giiwedini Noodin FN Energy Corporation, which was created to hold the equity interest of the Aamjiwnaang First Nation and Bkejwanong Territory (Walpole Island First Nation) in the project.

Reuters, 8:31 June 2, 2016

Petroleum

Update: Alberta Wildfire, Suncor Refinery Outage Causes Gasoline Shortage across Western Canada

Suncor Energy on Wednesday said its gas stations across Canada's western provinces have been hit with fuel shortages due to the Fort McMurray, Alberta wildfire that triggered oil sands production cuts along with an unplanned unit outage at its 142,000 b/d Edmonton refinery. The refinery was still producing gasoline at a reduced rate and the cause for the unit outage was under investigation. The company was buying third-party products to bolster its own supplies and shipping gas to locations by rail and truck. A company spokeswoman confirmed that its three service stations in Fort McMurray had received fuel.

<http://www.reuters.com/article/canada-wildfire-gasoline-idUSL1N18T290>

<http://www.suncor.com/about-us/refining>

Update: ConocoPhillips Expects 600 Workers at Its 30,000 b/d Surmont Oil Sands Facility in Alberta by End of Week

ConocoPhillips said it expects 600 workers at its Surmont project in Alberta's fire-stricken oil sands region by week's end, up from 350 on May 27. A company spokesperson said there was no confirmed date for production to resume at Surmont but hopes to have more concrete timeline within 48 hours. The Surmont site was shut and evacuated on Thursday, May 5.

Reuters, 14:55 June 1, 2016

Shell Reports Firewater Leak into Houston Ship Channel from Its 316,600 b/d Deer Park, Texas Refinery

Royal Dutch Shell Plc reported an unauthorized discharge of firewater from its Deer Park, Texas refinery into the Houston Ship Channel on Thursday, according to a community information phone line.

Reuters, 7:53 June 2, 2016

U.S. Crude Oil Stocks Drop 1.4 Million Barrels May 27 – EIA

Data released by the Energy Information Administration on Thursday showed that U.S. commercial crude inventories fell by 1.4 million barrels in the last week to 535.7 million barrels. Inventories at the Cushing, Oklahoma hub fell by 704,000 barrels to 66.9 million barrels.

Reuters, 11:03 June 2, 2016

Natural Gas

CPUC Fines PG&E \$24.3 Million for Poor Record Keeping on Gas Pipelines in California June 1

The California Public Utilities Commission (CPUC) on Wednesday fined Pacific Gas and Electric Company (PG&E) \$24.3 million for failing to maintain accurate records of its natural gas distribution system. CPUC had already fined PG&E \$10.8 million for a 2014 natural gas explosion in Carmel that prompted regulators to authorize a probe into PG&E record-keeping of its pipeline system. CPUC said an administrative judge recommended the additional \$24.3 in fines after determining the company relied on inaccurate records of underground gas lines, which led to pipelines being damaged by excavators, interrupted gas service, and the explosion in Carmel. A company spokesman said the utility was reviewing the judge's decision.

<http://docs.cpuc.ca.gov/PublishedDocs/Published/G000/M162/K888/162888429.PDF>

Reuter, 00:01 June 2, 2016

Kinder Morgan Receives FERC Authorization for Its Elba Island LNG Projects in Georgia June 2

Kinder Morgan on Thursday announced that subsidiaries Elba Liquefaction Company and Southern LNG Company received authorization from the Federal Energy Regulatory Commission (FERC) for the Elba Liquefaction Project. Supported by a 20-year contract with Shell, the project will be constructed and operated at the existing Elba Island LNG Terminal near Savannah, Georgia. The first of 10 liquefaction units is expected to be placed in service in the second quarter of 2018, with the remaining nine units coming online before the end of 2018. The Elba Liquefaction Project is expected to have a total capacity of approximately 2.5 million tonnes per year of LNG for export, equivalent to approximately 350 MMcf/d of natural gas. In addition, Kinder Morgan announced that Elba Express Company and Southern Natural Gas Company received FERC Certificates of Public Convenience and Necessity for the EEC Modification Project and SNG Zone 3 Expansion Project, respectively. These projects include additional compression and related work for north-to-south capacity expansions on the Elba Express Pipeline that will supply additional gas to industries and utilities in Georgia and Florida, and to Elba Island for liquefaction. Facilities for these pipeline projects are expected to be placed in service late in the fourth quarter of 2016.

<http://ir.kindermorgan.com/press-release/kindermorgan/kinder-morgan-projects-receive-ferc-authorizations>

NEB Recommends Approval for Expansion of NGTL's Natural Gas Pipeline System in Alberta June 1

The National Energy Board (NEB) on Wednesday recommended that the federal government approve NOVA Gas Transmission Ltd.'s (NGTL) proposed expansion to its existing system in northern Alberta. The NEB report lists 48 conditions that NGTL would have to meet should the project go ahead. The proposed expansion would include 143 miles of pipeline and two compressor station unit additions in northern Alberta, mostly adjacent to existing sites. The project could be in service by April 2017.

<http://news.gc.ca/web/article-en.do?mthd=tp&ctr.page=1&nid=1078779&ctr.tp1D=1>

Other News

Nothing to report.

International News

Update: French Worker Strike Causes Power Blackout in Brittany June 2

Striking workers in Brittany on Thursday cut the electricity supply from a power station in Saint-Malo-de-Guersac, prompting blackouts in at least 120,000 homes, according to the RTE electricity network. Service was restored to most homes by early afternoon and no other incidents were reported linked to the strikes, an RTE official said. Reuters, 7:46 June 2, 2016

OPEC Meeting Ends without Oil Price, Output Agreement June 2

OPEC oil ministers ended a meeting on Thursday without reaching a consensus on regulating the price and supply of crude oil, which resulted in an immediate price drop in energy markets. A statement read at the end of the meeting made no concrete pledges, emphasizing only the need for members to work for a stable market. The ministerial gathering came amid a recent recovery in the price of oil. Since hitting a 13-year low earlier this year, it has rallied almost 90 percent to around \$50 per barrel. Reuters, 9:46 June 2, 2016

Energy Prices

U.S. Oil and Gas Prices			
June 2, 2016			
	Today	Week Ago	Year Ago
CRUDE OIL West Texas Intermediate U.S. \$/Barrel	49.09	49.07	60.97
NATURAL GAS Henry Hub \$/Million Btu	2.26	1.90	2.60

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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