



ENERGY ASSURANCE DAILY

Monday Evening, June 27, 2016

Electricity

Update: Over 10,000 Customers Remain without Power in West Virginia June 27 after Storms, Flooding Hit June 23

Appalachian Power and FirstEnergy crews were completing repairs to electrical facilities on Monday after several thunderstorms and historic flooding knocked out power to at least 191,600 customers across West Virginia beginning June 23. As of 3:30 p.m. EDT Monday, 9,363 Appalachian Power and 1,117 FirstEnergy customers remained without power. Appalachian Power said it restored service to the majority of its 124,600 affected customers. The utility said its three substations most affected by flooding—Hartland Station in Clay County, Clendenin Station in Kanawha County, and McRoss Station in Greenbrier County—were back in operation on Monday with complete service restoration expected by Tuesday evening. FirstEnergy on Monday said it had restored power to nearly all 67,000 customers who were affected by the storms and flooding.

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

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

<http://outages.firstenergycorp.com/mdwv.html>

<https://twitter.com/MonPowerWV/status/747045970769227776>

<https://twitter.com/MonPowerWV/status/746814696288886784>

California Grid Operators May Use SoCalGas' Aliso Canyon Storage Field as Emergency Natural Gas Supply Source

Grid operators bracing for a hotter than usual summer in Southern California may turn to Southern California Gas' (SoCalGas) Aliso Canyon storage facility for back-up natural gas supplies. Aliso Canyon, site of a massive leak in October 2015 that forced thousands to evacuate their homes in the Porter Ranch neighborhood of Los Angeles, may be restricted from injecting gas until all of its 114 wells have been pronounced safe, but still holds 15 Bcf of natural gas inventory for emergency supply. SoCalGas' chief operating officer told the San Diego Union-Tribune Friday that if a sweltering summer leads to a dire situation in which natural gas suppliers run short, the storage facility can be tapped. Natural gas would only be withdrawn from Aliso Canyon—not injected—under a protocol that has already been established in conjunction with entities such as the California Independent System Operator (CAISO), the California Public Utilities Commission, the California Energy Commission and the Los Angeles Department of Water and Power.

<http://www.sandiegouniontribune.com/news/2016/jun/24/aliso-power-outlook/>

California Energy Regulators, Utilities Prepared for Summer Energy Demands June 24

San Diego Gas & Electric (SDG&E), Southern California Gas Company (SoCalGas), the California Independent System Operator Corp. (ISO), and the California Energy Commission on Friday announced that sufficient electricity supplies have been secured to meet the energy needs of the region. Despite having adequate supplies SDG&E said it has plans for unexpected situations like the loss of a power plant or transmission line, extreme heat waves, or a disruption on the natural gas system. Any one of these events this summer may contribute to calls for conservation, and a shift in the times that customers use energy to maintain the integrity of the local power grid. Another situation that could have an impact on the power grid is related to the critical interdependence between natural gas and electricity. As an example, between 60-75 percent of the natural gas used on SDG&E's system in the summer is for electric generation. If there is any type of disruption on the gas system, it is possible that local power generators could be impacted and unable to deliver the amount of energy necessary to meet customers' needs. Over the past year, SDG&E has completed multiple electric transmission system enhancements that have not only strengthened the system, but also relieve congestion and provide much needed voltage support, all key elements to reliability. These projects and actions combined will help make the local power grid more resilient in the event of extreme weather conditions or a transmission system emergency this summer.

<http://www.sdge.com/newsroom/2016-06-24/sdge-prepared-summer-energy-demands>

Coast Guard Responds to Oil Sheen in Lake Ontario from Entergy's 882 MW Fitzpatrick Nuclear Power Plant in New York June 26

The U.S. Coast Guard said on Sunday it was responding to a report of an oil sheen in Lake Ontario near Entergy's 882 MW Fitzpatrick nuclear power plant in Scriba, New York. A temporary safety zone extending two miles to the north, east, and west of the nuclear plant was established, according to the Coast Guard. Later on Monday, Entergy Corp said it identified and stopped the flow of lubricating oil at its Fitzpatrick nuclear power plant.

<http://www.uscgnews.com/go/doc/4007/2858834/>

Reuters, 15:46 June 27, 2017

Reuters, 22:15 June 26, 2016

Update: Dominion's 1,130 MW Millstone Nuclear Unit 3 in Connecticut Ramps Up to 95 Percent by June 25

On the morning of June 24 the unit had restarted and ramped up to 25 percent. The unit shut from full power due to a technical specification on June 12.

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

<http://www.nrc.gov/reading-rm/doc-collections/event-status/event/2016/20160613en.html>

Entergy's 813 MW FitzPatrick Nuclear Unit in New York Shut June 24

The unit shut from full power due to degradation of the reactor recirculation pumps.

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

<http://www.nrc.gov/reading-rm/doc-collections/event-status/event/2016/20160627en.html>

TVA's 1,125 MW Watts Bar Nuclear Unit 1 in Tennessee Reduced to 68 Percent by June 26

On the morning of June 25 the unit was operating at 84 percent.

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

Update: Entergy's 966 MW River Bend Nuclear Unit 1 in Louisiana Restarts June 25, Ramps Up to 72 Percent by June 27

The unit shut from full power on June 11 due to an unknown cause.

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

Entergy's 1,207 MW Grand Gulf Nuclear Unit 1 in Mississippi Shut June 25

The unit shut from 84 percent due to a turbine trip.

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

<http://www.nrc.gov/reading-rm/doc-collections/event-status/event/2016/20160627en.html>

RRI Energy's 215 MW Mandalay Gas-fired Unit 1 in California Shut by June 26

The unit entered an unplanned outage.

<http://content.aiso.com/unitstatus/data/unitstatus201606261515.html>

Mirant's 317 MW Pittsburg Gas-fired Unit 6 in California Reduced by June 26

The unit entered an unplanned curtailment of 177 MW.

<http://content.aiso.com/unitstatus/data/unitstatus201606261515.html>

RRI Energy's 320 MW Etiwanda Gas-fired Unit 4 in California Shut by June 25

The unit entered an unplanned outage.

<http://content.aiso.com/unitstatus/data/unitstatus201606251515.html>

Update: SCE's 242 MW Solar Ranch Unit 1 in California Returns to Service by June 24

The unit returned from an unplanned outage that began on June 23.

<http://content.aiso.com/unitstatus/data/unitstatus201606241515.html>

AES's 496 MW Redondo Gas-fired Unit 8 in California Shut by June 24

The unit entered an unplanned outage.

<http://content.aiso.com/unitstatus/data/unitstatus201606241515.html>

Kentucky Power Completes Coal to Natural Gas Conversion at Its 268 MW Big Sandy Power Plant in Kentucky June 27

American Electric Power (AEP) said Monday its Kentucky Power unit completed the conversion of the Big Sandy power plant in Kentucky from coal to natural gas. Unit 1 at Big Sandy entered service in 1963 and operated on coal until November 13, 2015. On May 30, 2016, the converted unit went online to begin supplying up to 268 MW of gas-generated electricity to PJM Interconnection.

<https://www.kentuckypower.com/info/news/viewRelease.aspx?releaseID=2014>

Petroleum

Update: Crimson Pipeline Says Crude Oil Spill in California Went Undetected Due to Pipeline Work

Crimson Pipeline on Friday said it didn't detect the June 23 pipeline leak that spilled 700 barrels of crude oil because the line was undergoing maintenance. Crimson said the remotely monitored pipeline was emptied on Wednesday to replace valves. Oil was flushed back in, but the pipeline wasn't at full capacity when the spill occurred and there wasn't enough oil in the line to detect a drop in pressure, according to a company spokeswoman. Firefighters were able to stop the crude before it could reach the ocean by building a dirt dam. The spill, which is under investigation, occurred near a valve on the underground line that runs from Ventura to Los Angeles. Reuters, 16:31 June 24, 2016

Coast Guard Shuts Section of Red River in Louisiana after Barge Incident June 26

The U.S. Coast Guard said it closed a section of the Red River in New Orleans, Louisiana after a barge reportedly ran aground on Sunday. The river was shut from mile marker 40 to 42 and was closed to all vessels. The Red River Express lightering vessel is en route from Texas and expected to be on scene late Monday evening to lighter and safely refloat the barge, the Coast Guard said. It was not immediately clear what type of cargo the barge was transporting.

<http://www.uscgnews.com/go/doc/4007/2858842/>

Valero to Cut Production Due to Repairs at Its 190,000 b/d Memphis, Tennessee Refinery June 24 – Sources

Valero Energy Corp's Memphis, Tennessee refinery was considering cutting production as early as June 25 in order to carry out repairs on a shut catalytic reformer, sources familiar with plant operations said on Friday. Valero decided on June 22 that repairs were needed to stop the loss of catalyst from the 36,000 b/d continuous catalytic regeneration reformer, the sources said. The reformer was shut on Thursday. The work was expected to take a week to two weeks to complete.

Reuters, 15:26 June 24, 2016

Update: Lyondell Basell Expected to Restart Coker at Its 263,776 b/d Houston, Texas Refinery in July – Sources

Lyondell Basell Industries expects to restart the small 42,000 b/d coking unit at its Houston, Texas refinery in the first half of July after repairing damage from an April 8 fire, Gulf Coast market sources said on Friday. A Lyondell spokeswoman declined on Friday to discuss operations at the Houston refinery. Lyondell had been planning to restart the coker by July 1, sources had told Reuters in early June. This is at least the second time the company has changed the planned restart date of the unit.

Reuters, 19:50 June 24, 2016

Valero Reports Upset at Its 145,000 b/d Benicia, California Refinery June 25

Valero Energy Corp reported flaring due to an upset at its Benicia, California refinery on June 25, according to a filing with the California Emergency Management Agency. Valero did not identify the unit involved in the incident. Reuters, 9:01 June 27, 2016

Washington Energy Facility Site Evaluation Council Begins Hearings for 360,000 b/d Tesoro Savage Vancouver Energy Terminal June 27

The Washington Energy Facility Site Evaluation Council on Monday begins a five-week formal hearing for the proposed Vancouver Energy project. The proceeding will be facilitated by an administrative law judge and presided over by the council members. Tesoro Refining & Marketing Company and Savage Companies, the two companies proposing to build what would be the nation's largest oil-by-rail marine terminal along Columbia River in Washington, see it as an opportunity to link domestic crude oil from the interior to a West Coast port. Critics, however, see an environmental and safety catastrophe waiting to happen, especially after a train carrying Bakken crude oil derailed and caught fire on June 3 in Mosier, Oregon, just 70 miles upriver from the project site in Vancouver, Washington. The council is expected to make a recommendation on the project to the governor later this year.

<http://www.efsec.wa.gov/Tesoro%20Savage/Adjudication/TSVEPadj.shtml>

Reuters, 13:01 June 25, 2016

Natural Gas

SoCalGas Asks Natural Gas Customers in California to Prepare for Heat this Week

Southern California Gas (SoCalGas) on Friday warned customers the weather will turn hot again on Monday and Tuesday, and urged natural gas shippers to ensure their expected supply and demand was matched as closely as possible. SoCalGas said on its website it expects to deliver almost 2.9 Bcf of gas to customers on Monday, which will be met by about 2.4 Bcf from pipelines and over 0.4 Bcf from storage. That is much less than the 3.3 Bcf of customer demand seen on June 20 when temperatures in Los Angeles topped 100 degrees Fahrenheit, giving SoCalGas its first test of the summer with only limited availability of the Aliso Canyon gas storage facility.

<https://scgenvoy.sempra.com/index.html>

Reuters, 16:25 June 24, 2016

Regency Reports High NGL Pressure at Its 290 MMcf/d Waha Gas Plant in Texas June 26

Regency reported high NGL pressure on the downstream plant. The liquids were shut in and normal operations resumed.

<http://www2.tceq.texas.gov/oce/eer/index.cfm?fuseaction=main.getDetails&target=236339>

Other News

Nothing to report.

International News

Petroperu Reports Crude Oil Pipeline Rupture, Oil Spill in Peru's Amazon Region June 24

An oil spill in the Amazon region of Peru was detected on Friday night, state energy company Petroperu said on Saturday, adding that measures were being taken to fix the ruptured Nor Peruano pipeline and to protect the environment. The company said it was investigating the cause of the spill, which took place in the Barranca district of Marañon province. Cleanup efforts were focused on preventing spilled oil from being absorbed into the ground, it said. The company did not give an estimate of how much oil had spilled.

<http://www.reuters.com/article/us-peru-environment-idUSKCN0ZB0XL>

Expanded Panama Canal Opens June 26

The Panama Canal Authority estimates that the expanded Panama Canal, which opened on Sunday, will cut sailing times between Atlantic Ocean ports and Asia by up to 16 days for ships that previously could not fit through. Post-expansion, the Canal Authority hopes that tonnage volumes will rise by an average of 3 percent per year, from almost 341 million tonnes in 2015. Liquefied natural gas (LNG) and liquefied petroleum gas (LPG) sellers from the U.S. Gulf and Caribbean, as well as Colombian coal suppliers should benefit from the expansion. The U.S. is ramping up LNG and LPG exports after the shale extraction boom and will compete with Middle East LPG sellers and Australian LNG exporters. It will create competition for all the producers in the Arabian Gulf by getting products from the U.S. almost as quickly as from the Arabian Gulf, a senior executive at a tanker shipping company said. Colombian shippers hope the bigger canal will open up trade to Asia as rising natural gas and renewable energy usage has cut coal consumption in its traditional North American and European markets. Crude oil traders will be less affected because the supertankers they use remain too big for the canal at 300,000 deadweight tons. Reuters, 19:00 June 25, 2016

Energy Prices

U.S. Oil and Gas Prices			
June 27, 2016			
	Today	Week Ago	Year Ago
CRUDE OIL			
West Texas Intermediate U.S. \$/Barrel	45.72	49.35	59.36
NATURAL GAS			
Henry Hub \$/Million Btu	2.67	2.58	2.79

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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