



ENERGY ASSURANCE DAILY

Tuesday Evening, July 01, 2014

Major Developments

Derecho Knocks Out Power to Over 1 Million Customers in Upper Midwest June 30–July 1

A massive derecho, with heavy rain and high winds moved across Iowa, Wisconsin, Illinois, Michigan, and Indiana Monday night into Tuesday morning knocking out power to 1,057,805 customers. Wind gusts of up to 75 miles per hour were reported in some areas downing power lines. As of 3:30 p.m. EDT, 481,840 customers remained without power. Crews were assessing the extent of the damage and restoration was ongoing. NIPSCO and Commonwealth Edison both expect multiple days to clean up the extensive damage and restore all customers affected by the storms. We Energies and Consumers Energy expect all power to be restored by late Wednesday night.

Upper Midwest Customer Power Outages June 30–July 1, 2014			
Electric Utility	State	Peak	Latest Reported
Commonwealth Edison	IL	400,000	168,390
Ameren Illinois	IL	20,000	545
Mid American Energy	IL/IA	7,200	3,530
Northern Indiana Public Service Company (NIPSCO)	IN	121,000	58,172
Indiana and Michigan Power	IN/MI	74,000	62,264
Indianapolis Power and Light	IN	20,000	2,769
Duke Indiana	IN	17,000	951
Alliant Energy	IA/WI	74,605	12,626
Detroit Edison (DTE)	MI	140,000	94,572
Consumers Energy	MI	70,000	50,365
We Energies	WI	114,000	27,656
TOTAL*		1,057,805	481,840

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

Sources:

<http://www.washingtonpost.com/blogs/capital-weather-gang/wp/2014/07/01/the-june-30-2014-upper-midwest-derecho-in-ten-images/>

<http://apps.ameren.com/outage/outagemap.aspx?state=IL>

<https://twitter.com/ComEd>

https://www.comed.com/_layouts/comedsp/OutageMap.aspx

<https://www.comed.com/customer-service/outage-information/Pages/storm-center.aspx>

http://www.midamericanenergy.com/storm/OutageWatch_2013/dsk.html

https://twitter.com/MidAm_EnergyCo

<http://outagemap.duke-energy.com/in/default.html>

<https://indianamichiganpower.com/mobile/outages/OutageDetails.aspx?stormName=July+1+Wind+Storm>

https://twitter.com/IN_MI_Power

<https://twitter.com/IPLpower>

<http://apps.iplpower.com/outages/outagemap.aspx>

<https://twitter.com/nipsco>

<http://www.nipscooutages.com/WSSNisourceOutageMap/outagemap.html?action=city&reloaded=true>

<https://www.nipsco.com/stay-safe/outage-center>

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

<http://www.we-energies.com/outagemapext/default.html>

<http://www.wthr.com/story/25911957/2014/07/01/overnight-storms-down-trees-knock-out-power>

http://www.nwitimes.com/news/local/lake/merrillville/thousands-without-power-in-wake-of-storms/article_f3a7d0b9-8c57-53bd-8480-045b904a45d2.html
<http://abc7chicago.com/weather/chicago-weather-i-190-ramps-flood-after-storms/149380/>
<http://www.wxyz.com/weather/dte-energy-reports-over-100000-metro-detroiters-without-power-after-powerful-storm>
https://twitter.com/DTE_Energy
<http://www.consumersenergy.com/News.aspx?id=7253&year=2014>
<http://whbl.com/news/articles/2014/jul/01/nearly-36000-electric-customers-without-power-in-milwaukee-area/>
<http://wuum.com/post/storms-knocked-out-power-115000-we-energies-customers>

Electricity

Over 30,000 FirstEnergy Customers Lose Power Due to Transmission Line Problem in Ohio June 30

FirstEnergy reported just over 30,000 customers were without power as of 11:00 p.m. local time Monday night due to a problem with a transmission line to a substation in Westlake, which then caused problems at several other substations. The majority of power was restored by 2:45 a.m. and as of 3:30 p.m. EDT today, 717 customers remained without power. The company said it's unknown what caused the problem with the transmission line but it plans to investigate.

http://www.cleveland.com/metro/index.ssf/2014/06/power_outages_being_reported_i.html
<http://outages.firstenergycorp.com/oh.html>

PJM Interconnection Issues Mid-Atlantic Weather Alert for July 1–2

U.S. power grid operator PJM Interconnection on Monday declared a hot weather alert for its mid-Atlantic region, telling its electric company members to prepare for expected heavy air conditioning demand on Tuesday and Wednesday. PJM, which operates the biggest U.S. power grid with 183,200 MW of installed capacity, said it may ask members in the region to carry additional reserves to cover increased levels of operational uncertainty. PJM forecast demand for power would rise from about 134,700 MW on Monday to 143,100 MW on Tuesday before declining to 136,200 MW on Wednesday and 121,900 MW on Thursday.

Reuters, 15:50 June 30, 2014

DOE Issues Loan for Construction of 360 MW Cape Wind Offshore Wind Project off Coast of Massachusetts

The Department of Energy (DOE) today announced the first step toward issuing a \$150 million loan guarantee to support the construction of the Cape Wind offshore wind project with a conditional commitment to Cape Wind Associates, LLC. If constructed, the project would be the first commercial-scale offshore wind facility in the U.S., with a capacity of more than 360 MW of clean energy off the coast of Cape Cod, Massachusetts. The proposed Cape Wind project would use 3.6 MW offshore wind turbines that would provide a majority of the electricity needed for Cape Cod, Nantucket, and Martha's Vineyard, Massachusetts.

<http://www.energy.gov/articles/energy-department-offers-conditional-commitment-cape-wind-offshore-wind-generation-projec-0>

Southern's 1,149 MW Vogtle Nuclear Unit 2 in Georgia Reduced to 90 Percent by July 1

On the morning of June 30 the unit was operating at full power.

<http://www.nrc.gov/reading-rm/doc-collections/event-status/reactor-status/2014/>

Update: Entergy's 1,207 MW Grand Gulf Nuclear Unit 1 in Mississippi Ramps Up to 92 Percent by July 1

On the morning of June 30 the unit was operating at 73 percent, down from 96 percent on June 29.

<http://www.nrc.gov/reading-rm/doc-collections/event-status/reactor-status/2014/>

Update: San Diego Gas & Electric's 575 MW Palomar Energy Center Gas-fired Unit in California Returns to Service by June 30

The unit returned from an unplanned curtailment of 300 MW that began by June 29.

<http://content.aiso.com/unitstatus/data/unitstatus201406301515.html>

Dynegy, LLC's 510 MW Moss Landing Gas-fired Unit in California Shut by June 30

The unit entered an unplanned outage.

<http://content.aiso.com/unitstatus/data/unitstatus201406301515.html>

Update: AES's 336 MW Alamitos Gas-fired Unit 4 in California Returns to Service by June 30

The unit returned from an unplanned outage that began by June 29.

<http://content.aiso.com/unitstatus/data/unitstatus201406301515.html>

Update: AES's 175 MW Redondo Gas-fired Unit 6 in California Returns to Service by June 30

The unit returned from an unplanned outage that began by June 29.

<http://content.aiso.com/unitstatus/data/unitstatus201406301515.html>

Petroleum

Marathon Shuts FCCU at Its 522,000 b/d Garyville, Louisiana Refinery June 27

Marathon Petroleum Corp. shut a 134,000 b/d fluidic catalytic cracking unit (FCCU) at its Garyville, Louisiana, refinery on Friday, Gulf Coast refined products market sources said on Monday. A spokesman for the Louisiana Department of Environmental Quality said the Garyville refinery reported the shutdown of a wet gas compressor on Friday. Energy industry intelligence service Genscape said on Monday afternoon the FCCU remained heated, indicating the possibility of a quick return to production.

Reuters, 15:58 June 30, 2014

Units Shut by Power Outage at Valero's 156,000 b/d McKee, Texas Refinery June 29

Several production units were shut by a power outage on Sunday night at Valero Energy Corp's McKee refinery in Sunray, Texas, sources familiar with operations at the refinery said. Energy intelligence service Genscape Inc said a 105,000 b/d crude distillation unit, a vacuum distillation unit, the 55,000 b/d fluidic catalytic cracking unit, and a reformer were shut due to the power outage.

Reuters, 13:44 June 30, 2014

Motiva Completes Hydrotreater, CDU Work at Its 600,000 b/d Port Arthur, Texas Refinery

Motiva Enterprises completed planned maintenance on hydrotreaters and repairs on a crude distillation unit (CDU) late last week at its Port Arthur, Texas, refinery, sources familiar with refinery operations said on Monday. The largest CDU, the 325,000 b/d VPS-5, was in operation but at slightly reduced production levels while the hydrotreater work was under way.

Reuters, 21:21 June 30, 2014

Phillips 66 Reduces Rates at Its 146,000 b/d Borger, Texas Refinery June 30

Phillips 66's refinery in Borger, Texas, started running at reduced rates this week ahead of maintenance, trade sources said on Monday. One source familiar with refinery operations said Phillips was shutting the 25,000 b/d delayed coking unit for work, which was expected to take two to three weeks and reduce rates on other units. A second trade source said the whole refinery was expected to be offline next week.

Reuters, 16:33 June 30, 2014

Marathon Reports Operational Problem, Flaring at Its 80,000 b/d Canton, Ohio Refinery June 29

Marathon Petroleum Corp.'s said its refinery in Canton, Ohio, had an operational problem on Sunday night which required the refinery to operate its safety flare system. WHBC-AM radio in Canton reported on Monday that the refinery was hit by a power interruption on Sunday night.

Reuters, 13:31 June 30, 2014

Tesoro Reports Process Unit Shut at Its 166,000 b/d Martinez, California Refinery June 30

Tesoro Corp. reported a hydrocarbon processing unit shutdown at its Golden Eagle refinery in Martinez, California, on June 30, according to a filing with Contra Costa Health Services made public on Tuesday. The filing did not specify any detail about the production status at the refinery.

Reuters, 12:03 July 1, 2014

Valero Reports Malfunction at Its 132,000 b/d Benicia, California Refinery June 28

Valero Energy Corp.'s Benicia, California, refinery reported a malfunction on Sunday that caused the safety flare system to operate, according to a notice filed with the California Emergency Management Agency. The units involved and the substances released were not listed in the notice. The refinery has reported a malfunction causing flaring since Wednesday.

Reuters, 14:01 June 29, 2014

Natural Gas

Liquefied Natural Gas Limited, Kinder Morgan File FERC Application to Transport Gas to Magnolia LNG Project in Louisiana

Liquefied Natural Gas Limited (LNGL) said that Kinder Morgan Louisiana Pipeline, LLC (KMLP), a wholly owned subsidiary of Kinder Morgan, Inc. filed an application with the Federal Energy Regulatory Commission (FERC) seeking the Commission's authorization to install compression and other related facilities on the KMLP Pipeline, allowing gas to be transported to the proposed Magnolia LNG (MLNG) Project, which is located along the Calcasieu River, near Lake Charles, Louisiana. The KMLP Pipeline transverses the Magnolia LNG Project's site. The expansion of the KMLP Pipeline involves the installation of new compression facilities and the interconnect facilities between the MLNG Project and the KMLP Pipeline. This expansion will enable gas supply of up to 1.4 Bcf/d for the 8 million tonnes per annum (mtpa) Magnolia LNG Project site from several major interconnected interstate pipelines in the region. The company's CEO said it was on target for the planned financial close for the Magnolia LNG Project in mid 2015.

<http://www.lnglimited.com.au/IRM/Company/ShowPage.aspx/PDFs/2072-31503518/KinderMorganFilesFERCApplicationtoTransportGas>

Other News

Tropical Storm Arthur Forms Off Central Florida Coast July 1

Tropical Storm Arthur formed off the central Florida coast on Tuesday and could strengthen into a hurricane later in the week, the National Hurricane Center said. The storm was expected to bring heavy rain, gusty thunderstorms, coastal flooding, rough seas, and rip currents to beaches from Florida to southern New England this week, the weather forecasters said. Computer forecast models showed Arthur was not a threat to key oil and gas producing areas in the Gulf of Mexico.

Reuters, 12:13 July 1, 2014

<http://www.nhc.noaa.gov/#ARTHUR>

International News

Nothing to report.

Energy Prices

U.S. Oil and Gas Prices			
July 1, 2014			
	Today	Week Ago	Year Ago
CRUDE OIL West Texas Intermediate U.S. \$/Barrel	105.81	106.92	97.68
NATURAL GAS Henry Hub \$/Million Btu	4.42	4.49	3.73

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