



ENERGY ASSURANCE DAILY

Tuesday Evening, July 05, 2016

Electricity

Strong Storms Knock Out Power to 73,000 Oncor Customers in Texas July 4–5

Oncor on Tuesday morning reported strong storms moved through its service area overnight adding to the few outages that remained from the initial storms early Monday morning. These storms contained frequent lightning strikes, strong winds, and heavy rains. At the peak of the second round of storms, 73,000 customers were without power. As of 2:30 p.m. CDT Tuesday, 13,782 customers remained without power. Oncor estimates restoration for customer outages resulting from the storms early Monday morning will be completed by Tuesday evening. Damage from the additional storms overnight was being evaluated and Oncor did not have estimated time of restoration for these outages.

<http://stormcenter.oncor.com/external/default.html>

Appaloosa Wildfire Knocks Out Power to Nearly 15,000 PG&E Customers in California July 2

PG&E on Saturday de-energized power transmission lines in Calaveras and San Joaquin counties at the request of Cal Fire, which left 14,928 customers temporarily without power. Cal Fire requested the lines be down while firefighters battled the Appaloosa wildfire that broke out earlier on Saturday between Angels Camp and Copperopolis. Power returned intermittently on Saturday as PG&E rerouted power through other circuits, and service was completely restored by mid-day Sunday. Cal Fire on Monday said the Appaloosa fire had burned 310 acres of vegetation and was 75 percent contained.

<http://calfireinformation.weebly.com/appaloosa-fire-updates.html>

<http://new.thepinetree.net/news/pge-update-at-peak-14928-customers-with-power-some-coming-back-online-now/>

<http://www.uniondemocrat.com/localnews/4479304-151/firefighters-hurt-battling-appaloosa-fire>

High Winds Knock Out Power to 20,000 Fortis BC Customers in British Columbia July 3

Fortis BC reported a wind storm knocked out power to 20,000 customers in Kelowna on Sunday evening. The utility identified a downed tree branch on a power line as the cause of the outages. The majority of power was restored within one hour.

https://twitter.com/FortisBC?ref_src=twsrc%5Etfw

https://www.kelownanow.com/watercooler/news/news/Kelowna/16/07/03/Power_outage_follows_wild_wind_in_Kelowna/

Hydro Ottawa Restores Power to 14,700 Customers in Ontario July 2 after Strong Storms Hit July 1

Hydro Ottawa reported strong storms knocked out power to 14,700 customers on Friday, causing damage to the electric system. There were numerous reports of fallen tree branches on wires due to high winds, the utility said. Power was fully restored by Saturday.

<https://hydroottawa.com/outages/info/outage-centre>

<https://twitter.com/hydroottawa>

<http://www.newswire.ca/news-releases/hydro-ottawa-crews-continue-to-restore-power-throughout-the-city-585286381.html>

PSE&G's 1,092 MW Salem Nuclear Unit 2 in New Jersey Reduced to 12 Percent by July 5

On the morning of July 4 the unit was operating at 82 percent.

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

Update: Exelon's 1,154 MW Braidwood Nuclear Unit 2 in Illinois at Full Power by July 5

On the morning of July 4 the unit was operating at 80 percent, reduced from full power on June 22.

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

High Desert Power's 830 MW Gas-fired Unit in California Reduced by July 3

The unit entered an unplanned curtailment of 607 MW.

<http://content.caiso.com/unitstatus/data/unitstatus201607031515.html>

Update: AES's 495 MW Alamos Gas-fired Unit 6 in California Returns to Service by July 2

The unit returned from an unplanned outage that began on July 1.

<http://content.caiso.com/unitstatus/data/unitstatus201607021515.html>

AES's 336 MW Alamos Gas-fired Unit 4 in California Returns to Service by July 4

The unit returned from an unplanned outage that began on July 3.

<http://content.caiso.com/unitstatus/data/unitstatus201607041515.html>

RRI Energy's 320 MW Etiwanda Gas-fired Unit 4 in California Returns to Service by July 3

The unit returned from an unplanned outage that began on July 2.

<http://content.caiso.com/unitstatus/data/unitstatus201607031515.html>

AES's 175 MW Redondo Gas-fired Unit 6 in California Shut by July 3

The unit entered an unplanned outage.

<http://content.caiso.com/unitstatus/data/unitstatus201607031515.html>

Petroleum

Update: CVR Refining's 115,700 b/d Coffeyville, Kansas Refinery Remains at Reduced Rates July 1; Magellan to Resume Full Pipeline Service in 3–4 Weeks

Production rates at CVR Refining LP's Coffeyville, Kansas refinery remained below normal levels on July 1 due to Magellan Midstream Partners' ongoing pipeline service suspension from Olathe to Kansas City, Kansas. Magellan's pipeline, which extends from Coffeyville to Kansas City and has the capacity to ship as much as 30,000 b/d, is one of three pipelines that transport the refinery's products to market. CVR first cut production rates at the refinery on June 7 following Magellan's announcement of what, at the time, was to be a temporary suspension along the line due to heavy rain and a hillside washout event. On June 30, Magellan informed CVR that the line will not return to full service for an additional 3–4 weeks. Magellan has implemented temporary measures to allow CVR to partially increase rates at the refinery, however CVR did not disclose details regarding the temporary measures or the current production levels at the facility.

[http://www.cvrrefining.com/NewsRoom/PDF/2016-06-](http://www.cvrrefining.com/NewsRoom/PDF/2016-06-30%20CVR%20Coff%20Refinery%20Operations%20Update%20NR---FINAL.pdf)

[30%20CVR%20Coff%20Refinery%20Operations%20Update%20NR---FINAL.pdf](http://www.cvrrefining.com/NewsRoom/PDF/2016-06-30%20CVR%20Coff%20Refinery%20Operations%20Update%20NR---FINAL.pdf)

<http://www.pennenergy.com/articles/ogj/2016/07/kansas-refinery-remains-at-reduced-rates.html>

Motiva Reports Loss of Containment at Its 603,000 b/d Port Arthur, Texas Refinery July 1

Motiva Enterprises reported a loss of primary containment that resulted in emissions in excess of a reportable quantity at its Port Arthur, Texas, refinery on July 1, according to a filing with the Texas Commission on Environmental Quality. Motiva said the facility took immediate actions to stop the loss of containment and minimize emissions.

Reuters, 15:31 July 4, 2016

Valero Reports Reduced CDU Rates Due to Heat Exchanger Repairs at Its 335,000 b/d Port Arthur Refinery July 5 – Sources

The production level of the large crude distillation unit (CDU) at Valero Energy Corp's Port Arthur, Texas refinery remains cut as repairs are continuing to heat exchangers on the unit, sources familiar with plant operations said on Tuesday. The 268,000 b/d CDU was running at 61 percent of capacity on Tuesday and repairs to the unit's heat exchangers were expected to continue for at least a week, the sources said.

Reuters, 11:49 July 5, 2016

Tesoro Reports Release at Its 256,830 b/d Carson, California Refinery July 1

Tesoro Corp reported a release from normal steam venting and process combustion at its Carson, California refinery. Tesoro said the release, which is not contained and is unrecoverable, was not due to a malfunction or any change in operation, but the result of a change in emission estimation methodology.

Reuters, 19:08 July 1, 2016

Gasoline Tankers Unable to Discharge Cargoes, Drop Anchor off New York Harbor June 28 – Traders

At least two oil products tankers carrying gasoline-making components have dropped anchor off New York Harbor for nearly a week, unable to discharge their cargoes in the latest sign that storage for the fuel is running out, traders said. The 74,000 tonne tanker Emerald Shiner, carrying a cargo of alkylate from the west coast of India and the 37,000 tonne Energy Progress with a cargo of reformat from Turkey, have been anchored off the New York Coast since June 28. In addition, three tankers hauling gasoline have also been diverted from the New York region to Florida and the U.S. Gulf Coast in recent days, a rare move that underscores oversupply in the pricing hub for the benchmark U.S. reformulated gasoline. Global gasoline stocks have risen steadily in recent months as refiners ran at full steam on expectations of strong demand this summer, particularly in the United States and Asia.

Reuters, 11:32 July 4, 2016

PHMSA Awards States Over \$49 Million in Pipeline Safety Grants July 1

The U.S. Department of Transportation's Pipeline and Hazardous Materials Safety Administration (PHMSA) on Friday announced more than \$49 million in Pipeline Safety Base Grants to reimburse a portion of operating costs for state pipeline safety programs. State pipeline inspectors oversee more than 80 percent of the nation's 2.6 million-mile pipeline network, according to the Secretary of Transportation. PHMSA's base grants provide a reimbursement of up to 80 percent of operating costs for state programs charged with inspecting intrastate transmission and distribution pipelines that transport natural gas, crude oil, and other energy products within state boundaries.

<https://www.transportation.gov/briefing-room/states-awarded-more-49-million-pipeline-safety-grants>

Reuters, 11:01 July 3, 2016

Natural Gas

Update: Spectra to Complete Integrity Assessment, Resume Full Service by November 1 on Its Penn-Jersey Natural Gas Pipeline System in Pennsylvania

Spectra Energy Corp has voluntarily decided to conduct a thorough integrity assessment along its entire Penn-Jersey pipeline transmission system after an explosion in late April temporarily halted natural gas shipments through its Delmont compressor station in Western Pennsylvania. The assessment includes reviewing inspection data, evaluating construction records, performing field investigations, and scheduling additional interior and exterior system inspections. Spectra said on June 30 that it expects to complete its integrity assessment and return the system to full service by November 1, before the start of the peak winter heating season. In the area around the blast, about a mile and a half from the Delmont compressor station, the company said only one of the four pipes is currently in service. Elsewhere along the line all four pipes are available to move gas. The Penn-Jersey pipeline system, part of the greater Texas Eastern pipeline system, consists of four parallel pipelines running from Delmont, Pennsylvania, to Lambertville, New Jersey. The Texas Eastern pipeline, which connects Texas and the Gulf Coast to the U.S. Northeast, can transport 10.5 Bcf/d and offers about 74 Bcf of gas storage.

<http://www.spectraenergy.com/announcements/>

Reuters, 15:18 July 1, 2016

DTE Reports Car Accident Causes Explosion, Fire from Its Natural Gas Main in Michigan July 2

DTE Energy on Saturday morning reported a car hit a natural gas main at its Allen Road facility in Melvindale, Michigan causing an explosion and fire. Hundreds of people were briefly evacuated as a precaution in case the fire affected other natural gas pipelines or underground wires, Melvindale Police said. The fire was extinguished but caused damage to several buildings at the DTE facility, a company representative and fire officials said.

https://twitter.com/dte_energy

Reuters, 11:31 July 2, 2016

Regency Reports AGI Compressor Shut at Its 290 MMcf/d Waha Gas Plant in Texas July 3

Regency reported the acid gas injector (AGI) compressor shut due to high suction scrubber liquid levels. The scrubbers were manually emptied of excess liquids and the AGI was reset and restarted.

<http://www2.tceq.texas.gov/oce/ee/index.cfm?fuseaction=main.getDetails&target=236775>

Other News

Nothing to report.

International News

Nigerian Militants Claim Responsibility for Attacks on Oil Facilities near Warri July 5

Nigerian militant group the Niger Delta Avengers said on Tuesday it had blown up a Chevron well and oil pipelines near the city of Warri in the country's southern oil hub. The group has pushed production to 30-year lows in the last few weeks through a series of attacks. It said it blew up a Nigerian Petroleum Development Company manifold, close to Banta, and two crude pipelines operated by the state oil company NNPC, adding that it also blew up "Chevron Well 10." Chevron and NNPC were not immediately available to comment.

Reuters, 7:49 July 5, 2016

Kazakhstan, Chevron-led Group Approve \$37 Billion Tengiz Field Expansion

Kazakhstan and a group of oil companies led by Chevron approved a \$36.8 billion plan to boost production at the country's Tengiz field. The field, one of the world's largest, already accounts for more than a third of total crude output in Kazakhstan. Under the plan, Tengiz, in which ExxonMobil and Lukoil also have stakes, will increase output to 39 million tonnes a year (850,000 b/d) by 2022 from 27 million tonnes currently, Kazakhstan's Energy Ministry and its foreign partners said on Tuesday. Kazakhstan holds a 20 percent stake in the venture via state oil and gas firm KazMunayGaz, Chevron owns 50 percent, ExxonMobil has 25 percent, and Lukoil the remaining 5 percent.

Reuters, 9:18 July 5, 2016

Libya Oil Chiefs Reunify NOC to End Conflict on Exports July 2

Rival leaders of Libya's National Oil Corp (NOC) reached an agreement to unify the state company under a single management, a step that could help end the conflict over who can control the divided country's crude exports and revenue. Libya split into separately governed regions in 2014, leading to the establishment of rival NOC administrations. Libyan factions are currently working to set up a Government of National Accord. The reunification comes after a previous agreement between the NOC competing administrations that allowed crude exports to resume from the port of Hariga in the east in May, easing a bottleneck and allowing for crude production to increase slightly to about 350,000 b/d. Libya's crude production was about 1.6 million b/d before Qaddafi was ousted from power in 2011.

http://www.rigzone.com/news/oil_gas/a/145437/Libya_Oil_Chiefs_Reunify_State_Producer_To_End_Row_On_Exports

Energy Prices

U.S. Oil and Gas Prices			
July 5, 2016			
	Today	Week Ago	Year Ago
CRUDE OIL			
West Texas Intermediate U.S.	46.68	47.38	57.74
\$/Barrel			
NATURAL GAS			
Henry Hub	2.88	2.76	2.81
\$/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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