



# ENERGY ASSURANCE DAILY

Monday Evening, July 18, 2016

## Electricity

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### Power Plant Trip Knocks Out Power to nearly 52,000 Customers in Alaska July 17

A widespread power outage hit Southcentral Alaska Sunday evening when the 183 MW natural gas-fired Southcentral Power Plant tripped for unknown reasons, knocking out power to nearly 52,000 customers. Chugach Electric Association and Municipal Light & Power (ML&P), which co-own the power plant, said the trip affected about 37,000 Chugach Electric and 6,700 ML&P customers. In addition, 8,000 Matanuska Electric Association (MEA) customers lost power due to “unstable frequency with neighboring utilities,” the service provider said. All three utilities reported that service was fully restored later that evening. The table below shows total affected customers and the latest reported outages by utility. The “Affected” column shows the total count of customers that lost power at one point or another over the course of the storm for each utility. These outages may not have occurred concurrently and are not the same as peak outages.

Alaska Customer Power Outages			
July 17, 2016			
Electric Utility	State	Affected	Latest Reported
Chugach Electric Association	AK	37,000	0
Municipal Light & Power (ML&P)	AK	8,000	0
Matanuska Electric Association	AK	6,700	0
<b>TOTAL*</b>		<b>51,700</b>	<b>0</b>

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

Sources:

- <http://www.adn.com/2016/07/17/widespread-outage-leaves-thousands-of-alaskans-without-power-sunday/>
- <http://www.ktva.com/chugach-electric-more-than-37000-people-briefly-without-power-337/>
- [http://www.chugachelectric.com/outage/outage\\_map.html](http://www.chugachelectric.com/outage/outage_map.html)

### Wildfires Threaten Four Small Hydropower Plants along Northwest Territories’ Snare River July 13

Rampant wildfires in Canada’s Northwest Territory are threatening infrastructure associated with four hydroelectric plants that make up the Snare hydro system, including the 8.5 MW Snare Rapids, 7.4 MW Snare Falls, 4.3 MW Snare Cascades, and 10.15 MW Snare Forks hydropower plants. The provincial government said last week that the wildfire, which began in a 10-hectares area, had grown to cover more than 1,900 hectares and was currently “out of control.” Northwest Territories Power Corp. (NWTP), which owns the Snare hydro system, said at that time it was monitoring its assets—primarily including 150 kilometers of power transmission lines in the Yellowknife, Behchoko, and Dettah area—but that local fire crews had done a good job of protecting the four generating sites. NWTP reported last week that staff remained at each facility, but that it would remove them should safety become an issue.

<http://www.hydroworld.com/articles/2016/07/wildfires-near-small-hydro-plants-along-northwest-territories-snare-river.html>

### NextEra Energy and Hawaiian Electric Industries Announce Termination of Merger Agreement July 18

NextEra Energy, Inc. and Hawaiian Electric Industries, Inc. today announced the termination of their plans to merge, effective immediately. The decision was driven by the Hawaii Public Utilities Commission’s order to dismiss the companies’ merger application. Under the terms of the merger agreement, NextEra Energy will pay Hawaiian Electric Industries a \$90 million break-up fee and up to \$5 million for reimbursement of expenses associated with the transaction.

<http://www.nexteraenergy.com/news/contents/2016/071816.shtml>

## **Calpine's 120 MW Gilroy Gas-fired Unit in California Shut by July 16**

The unit entered an unplanned outage, according to a filing with state regulators.

<http://content.caiso.com/unitstatus/data/unitstatus201607161515.html>

## **PECO Completes More Than 600 Projects to Enhance System Infrastructure in Q1 2016**

PECO completed nearly 600 projects during the first quarter of 2016 in order to enhance natural gas and electric service for its customers. The work is part of the company's ongoing efforts to provide customers with safe, reliable, affordable, and clean energy services. The company invests more than \$500 million each year to enhance its system infrastructure through preventive maintenance and equipment upgrades. PECO said as part of the work, it inspected 308 miles of natural gas mainlines, completed more than 1,700 valve inspections, and replaced nearly two miles of natural gas mainline with plastic pipe.

<https://www.peco.com/News/PECOCompletesMoreThan600SystemProjects07142016.aspx>

## **Great River Energy Cites Economics in Decision to Retire 189 MW Stanton Coal-fired Power Plant in North Dakota by May 2017**

Great River Energy announced Friday it will retire a small coal-fired power plant near Bismarck, North Dakota by May 2017 because it's become too expensive to run. The 189 MW Stanton Station is one of several power plants that generates electricity for Great River Energy's 1.7 million customers in Minnesota. The plant had not been slated for retirement, but low prices in the regional energy market drove the decision, according to utility officials.

Officials said Stanton has not been running at full capacity lately because of the economic conditions that made it cheaper to get electricity from the utility's other plants or purchase it from elsewhere.

<https://www.mprnews.org/story/2016/07/15/great-river-energy-retire-north-dakota-coal-plant>

<http://greatriverenergy.com/great-river-energy-to-end-operations-at-stanton-station/>

## ***Petroleum***

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### **ExxonMobil Reports Flaring at Its 344,600 b/d Beaumont, Texas Refinery July 17**

Operators at ExxonMobil's Beaumont, Texas refinery reported an unspecified flaring event on Monday, which lasted for about 15 minutes on Sunday evening.

Reuters, 12:14 July 18, 2016

### **FCCU Running at Reduced Rates Due to Cooling Issues at Phillips 66's 336,000 b/d Wood River, Illinois Refinery July 18 – Source**

Phillips 66 reduced rates on a 48,000 b/d fluid catalytic cracking unit (FCCU) at its Wood River refinery on Monday due to cooling issues, according to a source familiar with the plant's operations. The source described the production cuts as "modest," but did not give a specific figure. The refinery has a second FCCU, which has a capacity of 42,000 b/d and is unaffected, the source said.

Reuters, 12:58 July 18, 2016

### **Petrobras Restarts FCCU at Its 112,229 b/d Pasadena, Texas Refinery after Leak July 16**

Operators at Petrobras' Pasadena, Texas refinery restarted a fluid catalytic cracking unit (FCCU) following a cut in charge rate due to a leak on an exchanger on Saturday evening, according to a filing with the Texas Commission on Environmental Quality. Operators cut rates long enough to isolate the leaking exchanger, and restarted the FCCU about 9 hours later, the filing said.

<http://www2.tceq.texas.gov/oce/eeer/index.cfm?fuseaction=main.getDetails&target=239044>

### **ExxonMobil Reports Pipeline Leak at Its 238,600 b/d Joliet, Illinois Refinery July 17**

ExxonMobil reported that a crack in a pipeline weld resulted in sulfur dioxide emissions at its Joliet, Illinois refinery, according to a filing made with the Illinois Emergency Management Agency over the weekend. The company said the line has been isolated and will be repaired.

Reuters, 23:21 July 17, 2016

### **North Dakota's Crude Oil Output Increases in May Following Five Months of Declines**

North Dakota's oil output rose in May, a surprising increase due to crude prices that inched up during the month. The state pumped 1,047,364 b/d of crude in May, up from 1,041,981 b/d in April, according to the state's Department of Mineral Resources, which reports on a two-month lag. U.S. oil prices rose about 6 percent in May.

[https://www.dmr.nd.gov/oilgas/mpr/2016\\_05.pdf](https://www.dmr.nd.gov/oilgas/mpr/2016_05.pdf)

Reuters, 09:46 July 18, 2016

### **U.S. Department of Energy Issues Non-FTA Export Authorization for Cameron LNG Liquefaction Expansion Project in Louisiana**

Sempra Energy (SRE) today announced that Cameron LNG has received authorization from the U.S. Department of Energy (DOE) to export an additional 1.41 Bcf/d from its proposed Louisiana liquefaction expansion project to countries that do not have a free-trade agreement with the United States. With this order, Cameron LNG's export capacity will increase to 24.92 million tons per annum, equivalent to 3.53 Bcf/d. Earlier this year, Cameron LNG received approval from the Federal Energy Regulatory Commission to site, construct, and operate the proposed expansion project, which will include up to two additional liquefaction trains (trains No. 4 and No. 5) and one additional full containment LNG storage tank (tank No. 5). The expansion project will be located next to the Cameron LNG terminal and liquefaction facilities that were approved for construction in 2014 in Hackberry, Louisiana. Construction on the first phase of the project (trains No. 1-3) currently is underway. The facility is expected to commence operations during 2018, with the first full year of operations in 2019.

<http://sempra.mediaroom.com/index.php?s=19080&item=137178>

### **Annova LNG Submits FERC Application for an LNG Export Facility at the Port of Brownsville in Texas**

Annova LNG announced last week that it has filed an application with the Federal Energy Regulatory Commission (FERC) to seek authorization for building LNG export facilities at the Port of Brownsville. The company is asking for FERC to approve the application by March 30, 2018. Annova LNG plans to ship natural gas from the vast Eagle Ford region south of San Antonio to the Port of Brownsville, where it will be liquefied and exported to customers overseas. The facilities would be designed to receive 0.89 Bcf/d of feed gas via pipeline and would include six liquefaction trains with a total capacity of 6 million tonnes per annum of LNG. On February 20, 2014, the U.S. Department of Energy, Office of Fossil Energy, granted Annova a long-term, multi-contract authorization to export LNG to Free Trade Agreement nations. Originally entering pre-filing status with FERC in March 2015, Annova LNG is the last of three companies filing for permission to build export terminals in the Port of Brownsville. Both Texas LNG and Rio Grande LNG filed FERC applications earlier this year.

<http://www.bizjournals.com/eagle-ford-shale-insight/2016/07/annova-lng-files-application-to-build-export.html>

<http://www.ferc.gov/CalendarFiles/20150723172827-PF15-15-000.pdf>

### **Mississippi Power Announces Syngas Production Milestone at Kemper County Energy Facility in Mississippi July 15**

Mississippi Power announced Friday that it has started producing synthetic natural gas (syngas) using lignite at its Kemper County, Mississippi energy facility. Syngas is created when locally mined lignite is heated at high temperatures in the plant's gasifiers, converting the coal to gas. To produce electricity, the plant is designed to use syngas similarly to natural gas to power a turbine. The facility is designed to capture at least 65 percent of carbon dioxide, with resulting emissions better than a similarly sized natural gas plant. The successful production of syngas is an important step in the systematic process of achieving the facility's full commercial operation. During the coming weeks, the Kemper project team also will be focused on starting up and integrating various systems needed to achieve the next major milestone—using syngas to produce electricity at the plant.

<http://mississippipowernews.com/2016/07/15/mississippi-power-announces-syngas-production-milestone-at-kemper-county-energy-facility>

## **Other News**

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Nothing to report.

## International News

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### Militants Attack State-run Nigerian Crude Oil Pipeline July 17

Militants in Nigeria attacked a crude oil pipeline on the outskirts of Warri, a city in the Niger Delta, on Sunday, a local community leader said. The pipeline is operated by the Pipelines and Product Marketing Company (PPMC), a subsidiary of the Nigerian National Petroleum Corporation. Militants calling for a greater share of Nigeria's energy wealth to go to the impoverished Delta area have carried out attacks oil and gas facilities in the southern region over the last few months. Two blasts were heard on the PPMC line Sunday night, the leader said.

Reuters, 10:09 July 18, 2016

### Pay Protest Shuts East Libyan Oil Terminal of Hariga, Delays Two Export Loadings July 17 – Port Official

A unit of Libya's Petroleum Facilities Guard protesting over pay shut the eastern Libyan oil terminal of Hariga on Sunday, delaying two loadings of crude exports, a port official said.

Reuters, 08:34 July 17, 2016

## Energy Prices

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U.S. Oil and Gas Prices			
July 18, 2016			
	Today	Week Ago	Year Ago
<b>CRUDE OIL</b>			
<b>West Texas Intermediate U.S.</b> \$/Barrel	45.18	44.68	50.83
<b>NATURAL GAS</b>			
<b>Henry Hub</b> \$/Million Btu	2.67	2.77	2.90

Source: Reuters

## Links

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***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](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](mailto:ead@oe.netl.doe.gov)