



ENERGY ASSURANCE DAILY

Thursday Evening, July 21, 2016

Electricity

Storms Leave Nearly 158,000 Customers without Power across Northern Midwest July 21

A line of severe thunderstorms with heavy winds raced across northeastern Minnesota and northwestern Wisconsin early Thursday, downing trees and power lines and leaving at least 157,966 customers without power. As of 4:30 p.m. EDT, approximately 99,767 customers remained without power. Xcel Energy, which reported at least 60,000 outages in Minnesota and Wisconsin, said crews were working to restore service by 6:00 p.m. CDT. Minnesota Power, initially reported that approximately 39,200 customers lost power due to major damage to its transmission system, and that extended outages were possible. As of 4:30 p.m. CDT, Minnesota Power's latest reported outages had jumped up to 44,060 customers. The utility was setting up cooling stations, including water, food, and showers for affected customers while damage assessments to its infrastructure were underway. The utility did not indicate when complete restoration was expected. 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.

Northern Midwest Customer Power Outages			
July 21, 2016			
Electric Utility	State	Affected	Latest Reported
Xcel Energy	MN	40,000	196
Minnesota Power	MN	44,060	44,060
Lake County Power	MN	27,000	22,825
Xcel Energy	WI	20,000	8,622
Wisconsin Public Service	WI	17,000	14,158
We Energies	WI	9,906	9,906
TOTAL*		157,966	99,767

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

Sources:

- https://twitter.com/mnpower?ref_src=twsrc%5Egoogle%7Ctwcamp%5Eserp%7Ctwgr%5Eauthor
- <http://www.startribune.com/storms-leave-thousands-without-power-in-duluth-area-twin-cities/387774671/>
- <http://www.northlandsnewscenter.com/news/local/Over-85000-people-without-power-in-Northland-following--387818241.html>
- https://www.xcelenergy.com/emergency_notices/wi_and_mi_outage_page_thursday_july_21_2016
- <http://www.northlandsnewscenter.com/news/nw-wisconsin/Xcel-Energy-working-to-restore-power-to-Wisconsin--387798161.html>
- <http://bringmethenews.com/2016/07/21/more-than-70000-homes-without-power-after-early-morning-storms/>
- <http://www.wsaw.com/content/news/17000-people-without-power-and-climbing-as-severe-storms-move-through-north-central-Wis--387784711.html>
- <http://www.duluthnewstribune.com/news/4078326-storms-bring-widespread-wind-damage-power-outages-duluth-and-northland>
- <https://twitter.com/xcelenergymn>

AES's 332 MW Alamitos Gas-fired Unit 3 in California Reduced by July 20

The unit entered an unplanned curtailment of 164 MW.

<http://content.caiso.com/unitstatus/data/unitstatus201607201515.html>

AES's 336 MW Alamos Gas-fired Unit 4 in California Reduced by July 20

The unit entered an unplanned curtailment of 236 MW.

<http://content.aiso.com/unitstatus/data/unitstatus201607201515.html>

Energy Northwest's 1,107 MW Columbia Generating Station Nuclear Unit in Washington Reduced to 69 Percent by July 21

On the morning of July 20 the unit was operating at full power.

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

Update: Entergy's 1,207 MW Grand Gulf Nuclear Unit 1 in Mississippi Restarts, Ramps Up to 20 Percent by July 21

The unit is returning from an outage that began June 25 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>

West Penn Power Begins Preventative Projects to Enhance Service Reliability for Its Customers in Pennsylvania

West Penn Power is beginning work on approximately \$17 million of additional electrical system projects for 2016 to enhance service reliability for its 720,000 customers. The work includes installing protective devices on wires and poles, rebuilding electric lines, adding other special equipment, and installing automated and remote control devices—all designed to help reduce the number and duration of service interruptions. These projects were identified in West Penn Power's five-year Long-Term Infrastructure Improvement Plan, which was approved earlier this year by the Pennsylvania Public Utility Commission.

https://www.firstenergycorp.com/newsroom/news_releases/-17-million-in-additional-reliability-work-underway-in-west-penn.html

Penn Power Company Begins Preventative Projects to Enhance Service Reliability for Its Customers in Pennsylvania

Pennsylvania Power Company is beginning work on approximately \$12 million of additional electrical system projects for 2016 to enhance service reliability for its 160,000 customers. The work includes rebuilding electric lines, beginning engineering work on new substations, and installing automated and remote control devices—all designed to help restore service faster, along with minimizing the number of customers affected, if an outage does occur. These projects were identified in Pennsylvania Power's five-year Long-Term Infrastructure Improvement Plan, which was approved earlier this year by the Pennsylvania Public Utility Commission.

https://www.firstenergycorp.com/newsroom/news_releases/-12-million-in-additional-reliability-work-underway-in-penn-powe.html

MISO, PJM Power Grid Operators Issue Alerts, Request Suspension of Maintenance Work Due to Heat Wave in U.S. Midwest July 21

The U.S. Midwest and East Coast power grid operators request generation and transmission maintenance to be suspended for two days beginning Thursday to ensure adequate power supplies as consumers crank up air conditioners to escape the heat wave. The Midcontinent Independent System Operator (MISO), the Midwest grid operator, told members it was nearing a capacity alert due to the planned shutdown of some power generation plants for maintenance. Cancelling maintenance work is usually one of the first steps a grid operator takes to maintain reliability. Other steps include urging consumers to conserve power and, under extreme circumstances, reducing voltage and rotating blackouts. PJM Interconnection, the nation's biggest power grid overseeing parts of the Mid Atlantic and Midwest, also issued a hot weather alert this week for the entire grid and several of its utility members. PJM, in a notice, also told utility members to determine if they could delay generator or power line maintenance work. High temperatures in the biggest cities served by MISO and PJM—Chicago, Philadelphia, and Indianapolis—were expected to top 90 degrees Fahrenheit through the weekend, according to meteorologist AccuWeather.

Reuters, 09:29 July 21, 2016

<http://www.pjm.com/markets-and-operations.aspx>

<https://www.misoenergy.org/MarketsOperations/Notifications/Pages/ConservativeOperationsInitiate20160721063601.aspx>

First Foreign Tanker Set to Load Alaska North Slope Crude in More Than 30 Years

A cargo of Alaska North Slope (ANS) crude is scheduled to load next week aboard a foreign-flagged tanker for the first time in more than 30 years. The Bahamas-flagged Tianlong Spirit, currently off the coast of California, is set to load a 136,000-ton cargo around July 25 from Alaska and then head for the Far East, according to ship tracking and fixture data compiled by Bloomberg shows. This would be the first time since the mid-1980s that a foreign-flagged ship would have loaded ANS crude for shipment. Congress lifted the 40-year ban restricting most American crude exports late last year.

<http://www.hellenicshippingnews.com/first-foreign-tanker-set-to-load-alaska-oil-in-three-decades/>
http://www.downstreamtoday.com/news/article.aspx?a_id=52828

Phillips 66 Reports Process Upset at Its 336,000 b/d Wood River, Illinois Refinery July 20

Phillips 66 reported an unspecified process upset at its Wood River, Illinois refinery Wednesday, according to a filing with the Illinois Emergency Management Agency.

Reuters, 04:07 July 21, 2016

Citgo Reports SRU Upset at Its 157,500 b/d Corpus Christi, Texas Refinery July 20

Citgo reported a sulfur recovery unit (SRU) upset occurred on July 20 during startup operations at the east plant of its Corpus Christi, Texas refinery, according to a filing with the Texas Commission on Environmental Quality

Reuters, 12:27 July 21, 2016

Valero Reports Unit Shutdown at Its 85,000 b/d Wilmington, California Refinery July 21

Valero Energy Corp reported a flaring event due to a unit shut down at its Wilmington, California refinery.

Reuters, 14:17 July 21, 2016

Natural Gas

Update: Repairs to Fire-Damaged Texas Natural Gas Pipeline to Begin Soon

Energy Transfer Partners said Wednesday that an investigation into a fire on Monday at a natural gas pipeline near its 800 MMcf/d King Ranch gas processing plant in Kleberg County, Texas, was underway and repairs were set to begin shortly. Initial reports on Monday indicated the fire occurred from Kinder Morgan's Tejas pipeline, however, Kinder Morgan could not say which company owned the line or how much gas had been curtailed since the investigation was still ongoing. The fire affected some customer receipt and delivery points on Kinder Morgan's Texas, Border, Tejas, and Monterrey pipelines. In addition, Reuters data showed that gas flows between the King Ranch processing plant and Kinder Morgan's Tennessee Gas pipeline fell from a 30-day average of 91 MMcf/d before the fire to zero on Tuesday and Wednesday, although Energy Transfer claimed that gas was rerouted to continue operations. Kinder Morgan added that it was putting together a plan to restore service to affected customers as soon as possible, but had no estimate for the start or completion of repairs for affected pipeline segments.

Reuters, 13:15 July 20, 2016

<http://pipeline2.kindermorgan.com/Notices/NoticeDetail.aspx>

PHMSA Orders Spectra to Conducts Tests on Penn-Jersey Natural Gas Pipeline System after April 29 Explosion, Shutdown July 19

The Pipeline & Hazardous Materials Safety Administration (PHMSA) has ordered Spectra Energy Corp. to conduct additional assessments on three natural gas pipelines in Westmoreland County, Pennsylvania, including one that exhibited corrosion similar to a fourth line that blew up earlier this year in April. Preliminary findings indicate a pipeline weld coated with tape failed, causing the explosion. PHMSA said the integrity of the other lines had been potentially damaged or adversely affected by the April 29 blast. Spectra said it was cooperating with the investigation and that the new integrity assessments could lead to pipeline upgrades. A company spokesman said Tuesday's order is "well-aligned" with the company's plans to improve its Penn-Jersey pipeline system and that many items recommended in the report have been completed or begun.

Reuters, 17:31 July 20, 2016

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

http://www.phmsa.dot.gov/staticfiles/PHMSA/DownloadableFiles/Files/Spectra_ACAO_CPF_No_1_2016_1004H.pdf

PG&E Exceeded Legal Pressure Limits in Numerous Pipelines, Including Line that Failed in the 2010 San Bruno Explosion in California– FBI Testimony

Pacific Gas & Electric (PG&E) spiked the pressure beyond the maximum allowed level on numerous pipelines and was aware of defects in several pipes—including the one that failed in the 2010 San Bruno explosion—according to an agent with the U.S. Federal Bureau of Investigation (FBI) who reviewed company records after the disaster. The utility also was unable to provide investigators with required pressure test records on several lines, the agent testified Tuesday in the company’s federal criminal trial. Separately, PG&E provided federal investigators two different versions of its policy on pipeline pressure spikes, documents showed. Prosecutors allege that PG&E violated pipeline safety rules before the blast and subsequently obstructed the National Transportation Safety Board’s investigation.

http://www.mercurynews.com/business/ci_30145912/pg-e-knew-pipeline-threats-fbi-agent-testimony

<http://www.bizjournals.com/sanfrancisco/news/2016/07/20/pge-fbi-san-bruno.html?ana=yahoo>

Regency Reports Emissions Due to AGI Compressor Shutdown at Its 290 MMcf/d Waha Gas Plant in Texas July 20

Regency reported the acid gas injector (AGI) at its Waha, Texas plant shut down due to high scrubber liquid levels Wednesday morning, according to a filing with state regulators. Operators reset and restarted the compressor later that day.

<http://www2.tceq.texas.gov/oce/eer/index.cfm?fuseaction=main.getDetails&target=239395>

Other News

Nothing to report.

International News

Nigeria’s Qua Iboe Crude Exports to Remain Under Force Majeure for At Least a Month – Sources

Exports of Nigeria’s most marketable crude oil stream, Qua Iboe, will remain under force majeure for at least one month while operator ExxonMobil repairs a leak on the pipeline feeding the export terminal, sources said. ExxonMobil declared force majeure last week citing a “system anomaly” it observed during a routine check. Sources said this week that the pipeline lost pressure while loading a cargo of crude oil, and that the company subsequently discovered a leak on the underwater pipeline. Sources said repairs needed were more extensive than initially thought, and would not begin this week. The force majeure was likely to remain in place for a minimum of one month, several sources said.

Reuters, 10:30 July 21, 2016

Energy Prices

U.S. Oil and Gas Prices			
July 21, 2016			
	Today	Week Ago	Year Ago
CRUDE OIL West Texas Intermediate U.S. \$/Barrel	43.86	45.59	50.54
NATURAL GAS Henry Hub \$/Million Btu	2.72	2.81	2.84

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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