



ENERGY ASSURANCE DAILY

Tuesday Evening, July 26, 2016

Electricity

Strong Thunderstorms Knock Out Power to Over 62,000 Customers in New Jersey July 25

Strong thunderstorms producing high winds knocked out power to at least 36,600 JCP&L customers and 26,000 PSE&G customers in New Jersey Monday night. Wind gusts of up to 60 mph were reported. As of 3:30 p.m. EDT Tuesday, 2,279 JCP&L customers and 770 PSE&G customers remained without power.

<https://s3.amazonaws.com/outagecenter.pseg.com/external/default.html>

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

http://www.nj.com/weather/index.ssf/2016/07/thunderstorms_plow_through_new_jersey.html

Storms Knock Out Power to Over 32,000 PECO Customers in Pennsylvania July 25

Storms producing strong winds, lightning, and heavy rain knocked out power to at least 32,000 PECO customers in Pennsylvania on Monday night. As of 3:30 p.m. EDT Tuesday, 1,970 customers remained without power.

<https://twitter.com/pecoconnect>

<https://www.peco.com/Outages/CheckOutageStatus/Pages/OutageMap.aspx>

TVA's 1,155 MW Browns Ferry Nuclear Unit 1 in Alabama Reduced to 37 Percent by July 26

On the morning of July 25 the unit was operating at 97 percent.

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

Update: AES's 336 MW Alamitos Gas-fired Unit 4 in California Returns to Service by July 25

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

<http://content.caiso.com/unitstatus/data/unitstatus201607251515.html>

ConEd Activates Program to Save Power during Heat Wave in New York July 26

Consolidated Edison (ConEd) on Tuesday activated a program to reduce power demand as customers turned up their air conditioners to escape the lingering heat wave hitting New York. ConEd's forecast demand for power could reach about 11,800 MW on Tuesday and 11,500 MW on Wednesday, which is near the highest levels seen so far in 2016, but falls short of peak usage on Friday and Monday. Peak demand on Monday hit 12,075 MW, which fell short of Friday's 12,124 MW high for the year. The company's all-time peak was 13,322 MW set on July 19, 2013. Participants in Con Ed's demand response programs, which the company activated on Monday and Tuesday, can reduce power usage by about 220 MW by turning off elevators and lights and raising air conditioner thermostats, the company said.

<http://www.coned.com/newsroom/>

Reuters, 11:34 July 26, 2016

Houston Ship Channel Reopens after Shelter in Place Due to Power Outage at Petrobras' 112,229 b/d Pasadena, Texas Refinery July 25 – U.S. Coast Guard, Sources

A plant-wide power loss at Petrobras' Pasadena, Texas refinery forced the temporary closure of a portion of the Houston Ship Channel and residents of a town north of the waterway to shelter indoors on Monday afternoon, according to local and federal officials. The Pasadena refinery lost power as heavy rains and thunderstorms hit the area, the company said. Due to the power outage, the refinery set off its safety flare system to burn off hydrocarbons that the halted refinery machinery could not process, sources familiar with plant operations said. The refinery is conducting a safety assessment to restart the units. It was unclear if lightning struck the refinery or the downpour affected refinery equipment, the sources said. The U.S. Coast Guard halted ship traffic on the Houston Ship Channel just north of the refinery as dense smoke containing sulfur dioxide streamed across the waterway toward Galena Park, Texas, where residents were told by city officials to remain indoors with windows closed and air conditioners off. The flaring had stopped by 6 p.m. CDT with the ship channel reopening and the shelter-in-place order lifted.

<http://www.uscgnews.com/go/doc/4007/2868854/>

Reuters, 20:57 July 25, 2016

Hilcorp Energy Reports 30–100 Barrel Oil Spill at Lake Grande Ecaille, Louisiana, Coast Guard Responds July 26

The Coast Guard on Tuesday was responding to a crude oil spill from an abandoned Hilcorp Energy flow line near Lake Grande Ecaille, Louisiana on Monday. Hilcorp Energy estimated the spill at between 30 to 100 barrels of oil. The source of the discharge was reported as contained on Monday and Hilcorp was conducting cleanup operations. The Coast Guard, NOAA, Louisiana Oil Spill Coordinators Office, and Louisiana Department of Wildlife and Fisheries are also overseeing the response. Coast Guard Air Station New Orleans aircrews have conducted aerial assessments of the site and surrounding areas. The cause of the incident is under investigation

<http://www.uscgnews.com/go/doc/4007/2869034/>

Reuters, 15:42 July 26, 2016

Update: Husky Shuts Pipeline Indefinitely after 1,572 Barrel Oil Spill in Saskatchewan July 25

Husky Energy Inc. has indefinitely closed a pipeline that leaked oil into the North Saskatchewan River, which supplies water to several communities in the western Canadian province, a company official said on Monday, as the spill forced a second city to stop drawing drinking water. Heavy oil and diluent leaked from a 19-year-old pipeline in Husky's Saskatchewan Gathering System on July 21. The northern part of the system will remain down until Husky has "dealt with the crisis at hand," a Husky executive said. The oil reached Prince Albert hours earlier than expected on Monday, widening the impact and cost of the spill, as workers there stretched a 19-mile hose to draw drinking water from another source. A sheen was visible on the river in the morning, spurring the city to shut its water treatment plant intake, the city manager said. It has two days' worth of stored water before it must find another source. Less than half of the 1,572 leaked barrels of oil had been recovered as of Monday, a Saskatchewan environment official said. Upstream of Prince Albert, the city of North Battleford stopped drawing drinking water from the river last week.

<http://www.huskyenergy.com/news/saskatchewan-updates.asp>

Reuters, 18:27 July 25, 2016

Update: Suncor's Diluent Pipeline at Fort McMurray, Alberta Base Plant Remains Shut after Leak July 25 – AER

A pipeline at Suncor Energy's oil sands base plant remained offline on Monday, the Alberta Energy Regulator (AER) said, following a leak last week that spilled around 125 barrels of diluent. Suncor shut the pipeline on Friday morning after discovering the spill at its main oil sands site near Fort McMurray in northern Alberta. The cleanup was continuing and the pipeline remains shut in, an AER spokesman said. AER staff had visited the site and would be investigating the cause of the leak, which was unknown. The pipeline is used for transporting diluent, an ultra-light hydrocarbon used to dilute viscous bitumen so it can flow from Suncor's base plant to its Firebag plant for blending with bitumen. Suncor said on Monday it would not be providing daily updates on the repair and restart of the pipeline. On Friday, a spokeswoman said there had been no impact on operations.

http://www.downstreamtoday.com/news/article.aspx?a_id=52902

ExxonMobil to Expand Ultra-Low Sulfur Fuels Production at Its 345,000 b/d Beaumont, Texas Refinery July 26

ExxonMobil today announced plans to increase production of ultra-low sulfur fuels at its Beaumont refinery by approximately 40,000 b/d. Construction is scheduled during the second half of 2016 to install a selective cat naphtha hydrofining unit, which uses a proprietary catalyst system to remove sulfur while minimizing octane loss. Startup of the flexible technology, known as SCANfining, is expected in 2018. Gasoline produced using this technology will meet the U.S. Environmental Protection Agency's Tier 3 gasoline sulfur specifications.

<http://news.exxonmobil.com/press-release/exxonmobil-expand-ultra-low-sulfur-fuels-production-beaumont-refinery>

Valero Says New Crude Unit Started at Its 100,000 b/d Houston, Texas Refinery July 26

Valero Energy Corp on Tuesday said it has completed and started up a new 90,000 b/d crude unit at its Houston, Texas refinery.

Reuters, 7:29 July 26, 2016

Canada to Phase out DOT-111 Crude-by-Rail Cars by November 1

Canada's Minister of Transport on Monday issued Protective Direction 38, which accelerates the phasing out of DOT-111 tank cars for crude oil service to November 1, 2016. The accelerated timeline will phase out unjacketed legacy DOT-111 tank cars six months early and legacy jacketed DOT-111 cars 16 months early. Legacy DOT-111 tank cars are considered to be the least crash resistant tank cars still being used in crude oil transportation. They will be replaced by tank cars such as the TC-117, which is designed with a number of additional safety features, including thicker steel, head shields, thermal protection and top fitting protection. In 2015, more than 146,000 carloads of crude oil were shipped throughout Canada by rail.

<http://news.gc.ca/web/article-en.do?nid=1104139>

Natural Gas

Sempra Declares Force Majeure on Its 22.3 Bcf Mississippi Hub Natural Gas Storage Cavern July 26

Sempra Energy declared a force majeure on Tuesday at its 22.3 Bcf Mississippi Hub natural gas storage facility at the Bond Salt Dome in Simpson County, Mississippi, due to a failure of mechanical/safety equipment. Sempra said previously scheduled withdrawals would be reduced starting Tuesday and those reductions will remain in place until further notice. The field can deliver up to 1,200 MMcf/d of fuel into gas pipelines, according to the company. Over the past 30 days, however, customers have only removed about 76 MMcf/d on average because some shippers added gas into the cavern earlier in the month, according to Thomson Reuters data. Over the past seven days, shippers have removed on average about 208 MMcf/d from the field, Thomson Reuters data said. The cavern is connected to the Transco, Southern Natural Gas, and Southeast Supply Header pipeline systems.

<http://www.gasnom.com/ip/mississippihub/>

<http://www.semprausgp.com/project/mississippi-hub/>

ExxonMobil Reports Units Down Due to Power Failure at Its 65 MMcf/d Dollarhide Gas Plant in Texas July 24

ExxonMobil reported the Wauk-3 unit shut on low engine oil level. The globe was manually filled and bad sensor wiring was found. Mechanics replaced the lube sensor and the unit was restarted and monitored.

<http://www2.tceq.texas.gov/oc/eer/index.cfm?fuseaction=main.getDetails&target=239625>

Other News

Nothing to report.

International News

Pemex Says Its 275,000 b/d Cadereyta Refinery in Mexico Partially Restarted July 24

Pemex said on Monday its Cadereyta refinery in Mexico partially restarted operations on Sunday, allowing it to resume production. Cadereyta was shut July 19 following what the company described as a shortage of water needed to supply the plant's boilers. The prospect of a prolonged shutdown prompted the company to begin evaluating the need for additional imports to compensate for lost production at the facility, which so far this year has averaged about 66,000 b/d of Pemex's Magna gasoline and 41,000 b/d of ultra-low sulfur diesel.

http://www.downstreamtoday.com/news/article.aspx?a_id=52898

Energy Prices

U.S. Oil and Gas Prices			
July 26, 2016			
	Today	Week Ago	Year Ago
CRUDE OIL			
West Texas Intermediate U.S. \$/Barrel	42.11	44.59	48.40
NATURAL GAS			
Henry Hub \$/Million Btu	2.81	2.81	2.91

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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