



ENERGY ASSURANCE DAILY

Wednesday Evening, July 27, 2016

Electricity

Strong Thunderstorms Knock Out Power to Nearly 58,000 Dominion Customers in Virginia July 26

Strong thunderstorms producing lightning and hail knocked out power to at least 57,995 Dominion customers in the Richmond, Virginia area on Tuesday night. As of 3:30 p.m. EDT Wednesday, 3,175 customers remained without power. Dominion estimates full restoration by 1:00 p.m. EDT on Thursday.

<http://outagemap.dom.com.s3-website-us-east-1.amazonaws.com/external/report.html?report=report-panel-county-muni>

<http://wtvr.com/2016/07/26/more-than-20000-dominion-customers-without-power-after-severe-storms/>

http://www.richmond.com/news/local/article_1df9921d-17c2-52dd-b51b-b0aa048cfc06.html

Transformer Explosion Knocks Out Power to 10,000 Eversource Customers in Massachusetts July 26

A Tuesday afternoon transformer explosion in Dennis, Massachusetts knocked out power to about 10,000 Eversource customers on Cape Cod, Massachusetts. By 8:30 p.m. EDT Tuesday, power was restored to nearly all customers.

<https://twitter.com/eversourcema>

<https://www.eversource.com/nstar/outage/outagemap.aspx>

<http://patch.com/massachusetts/barnstable-hyannis/thousands-without-power-cape-cod>

TVA's 1,155 MW Browns Ferry Nuclear Unit 1 in Alabama Shut by July 27

On the morning of July 26 the unit was operating at 37 percent. The cause of the shutdown was not immediately known.

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

CAISO Issues Flex Alert Urging Electric Conservation during Heat Wave in California July 27

The California Independent System Operator Corporation (CAISO) on Wednesday declared a Flex Alert, a request for consumers to conserve electricity today, especially during peak demand time from 2 p.m. to 9 p.m. PDT.

Electricity supplies statewide are expected to be tight because of high summer temperatures driving up demand, power plant outages, and transmission line import capacity reductions. The ISO forecast that peak demand would reach 45,876 MW on Wednesday and 46,866 MW on Thursday. The levels would fall short of the 2015 peak of 47,358 MW in September and the grid's all-time record of 50,270 MW set in July 2006. State agencies in April warned that millions of electric customers in Southern California could suffer power outages of up to 14 days this summer due to the limited availability of Southern California Gas' Aliso Canyon natural gas storage facility after it shut due to a closure massive methane leak. SoCalGas, a unit of Sempra Energy, said it had enough gas to meet demand this week. The company said on its website it expects to deliver over 3.3 Bcf of the fuel on Wednesday and just under 3.3 Bcf on Thursday, with almost 3 Bcf coming from pipelines and 0.3 to 0.4 Bcf from storage facilities. Power imports may be limited on Wednesday because of high temperatures in neighboring states, CAISO said. Earlier Wednesday, the ISO told electric companies to restrict maintenance work on their generating facilities and transmission lines to help maintain reliability.

Reuters, 15:26 July 27, 2016

<http://www.caiso.com/Documents/CaliforniaISODeclaresStatewideFlexAlertDuetoHighTemperatures.pdf>

DOE Announces \$9.8 Million in Funding to Support the Future of Hydropower July 26

The Energy Department (DOE) on Tuesday announced \$9.8 million in available funding for up to 12 projects to develop innovative technologies that will reduce capital costs and deployment timelines for pumped-storage hydropower and non-powered dams. The pumped-storage projects will study the feasibility of innovative concepts for closed-loop pumped-storage hydropower systems.

<http://energy.gov/articles/energy-department-releases-new-hydropower-vision-report-and-98-million-funding-support>

Petroleum

Marathon's 459,000 b/d Galveston Bay, Texas Refinery Partially Evacuated Due to Leak July 27 – Sources

Workers have been evacuated from a portion of Marathon Petroleum Corp's Galveston Bay refinery in Texas City, Texas on Wednesday morning due to a butane release, sources familiar with plant operations said. A backhoe struck a butane pipeline near butane storage spheres and the 31,500 b/d Alkylolation 3 unit, the sources said, and butane continued to be released from the pipeline for over two hours. The company said a butane line was damaged during maintenance. No injuries have been reported due to the release, the sources said. It was unclear how production at the refinery was affected by the release and evacuation. By early afternoon, Marathon said it was monitoring the butane line for any recurrence of the leak. Late last month, Marathon shut the refinery's two coking units and two hydrotreaters for an overhaul expected to last about a month.

Reuters, 14:44 July 27, 2016

Update: Motiva's Restart of FCCU Delayed at Its 237,700 b/d Norco, Louisiana Refinery July 26 – Sources

The restart of the 112,000 b/d residual catalytic cracking unit (FCCU) at Motiva Enterprises' Norco, Louisiana, refinery has been delayed, possibly until early next week, by plugged piping, sources familiar with plant operations said on Tuesday. Motiva began restarting the FCCU on Monday after it was shut on July 21 for unplanned repairs, the sources said.

Reuters, 19:47 July 26, 2016

No Impact to Operations at Total's 225,000 b/d Port Arthur, Texas Refinery from Upsets July 26 – Sources

Production at Total's Port Arthur, Texas, refinery was unaffected by malfunctions on Tuesday night on sulfur recovery units, sources familiar with plant operations said on Wednesday. The refinery filed a notice on Wednesday with the Texas Commission on Environmental Quality that said three sulfur recovery units were affected by a loss of electrical power on Tuesday night.

Reuters, 15:06 July 27, 2016

Western Refining Reports Oil Leak at Its 122,000 b/d El Paso, Texas Refinery July 27 after Upset July 22

Western Refining reported crude oil leaked from a pipe at its El Paso, Texas refinery due to equipment failure on July 22, according to a filing with the National Response Center.

Reuters, 10:56 July 27, 2016

Valero Confirms Flaring at Its 89,000 b/d Three Rivers, Texas Refinery July 27

Valero Energy Corp said its Three Rivers, Texas refinery experienced flaring on Tuesday night but no injuries or fire were associated with the event.

Reuters, 7:59 July 27, 2016

Shell's 316,600 b/d Deer Park, Texas Refinery Reports Oil Sheen into Patricks Bayou July 27 – Community Alert

Royal Dutch Shell's Deer Park, Texas refinery reported an oil sheen into Patricks Bayou, according to a community alert. Shell reported an oil spill team was working to deploy oil booms to contain the spill.

Reuters, 3:33 July 27, 2016

Update: Husky Says 1,572 Barrel Oil Spill Started Day before Pipeline was Shut in Saskatchewan

Husky Energy Inc. on Tuesday said an oil spill into the North Saskatchewan River, started late on July 20, but flows were not shut down until the following morning. Husky's incident report, released by the Saskatchewan government, said the leak started on July 20 at 8 p.m. CST. Crews arrived at the site of the Saskatchewan Gathering System pipeline the next morning, a Husky executive said. Around 1,572 barrels of oil leaked into the North Saskatchewan River, forcing two western Canadian cities to stop drawing drinking water from the river. The 19-year-old pipeline transports heavy oil and helps supply Husky's Lloydminster upgrader. Husky said its monitoring system showed there were pipeline pressure anomalies on the evening of July 20, prompting a review of data and operations. Crews were dispatched along the gathering system that night, but did not identify a leak. As a precaution Husky decided to start pipeline shutdown procedures around 6 a.m. on July 21, and later that morning received reports of a sheen on the river. Husky said it activated its emergency response plan, dispatched crews to the site and notified the Saskatchewan government on Thursday morning.

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

<http://www.reuters.com/article/us-pipeline-spill-husky-energy-idUSKCN1062F0>

Update: Energy Transfer's 450,000 b/d Dakota Access Crude Oil Pipeline in Iowa Receives Final Federal Permit Approvals July 26

Energy Transfer's planned 1,168-mile Dakota Access crude oil pipeline that will cut across Iowa received the final federal permit approvals Tuesday needed to proceed with construction. Documents posted by the Iowa Utilities Board show the U.S. Army Corps of Engineers approved 60 river crossings in Iowa for Dakota Access. Construction of the project has already begun in Illinois, North Dakota, and South Dakota. Some preliminary work had also begun in Iowa but the final permits were needed for workers to complete large stretches of pipeline, including sections that cross major rivers.

<http://www.dapipelinefacts.com/>

Reuters, 18:17 July 26, 2016

U.S. Crude Oil Stocks Fall 827,000 Barrels July 22 – API

U.S. crude stocks fell last week by 827,000 barrels for the week ended July 22 to 520 million barrels, compared with analysts' expectations for a decrease of 2.3 million barrels, the American Petroleum Institute (API) said on Tuesday. Crude stocks at the Cushing, Oklahoma delivery hub rose by 1.4 million barrels, API said.

Reuters, 4:35 July 27, 2016

Natural Gas

Southwest Gas Reports Natural Gas Leak in Nevada after Equipment Hits Pipeline July 27

Southwest Gas on Tuesday morning reported a natural gas leak in the western Las Vegas Valley after a backhoe hit a pipeline. No houses were damaged but about 30 residences were evacuated in the area, a spokesman for Southwest Gas said. The outage was lifted late Tuesday afternoon and crews were working to repair the pipeline. By 8:45 a.m. PDT on Wednesday, crews began the relight process to impacted customers.

<https://www.swgas.com/en/alert-details-page-009>

<https://www.facebook.com/southwestgas>

<http://news3lv.com/news/local/accident-causes-natural-gas-leak-fire-in-western-las-vegas-valley>

Update: Destin Says Offshore Service to MP260 for VKGS Delivery Continuing with 310 MMcf/d Take Away Capacity July 26

Destin Pipeline Co on Tuesday said it was continuing to offer offshore transportation service to its MP260 platform from the Okeanos system, VK915 Marlin, and MC127 Horn Mountain for deliveries to Viosca Knoll Gathering system (VKGS) delivery point with an estimated take away capacity of 310 MMcf/d. Transportation service from receipt points on the 24-inch lateral to the Williams MP261JP platform was continuing with a take away capacity of 215 MMcf/d. Enterprise Products Partners LP's 1.5 Bcf/d Pascagoula plant remains unable to process natural gas after a fire at the facility on June 27, Destin said.

Reuters, 1:04 July 27, 2016

Other News

Nothing to report.

International News

Petroperu's 12,000 b/d Oil Pipeline in Peru to Remain Shut at Least 6 More Months

Petroperu's 687-mile oil pipeline will likely remain shut for at least another six months following two spills in early February, state energy agency Perupetro said Tuesday. A third oil spill occurred in June. The pipeline moves crude from the Peruvian Amazon to the Pacific coast.

<http://www.reuters.com/article/peru-oil-pipeline-idUSL1N1AC2CP>

Energy Prices

U.S. Oil and Gas Prices			
July 27, 2016			
	Today	Week Ago	Year Ago
CRUDE OIL West Texas Intermediate U.S. \$/Barrel	41.85	44.91	47.29
NATURAL GAS Henry Hub \$/Million Btu	2.72	2.81	2.82

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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