



# ENERGY ASSURANCE DAILY

Tuesday Evening, July 28, 2015

## *Electricity*

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### **Power Restored to 16,000 SMUD Customers in California after Vehicle Hits Power Pole July 27**

Sacramento Municipal Utility District (SMUD) reported 16,000 customers lost power just after 7 p.m. PDT Monday when a vehicle crashed into a power pole in South Sacramento, California. The company said most customers had power restored by about 8 p.m. PDT.

<https://twitter.com/SMUDUpdates>

<http://www.smud.org/en/outages/index.htm>

<http://fox40.com/2015/07/27/more-than-16000-smud-customers-without-power/>

### **Update: Duke Energy's 846 MW Oconee Nuclear Unit 2 in South Carolina Restarts, Ramps Up to 42 Percent by July 28**

The unit was shut from 14 percent power on July 27.

<http://www.nrc.gov/reading-rm/doc-collections/event-status/reactor-status/2015/>

### **TVA's 1,125 MW Sequoyah Nuclear Unit 1 in Tennessee Shut on July 27**

The unit shut from 35 percent power due to a turbine trip.

<http://www.nrc.gov/reading-rm/doc-collections/event-status/reactor-status/2015/>

<http://www.nrc.gov/reading-rm/doc-collections/event-status/event/2015/20150728en.html>

### **Update: AES's 495 MW Alamitos Gas-fired Unit 6 in California Returns to Service by July 27**

The unit returned from an unplanned outage that began by July 26.

<http://content.aiso.com/unitstatus/data/unitstatus201507271515.html>

### **Entergy's 1,823 MW Arkansas One Nuclear Plant in Arkansas to Undergo Additional NRC Inspection Due to Poor Safety Record**

The Nuclear Regulatory Commission (NRC) reported July 26 that Entergy's Arkansas One nuclear plant is scheduled to undergo a 3,000 hour inspection in addition to the 6,600 hours of normal annual inspection after a worker was killed at its plant in March 2013. The inspection will verify that Entergy properly maintained its facility and ensured employee safety.

<http://www.ctpost.com/business/energy/article/Nuclear-RegulatoryCommission-to-inspect-Arkansas-6406461.php>

### **SunPower Acquires 1.5 Gigawatts of Solar Power Plant Development Assets**

SunPower on Monday announced it acquired 1.5 gigawatts of solar power plant development assets from Infigen Energy. With the acquisition, SunPower has assumed ownership of projects in varying stages of development across 11 states. Included in the development portfolio are three projects totaling 55 MW with power purchase agreements with Southern California Edison. All three are located in Kern County, California. SunPower expects to start construction on these projects later this year with commercial operation anticipated in 2016.

<http://newsroom.sunpower.com/2015-07-27-SunPower-Acquires-1-5-Gigawatt-U-S-Solar-Power-Plant-Pipeline>

### **Shut Section of Houston Ship Channel Reopens after Diesel Spill Cleanup July 28**

A section of the Houston Ship Channel was closed to vessel traffic briefly on Tuesday morning to allow cleanup of a small diesel fuel spill, the U.S. Coast Guard said. The shutdown, which lasted about two hours, blocked traffic to and from three Houston-area refineries, with a combined crude oil intake of 463,776 b/d, as well as Kinder Morgan Inc's Galena Park terminal complex. The three refineries were LyondellBasell's 263,776 b/d plant and Valero Energy's 100,000 b/d plant, both in Houston, and Petrobras' 100,000 b/d plant in Pasadena, Texas. The spill, estimated at about 31 barrels of diesel fuel, occurred in Greens Bayou, a waterway that feeds into the ship channel, according to the U.S. Coast Guard. South Central Cement, a cement contractor along Greens Bayou, reported the spill, which likely involved an overfilled supply tank. The spill flowed south to where Greens Bayou meets the ship channel, triggering the Coast Guard to close that area to capture the diesel.

<http://www.uscgnews.com/go/doc/4007/2572590/>

Reuters, 11:11 July 28, 2015

### **FCCU at Motiva's 238,000 b/d Convent, Louisiana Refinery Trips, Not Producing July 27 – Sources**

The 92,000 b/d fluidic catalytic cracking unit (FCCU) at Motiva Enterprises Convent, Louisiana refinery tripped out of production on Monday night due to a malfunction, sources familiar with plant operations said on Tuesday morning. The FCCU was on warm circulation on Tuesday morning and could quickly resume production. The refinery is also in the process of restoring its 45,000 b/d hydrocracker to normal production following a July 20 malfunction.

Reuters, 9:53 July 28, 2015

### **Shell Says Unplanned Work Continues at Its 145,000 b/d Puget Sound, Washington Refinery July 27**

Reuters, 12:55 July 27, 2015

### **Update: Chevron Says Operations Normal at Its 245,271 b/d Richmond, California Refinery July 27 after Power Outage July 24**

Chevron Corp's refinery in Richmond, California, resumed normal operations after a power outage affected several units early Friday, a spokeswoman said on Monday. Chevron did not specify which units were affected, but one was its cogeneration plant, which generates electricity and steam for the plant. That unit resumed operations on Friday.

Reuters, 12:41 July 27, 2015

### **Oklahoma Experiences More, Bigger Drilling-Linked Earthquakes**

Oklahoma was hit by several earthquakes on Monday as the state experienced a sharp increase in the frequency of tremors linked to wastewater disposal from gas and oil drilling, including from fracking, state and federal officials said. Three of Monday's quakes measured above a magnitude 4.0, with a 4.5 earthquake centered just north of Crescent, Oklahoma, the U.S. Geological Survey (USGS) said. The rate of earthquakes in Oklahoma has increased by about 50 percent since 2013, greatly increasing the chance for a damaging quake, according to the USGS. Noticeable quakes—above magnitude 3.0—now hit the state at a rate of two per day or more, compared with two or so per year prior to 2009. During the past seven days, Oklahoma has experienced about 40 earthquakes, according to the USGS. The state's oil and gas regulator released a directive this month expanding "Areas of Interest," parts of the state that have been worst-hit by the quakes, and adding restrictions for 211 disposal wells. In March, the regulator—the Oklahoma Corporation Commission—also directed 347 wells to reduce their injection depths to above the Arbuckle formation. High-volume injections into the Arbuckle, the state's deepest formation, have the highest potential for seismic activity, according to the USGS. Twenty-one of Oklahoma's 77 counties are under the order, and oil and gas drilling operators have until August 14 to comply with reducing injection depth.

<http://www.occeweb.com/News/DIRECTIVE-2.pdf>

Reuters, 3:35 July 28, 2015

## **BP's Bill for 2010 Deepwater Horizon Oil Spill Rises to \$54.6 Billion after Additional Settlement**

BP reached an additional \$1 billion settlement agreement for claims from local U.S. government entities regarding the 2010 Deepwater Horizon oil spill in the Gulf of Mexico. This brings the total bill to \$54.6 billion, BP said on Tuesday. On July 2, the oil company reached a milestone \$18.7 billion settlement with the U.S. government and five states to resolve claims from the oil spill. On April 20, 2010, a sudden explosion and fire occurred on the oil rig. The accident resulted in the deaths of 11 workers and caused a massive oil spill into the Gulf of Mexico. The rig was located approximately 50 miles southeast of Venice, Louisiana.

<http://www.bp.com/en/global/corporate/press/press-releases/second-quarter-2015-results.html>

<http://www.bp.com/en/global/corporate/press/press-releases/bp-to-settle-federal-state-local-deepwater-horizon-claims.html>

Reuters, 3:22 July 28, 2015

## **California Foreign Crude Oil Imports Drop as Alaskan North Slope Rises**

California imported 70 million barrels of crude oil from foreign countries during the first three months of the year, 5 million barrels less than the year before, as refineries brought in more Alaskan crude, data obtained by Reuters shows. California imported 20 million barrels of Alaskan North Slope (ANS) crude oil in the first quarter of 2015, up 3.5 million barrels from the same period last year, according to data provided by the California Energy Commission (CEC). California relies on outside sources for the majority of crude oil processed at its 14 gasoline-making refineries. A temporary increase in ANS production earlier this year likely accounted for the higher consumption in California, an analyst with RBN Energy said. A spate of refinery outages this year, including the February explosion at ExxonMobil's 149,500 b/d refinery in Torrance that continues to impact its gasoline producing abilities, led to reduced demand for crude oil and an increase in gasoline imports early this year. The CEC does not yet have a breakdown of the origin of the foreign crude oil. Last year, California imported 36 percent of its foreign oil from Saudi Arabia, 22 percent from Iraq, and 17 percent from Ecuador.

Reuters, 11:13 July 28, 2015

## ***Natural Gas***

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### **TransCanada's ANR Pipeline Continues Maintenance at Various Compressor Stations along Southeast Central Fuel Segment**

ANR was continuing planned and unplanned engine maintenance at various Compressor Stations located along the Southeast Central Fuel Segment along with scheduled pipeline maintenance. The capacity will be reduced northbound by 350 MMcf/d, leaving 850 MMcf/d available, July 28 – August 31, and then reduced by 130 MMcf/d, leaving 1,070 MMcf/d available, September 1 – October 31. Based on current nominations, it is anticipated that the reductions may result in the curtailment of IT and Firm Secondary nominations.

<http://anrebb.transcanada.com/>

### **Atlas Pipeline Reports Equipment Failure at Its 195 MMcf/d Midkiff Gas Plant in Texas July 26**

Atlas Pipeline reported engine B16 lost a power cylinder rod. Excess inlet gas was flared until the unit was put back online.

<http://www2.tceq.texas.gov/oce/eer/index.cfm?fuseaction=main.getDetails&target=217832>

### **Data Show Plenty of Natural Gas in Storage for Winter Weather – Bloomberg**

The country is expected to begin this winter with plenty of natural gas in storage, with some firms anticipating record high levels. According to Bloomberg data, gas inventories could hit new highs by the start of the heating season on November 1. Storage may come close to 4.3 Tcf, more than 300 Bcf above earlier highs, if injections for the rest of this year track 2014 levels, according to Bloomberg. As of July 17, U.S. storage inventories were at 2.8 Tcf, after a net increase of 61 Bcf from the previous week, according to the U.S. Energy Information Administration. Overall, inventories were 622 Bcf higher than last year at this time and 81 Bcf above the five-year average of 2.7 Tcf.

<http://powersource.post-gazette.com/powersource/companies/2015/07/28/There-will-be-plenty-of-natural-gas-in-storage-for-winter-weather/stories/201506300080>

## **Dominion Transmission's 155 MMcf/d Leidy South Natural Gas Pipeline Project Subject of FERC Environmental Review**

The Leidy South Project proposed by Dominion Transmission, Inc., a subsidiary of Dominion Resources, Inc. will be the subject of an environmental assessment (EA) conducted by the Federal Energy Regulatory Commission (FERC) according to a notice provided by the federal agency on July 23. Environmental review is necessary to receive project approval from FERC. The project calls for the construction and operation of facilities in various counties throughout Pennsylvania, Maryland, and Virginia and would provide 155 MMcf/d of natural gas per day to existing and new electric power generation facilities. Dominion Transmission expects the project to be in-service by October 1, 2017. FERC will seek comments on the project until August 22, 2015.

Reuters, 6:28 July 28, 2015

## **FERC to Prepare Environmental Impact Statement on Kinder Morgan's Proposed Northeast Energy Direct Natural Gas Pipeline in New Hampshire**

The Federal Energy Regulatory Commission (FERC) is holding meetings in Nashua and Milford, New Hampshire to obtain feedback from residents about Kinder Morgan's proposed Northeast Energy Direct natural gas pipeline that would run through the state. The meetings Wednesday and Thursday will help FERC prepare an environmental impact statement for the project. It outlines a plan for the pipeline to run along an Eversource power line until it connects with Londonderry's existing pipeline network. The pipeline, designed to bring gas from shale fields in Pennsylvania and New York, would span 71 miles of southern New Hampshire. Kinder Morgan hopes to break ground January 2017 and operate the pipeline by late 2018.

[http://www.kindermorgan.com/pages/business/gas\\_pipelines/east/neenergydirect/](http://www.kindermorgan.com/pages/business/gas_pipelines/east/neenergydirect/)

Reuters, 14:32 July 27, 2015

## **Kinder Morgan Announces Binding Open Season for 700 MMcf/d Expansion of Mier-Monterrey Pipeline into Mexico**

A subsidiary of Kinder Morgan, Inc. today announced the start of a binding open season to solicit interest for incremental firm natural gas transportation service on its Mier-Monterrey pipeline, which would expand capacity to approximately 1.340 Bcf/d. The expansion project, which would be completed by the fourth quarter of 2017, will consist of the looping of the existing Mier-Monterrey pipeline system from the Mexico-U.S. border to Huinala, Nuevo Leon, Mexico, and a new lateral from Pesqueria, Nuevo Leon, Mexico, to Escobedo, Nuevo Leon, Mexico. The open season bid period ends on August 22.

[http://www.kindermorgan.com/content/docs/Mier\\_PressRelease.pdf](http://www.kindermorgan.com/content/docs/Mier_PressRelease.pdf)

## **Excelerate Receives FERC Approval for Aguirre Offshore GasPort Project Offshore Puerto Rico**

The Federal Energy Regulatory Commission (FERC) on July 24 issued its order granting authorization to Excelerate Energy, in cooperation with the Puerto Rico Electric Power Authority (PREPA), to site, construct, and operate the proposed Aguirre Offshore GasPort Project located offshore Puerto Rico. The order confirms the final Environmental Impact Statement (EIS) that resulted in a finding of no significant environmental impact. As part of the order, the project will comply with all the environmental conditions outlined by FERC. The proposed project will be a floating liquefied natural gas (LNG) terminal with the same capabilities as a land-based terminal. The terminal will consist of a floating storage and regasification unit (FSRU), minimal infrastructure to moor the vessel, and a subsea pipeline to deliver the gas onshore. The facility will provide fuel to PREPA's Central Aguirre Power Complex. Fuel cost reduction and environmental improvements, such as improved air quality and reduced barge traffic in the environmentally sensitive Jobos Bay, are the primary drivers for bringing the project to Puerto Rico. In the coming months, Excelerate will continue to work with FERC and cooperating agencies in preparation for the commencement of construction. Construction is estimated to begin the first quarter of 2016, with an in-service date of the second quarter of 2017.

<http://excelerateenergy.com/ferc-issues-order-authorizing-excelerates-aguirre-offshore-gasport-project/>

## ***Other News***

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Nothing to report.

### Iran Natural Gas Exports to Resume in Three Days after Pipeline Attack in Turkey – Official

Iran will resume exporting natural gas to Turkey in three days after saboteurs attacked a pipeline in Turkey's eastern province of Agri late on Monday, halting the flow, an official said on Tuesday. An explosion occurred as a result of sabotage about 9 miles inside the Turkish border on the Turkey-Iran gas pipeline, the Turkish Energy Minister said in a statement. Turkey buys around a quarter of its 40 billion cubic meters of piped natural gas imports from Iran, making its eastern neighbor its second-biggest supplier after Russia. Natural gas is used for almost half of its electricity generation.

Reuters, 10:17 July 28, 2015

[http://www.rigzone.com/news/oil\\_gas/a/139841/Attack\\_Halts\\_Flow\\_in\\_Natural\\_Gas\\_Pipeline\\_from\\_Iran\\_to\\_Turkey#sthash.IkorFSBX.dpuf](http://www.rigzone.com/news/oil_gas/a/139841/Attack_Halts_Flow_in_Natural_Gas_Pipeline_from_Iran_to_Turkey#sthash.IkorFSBX.dpuf)

### Libya's Crude Oil Output Drops below 400,000 b/d as Conflict Cuts Power at Oil Fields

Libya's crude oil production dropped below 400,000 b/d as the conflict in the divided country cut electricity supply at oil fields, according to the state-run National Oil Corp (NOC). Output in Libya, holder of Africa's largest crude reserves, has been hampered by a lack of security and maintenance as well as power outages, an NOC spokesman said Monday. Crude production was about 411,000 b/d in June, according to the most recent OPEC monthly report.

[http://www.rigzone.com/news/oil\\_gas/a/139822/Libya\\_Crude\\_Output\\_Drops\\_as\\_Conflict\\_Cuts\\_Power\\_at\\_Oil\\_Fields#sthash.k6LMCyDG.dpuf](http://www.rigzone.com/news/oil_gas/a/139822/Libya_Crude_Output_Drops_as_Conflict_Cuts_Power_at_Oil_Fields#sthash.k6LMCyDG.dpuf)

## Energy Prices

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U.S. Oil and Gas Prices			
July 28, 2015			
	Today	Week Ago	Year Ago
<b>CRUDE OIL</b> <b>West Texas Intermediate U.S.</b> \$/Barrel	48.07	50.54	101.40
<b>NATURAL GAS</b> <b>Henry Hub</b> \$/Million Btu	2.83	2.84	3.79

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>

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