



ENERGY ASSURANCE DAILY

Thursday Evening, July 28, 2016

Electricity

Storms Knock Out Power to 21,000 TEP Customers in Arizona July 27

Strong storms producing high winds knocked out power to at least 21,000 Tucson Electric Power (TEP) customers in Arizona on Wednesday evening. Strong winds of up to 60 mph downed powerlines and caused equipment damage. As of 3:30 p.m. EDT Thursday, 213 customers remained without power.

<https://www.tep.com/outage/map/>

<https://twitter.com/TEPEnergy>

http://tucson.com/news/local/thousands-without-power-in-metropolitan-tucson/article_ca46dcde-5465-11e6-b56c-9728034e5fe2.html

IPL Reports Over 13,000 Customers without Power Due to Downed Powerlines in Indiana July 27

Indianapolis Power & Light (IPL) reported over 13,000 customers were without power on Wednesday morning due to downed powerlines in Indianapolis, Indiana. By 2:00 p.m. EDT on Wednesday, nearly all customers had their power restored.

https://www.iplpower.com/Outage_Info_Center/

<http://wishtv.com/2016/07/27/more-than-12000-east-side-residents-without-power/>

FPL's 693 MW Turkey Point Nuclear Unit 3 in Florida Reduced to 82 Percent by July 28

On the morning of July 27 the unit was operating at full power.

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

AES's 496 MW Redondo Gas-fired Unit 8 in California Shut by July 27

The unit entered an unplanned outage.

<http://content.caiso.com/unitstatus/data/unitstatus201607271515.html>

Update: CAISO Extends Statewide Flex Alert in California through July 28

Due to continued high temperatures in the state, the California Independent System Operator (CAISO) said it was extending its Flex Alert through Thursday evening. The Flex Alert is a call for voluntary electric conservation from consumers during peak usage times from 2 p.m. to 9 p.m. PDT. Electricity supplies statewide are predicted to continue to be tight due to high summer temperatures driving up demand, power plant outages, and transmission line import capacity reductions. Power imports have been limited Thursday because of high temperatures in neighboring states.

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

Alliant Energy Announces 500 MW Whispering Willow Wind Expansion Project in Iowa July 27

Alliant Energy on Wednesday announced it will invest approximately \$1 billion to expand its wind energy operations in Iowa. The utility is seeking regulatory approval for the five-year project to expand its Whispering Willow Wind Farm in Franklin County and possibly develop wind energy in other areas of the state.

<http://www.alliantenergy.com/AboutAlliantEnergy/Newsroom/NewsReleases/208412>

U.S. Coast Guard Responding to 840 Gallon Oil Spill near Southwest Pass, Louisiana July 28

The Coast Guard and Louisiana Department of Wildlife and Fisheries on Thursday were responding to a crude oil discharge near Southwest Pass, Louisiana. An estimated maximum potential of 840 gallons of crude oil reportedly discharged from a flowline, owned by Texas Petroleum Management, into a marsh. The flowline is reportedly secured. Containment boom have been placed to prevent further impact to the area. The cause of the incident is under investigation.

<http://www.uscgnews.com/go/doc/4007/2869722/>

PES Plans to Restart FCCU at Its 335,000 b/d Philadelphia, Pennsylvania Refinery within 24 Hours – Source

Philadelphia Energy Solutions (PES) plans to restart the 85,000 b/d fluid catalytic cracking unit (FCCU) at the Girard Point section of its Philadelphia, Pennsylvania refinery complex within 24 hours, a source familiar with the plant's operations said on Thursday. The unit shut on Wednesday evening when an associated air-blower failed, a second source said.

Reuters, 10:56 July 28, 2016

Cenovus Says Debottleneck Project at Its 336,000 b/d Wood River, Illinois Refinery on Track for Third Quarter 2016

Cenovus Energy said its Wood River, Illinois refinery debottleneck project is on track to start up in the third quarter of 2016, adding 18,000 b/d of crude processing capacity. Cenovus said it would consider an opportunity to acquire select oil and gas assets but its focus is on organically growing operations.

Reuters, 11:39 July 28, 2016

Update: Weather Causes Unit Shutdown at Valero's 89,000 b/d Three Rivers, Texas Refinery July 27 – Local News Report

A unit was shut at Valero Energy Corp's Three Rivers refinery in Texas, according to a local news report on Wednesday. The unit was shut due to weather conditions late Tuesday, the report said quoting a company spokesperson. A Valero spokeswoman had earlier confirmed that the refinery had experienced flaring Tuesday night. No injuries or fire were associated with the flaring event.

<http://www.kztv10.com/story/32558187/refinery-shutdown-causes-scare-for-residents-in-three-rivers>

Reuters, 9:57 July 27, 2016

Construction Complete on Magellan, PAA's 190,000 b/d Saddlehorn Crude Oil Pipeline from Colorado to Oklahoma, Line-fill Starts July 27

Construction on the Saddlehorn pipeline that moves crude from Colorado to Oklahoma is complete and line-fill started on Wednesday, according to its owners. Magellan Midstream Partners operates and owns 40 percent of the pipeline, while Plains All American Pipeline LP owns 40 percent, and Anadarko Petroleum Corp has the remaining 20 percent. Saddlehorn expects to receive crude oil in Cushing, Oklahoma, near the end of August when it will begin operation. Saddlehorn will own origin points at Platteville, Colorado, where it has one million barrels of storage, as well as Carr, Colorado. In advance of the line-fill, Saddlehorn began building crude oil inventory at its Platteville storage facility on June 30.

http://ir.pagp.com/News_Releases

Reuters, 4:32 July 27, 2016

Marathon Says Its Cornerstone Pipeline in Ohio to Be Completed in Fourth Quarter of 2016

Marathon Petroleum Corp on Wednesday said construction of its Cornerstone pipeline was progressing as planned, with completion expected in the fourth quarter of 2016. The Cornerstone Pipeline is designed to provide the 80,000 b/d Canton, Ohio, refinery with a direct supply of condensate out of the Marcellus and Utica regions and to supply natural gasoline to its Midwest refineries, Marathon said.

http://www.marathonpetroleum.com/News/News_Releases/Press_Release/?id=2189353

Reuters, 7:15 July 28, 2016

Shell Announces Fort Sumter Discovery in Gulf of Mexico July 28

Shell on Thursday announced a new exploration discovery in the deep water U.S. Gulf of Mexico. The initial estimated recoverable resources for the Fort Sumter well are more than 125 million barrels of oil equivalent (boe). Further appraisal drilling and planned wells in adjacent structures could considerably increase recoverable potential in the vicinity of the Fort Sumter well. Fort Sumter was drilled in the Mississippi Canyon Block 566, located approximately 73 miles offshore southeast of New Orleans, in a water depth of 7,062 feet to a total vertical drilling depth of 28,016 feet measured depth. The block is nine square miles in size.

<http://www.shell.com/media/news-and-media-releases/2016/shell-announces-fort-sumter-discovery-in-gulf-of-mexico.html>

Natural Gas

Update: Sempra Lifts Force Majeure on Its 22.3 Bcf Mississippi Hub Natural Gas Storage Cavern July 28

Sempra Energy completed repairs on its 22.3 Bcf Mississippi Hub natural gas storage facility at the Bond Salt Dome in Simpson County, Mississippi, by late Wednesday. The company issued a force majeure on Tuesday and said it would reduce scheduled withdrawals from the cavern due to a failure of mechanical/safety equipment. The facility would be open to withdrawals and receipts starting Thursday, according to Sempra. The field can deliver up to 1,200 MMcf/d of fuel into gas pipelines. Over the 30 days prior to the force majeure, customers removed about 76 MMcf/d on average because some shippers had added gas into the cavern earlier in the month, according to Thomson Reuters data. Over the seven days prior to the force majeure, shippers 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/>

Reuters, 7:32 July 28, 2016

Enterprise to Export First Ethane Cargo from Houston, Texas Terminal in August

Enterprise Products Partners on Thursday said the first ship to load ethane for export from its new terminal on the Houston Ship Channel will arrive on August 1, the first such export of the light natural gas liquid from the U.S. Gulf Coast. Exports from the terminal are expected to ramp up to 1.9 million barrels per month by the end of the year, executives said on Thursday. Enterprise said it was currently in the process of commissioning the ethane export facility, as well as its Waha natural gas processing plant in the Delaware Basin. The company also said three liquefied petroleum gas (LPG) cargo loadings from its Houston Ship Channel export terminal were cancelled in July, and five have been cancelled in August. The negative impact of those cancellations was offset by an increase in exports of polymer grade propylene, as well as cancellation fees. Enterprise said it loaded a record nine cargoes of polymer grade propylene in July and expects to load nine more in August. Those cargoes mostly went to destinations in the Western Hemisphere, executives said. Separately, the company said it estimates its 1.5 Bcf natural gas processing plant in Pascagoula, Mississippi will return to operation by the fourth quarter. A fire knocked the facility out of service in late June.

<http://www.enterpriseproducts.com/investors/news-releases?c=80547&p=RssLanding&cat=news&id=2189302>

Reuters, 11:43 July 28, 2016

Train 2 at Cheniere Energy's Sabine LNG Export Terminal in Louisiana Expected in Service in August

The second train at Cheniere Energy Inc's Sabine Pass liquefied natural gas export terminal in Louisiana likely started liquefying gas this week, according to data from Thomson Reuters Analytics. If correct, that would put Train 2 on track to send out its first cargo of test fuel as soon as August, keeping it within Cheniere's previously projected 6–9 month timing for each new train to enter service. Train 1 sent out its first cargo in February. Gas supplies into Sabine Pass increased to 1.1 Bcf/d on Thursday, up from an average of 0.64 Bcf/d over the prior 30-days. Each train at Sabine Pass has the capacity to liquefy about 0.65 Bcf/d. The company is building five trains and has plans to add a sixth in the future. The company expects to shut Train 1 for maintenance sometime in September. Royal Dutch Shell has a contract for about 0.5 Bcf/d of capacity on Train 1 and about 0.1 Bcf/d of capacity on Trains 2, 3, and 4 once they enter commercial service. Gas Natural SDG SA has a contract for about 0.5 Bcf/d from Train 2. Since Train 1 started exporting gas in February, 19 ships have picked up about 62.7 Bcf of gas from the facility based on the capacity of the tankers.

Reuters, 11:18 July 28, 2016

Other News

Nothing to report.

International News

Iraq Negotiating with ExxonMobil, Petrochina to Develop Artawi, Nahran Omar Oil Fields July 27 – Deputy Oil Minister

Iraq is negotiating with ExxonMobil Corp. and Petrochina Co. to develop two oil fields in the south of the country as it seeks to maintain overall production at about 4.8 million b/d for the remainder of 2016, Iraq's Deputy Oil Minister said. The companies have submitted offers to develop the Artawi and Nahran Omar fields, which Iraq's Oil Ministry hopes will produce a combined 550,000 b/d. The fields together are pumping about 70,000 b/d, and the ministry wants to start the project in six months.

http://www.rigzone.com/news/oil_gas/a/145874/Iraq_Seeks_Exxon_Petrochina_Help_to_Develop_Two_Oil_Fields

Energy Prices

U.S. Oil and Gas Prices			
July 28, 2016			
	Today	Week Ago	Year Ago
CRUDE OIL West Texas Intermediate U.S. \$/Barrel	41.08	43.86	48.07
NATURAL GAS Henry Hub \$/Million Btu	2.80	2.72	2.83

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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