



ENERGY ASSURANCE DAILY

Friday Evening, August 19, 2016

Electricity

Cabrillo Power's 110 MW Encina Gas-fired Unit 3 in California Shut by August 18

The unit entered an unplanned outage.

<http://content.aiso.com/unitstatus/data/unitstatus201608181515.html>

City of Vernon's 134 MW Malburg Gas-fired Unit in California Shut by August 18

The unit entered an unplanned outage.

<http://content.aiso.com/unitstatus/data/unitstatus201608181515.html>

Petroleum

Update: ExxonMobil, Motiva Refineries Continue Reduced Operations amid Floods in Louisiana August 18

ExxonMobil Corp and Motiva Enterprises' refineries continued to operate at reduced levels amid flood waters in southern Louisiana, sources familiar with operations said on Thursday. An ExxonMobil spokeswoman said the Baton Rouge Complex, which includes a 502,500 b/d refinery, continued to operate on Thursday, but declined to discuss the level of production or the status of specific units. Production at the Baton Rouge refinery was at about 60 percent of capacity on Thursday due in part to the shutdown of a 110,000 b/d crude distillation unit on Tuesday to reduce liquefied petroleum gas (LPG) from the refinery, the ExxonMobil sources said. ExxonMobil had also cut production in half on a 210,000 b/d CDU for maintenance planned prior to the floods. A coking unit has also been shut at the refinery, the sources said. ExxonMobil's Sorrento, Louisiana, LPG storage facility was inundated and shut early this week, according to the sources. Until ExxonMobil restarted a unit at its Baton Rouge chemical plant to take LPG from the refinery on Wednesday, the company was preparing to shut the refinery. Motiva's 235,000 b/d Convent, Louisiana refinery has been at reduced production since an August 11 fire on the heavy oil hydrocracker shut that unit. Sources familiar with Motiva's operations said the Convent refinery continued to operate with staffing reduced to only essential workers, the Motiva sources said.

Reuters, 17:16 August 18, 2016

Update: LyondellBasell Restoring Production at Its 263,776 b/d Houston, Texas Refinery after Steam Loss August 18; FCCU Remains Out of Production

The restart of the 90,000 b/d fluidic catalytic cracking unit (FCCU) at LyondellBasell Industries' Houston refinery has been put on hold due to repairs on instrumentation and electrical systems, said Gulf Coast market sources on Friday. The plant is recovering from a loss of steam and electrical power on Thursday, the sources said. A Lyondell spokeswoman declined to discuss the status of individual units at the refinery but said other operations impacted by the power interruption from the external electrical and steam supplier have resumed. The two crude distillation units resumed production on Thursday and crude throughput was above 50 percent of the refinery's capacity. The 42,000 b/d coking unit, which shut on Wednesday for the replacement of piping that may be at greater risk of corrosion, remains shut and is expected to be out of operation for the pipe replacement after the refinery returns to production.

Reuters, 10:26 August 19, 2016 Reuters, 16:13 August 19, 2016

Valero Reports Unit Shutdown, Release at Its 85,000 b/d Wilmington, California Refinery August 18

Valero Energy Corp reported a unit was shut at its Wilmington, California refinery, which caused the release of over 500 pounds of sulfur dioxide, according to a filing with the California Emergency Management Agency.
Reuters, 19:22 August 18, 2016

Update: Total Restarts Naphtha Hydrotreater at its 225,500 b/d Port Arthur, Texas Refinery August 19

Total SA restarted a naphtha hydrotreater at the company's Port Arthur, Texas refinery on Friday. The unit had shut on Tuesday for unspecified reasons.
Reuters, 16:05 August 19, 2016

U.S. Oil Drillers Add 10 Oil Rigs Bringing Total to 406 August 19 – Baker Hughes

Drillers added 10 oil rigs in week to August 19, bringing the total rig count to 406, compared with 674 a year ago, energy services firm Baker Hughes said on Friday.
Reuters, 13:03 August 19, 2016

Natural Gas

ExxonMobil Reports Cat-3 Unit Shut at Its 65 MMcf/d Dollarhide Gas Plant in Texas August 14

ExxonMobil reported the Wauk-3 unit shut down on low engine jack water level as designed. Wells were shut in to mitigate flaring. Mechanics arrived with parts to replace heads, liners, push rods, and additional parts. The unit was restarted and conditions were being monitored.

<http://www2.tceq.texas.gov/oce/eer/index.cfm?fuseaction=main.getDetails&target=241665>

Massachusetts Court Rejects Electric Utilities' Plan to Fund New Gas Lines

Supreme Judicial Court of Massachusetts on Wednesday struck down a bid by electric utilities to charge ratepayers for new natural gas pipelines, dealing a blow to their efforts to boost supplies of the fuel and avert shortages. The Massachusetts Department of Public Utilities cannot approve contracts that force electric utility customers to subsidize gas pipelines, according to the ruling. The court vacated an order from the department that authorized the contracts, which it said would unfairly expose ratepayers to higher costs. The ruling throws into question a plan by Eversource and National Grid to help Spectra Energy build the \$3 billion Access Northeast natural gas pipeline project. A spokeswoman for Eversource said the ruling leaves the region in a "precarious" position without enough gas capacity for electric generation during cold winters.

http://www.downstreamtoday.com/news/article.aspx?a_id=53202

Other News

EPA Inspector General Says Government Failed to Study Ethanol's Impact August 18

The Environmental Protection Agency (EPA) inspector general (IG) on Thursday said the Obama administration failed to study the impact of requiring ethanol in gasoline and ensuring that new regulations intended to address one problem do not actually make other problems worse. The EPA agreed with the IG's findings that it had failed to produce studies as legally required. It said it will produce the first report—on the impacts of biofuels—by December 2017, and investigate whether ethanol requirements made other environmental problems worse by September 2024. The EPA said the 2024 study will require investigations about air quality, emissions, and how renewable fuels have and might be produced, distributed, and used, which it said will be time-consuming and resource-intensive.
Reuters, 3:48 August 19, 2016

Update: Libya's NOC starts to load NOC Oil Tanker from Zueitina Port August 18

The New Hellas tanker sent by Libya's National Oil Corporation (NOC) began to load oil on Thursday at the country's eastern Zueitina port, after rival forces stationed in the area agreed to let it dock and take the oil to safety, a port official said. The NOC expressed concern earlier this month after reports of possible clashes between the Petroleum Facilities Guard (PFG), one of Libya's many armed brigades, and forces loyal to eastern commander Khalifa Haftar, fearing these might damage the port infrastructure. The PFG has signed a deal with the U.N.-backed Government of National Accord (GNA) in Tripoli to end its blockade of Zueitina and two other ports, but eastern forces loyal to a separate government in eastern Libya have threatened to block port loadings and exports. The port official stressed that the port was still closed, but the tanker had started emptying storage tanks and reservoirs. The Zueitina storage tanks contain about 3.08 million barrels of crude oil and 180,000 barrels of condensate, the NOC said. The NOC said the New Hellas would transport about 620,000 barrels of oil at a time to Zawiya, and that it would charter additional ships to finish the process as soon as possible.

<http://www.reuters.com/article/us-libya-security-oil-idUSKCN10U0ZN>

Update: Iraq to Raise Flows on Turkey Pipeline to 150,000 b/d Next Week – NOC Official

Iraq plans to double the volume of crude it pumps via a pipeline to Turkey to its normal rate of 150,000 b/d next week, an official at state-run North Oil Company (NOC) said on Friday. NOC on Thursday resumed pumping oil from fields it operates in Kirkuk via the pipeline, which is controlled by the Kurdistan Regional Government (KRG) in northern Iraq. The KRG-built pipeline runs from the Taq Taq oilfield via Khurmala to Fish Khabur on the border where it connects with the main Kirkuk-Ceyhan Oil Pipeline, which runs to the Turkish port of Ceyhan. The company stopped using the pipeline in March due to a dispute between Baghdad and the KRG over the control of Kurdish oil exports. Flows began at a rate of about 70,000 b/d on Thursday for testing purposes and will be increased gradually to reach the normal level of 150,000 b/d, a company official said.

Reuters, 6:42 August 19, 2016

Saudi Arabia Crude, Refined-Product Exports Hit 8.8 Million b/d in June

Saudi Arabia raised its combined crude oil and refined-product exports to 8.83 million b/d in June, the highest on record for that month. Saudi Arabia typically ships less oil overseas from June to September as it burns more crude to power local electricity stations and meet extra demand for air-conditioning during the summer. The surge in June exports, as reported Thursday by the Joint Organisations Data Initiative (JODI), suggests the extra output went beyond what was needed to cover this seasonal increase in domestic consumption. Saudi Arabia supplied its overseas customers with 7.46 million b/d of crude and 1.37 million of refined petroleum products in June. The combined total is the most for that month since JODI started tracking flows in 2002. Output rose to 10.55 million b/d from 10.27 million b/d in May, the data shows.

http://www.downstreamtoday.com/news/article.aspx?a_id=53203

Energy Prices

U.S. Oil and Gas Prices			
August 19, 2016			
	Today	Week Ago	Year Ago
CRUDE OIL			
West Texas Intermediate U.S. \$/Barrel	48.43	44.42	40.70
NATURAL GAS			
Henry Hub \$/Million Btu	2.71	2.89	2.71

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>

Please direct comments and questions to: ead@oe.netl.doe.gov