



ENERGY ASSURANCE DAILY

Friday Evening, August 21, 2015

Electricity

Update: Over 4,300 AEP Customers Remain without Power in Texas August 21 after Thunderstorms Hit August 20

Heavy thunderstorms knocked out power to 23,600 AEP customers across the Rio Grande Valley in Texas on Thursday morning. Lightning hit trees, utility poles, and structures throughout Hidalgo County, according to reports submitted by the Sheriff's Office. As of 3:30 p.m. EDT Friday, 4,310 customers remained without power.

<https://www.aeptexas.com/outages/outageMap.aspx>

<http://www.krgv.com/news/local-news/overnight-storms-lead-to-flooding-power-outages/34818536>

Power Restored to Over 19,000 GreyStone Power Customers after Equipment Failure at Substation in Georgia August 20

GreyStone Power restored power to 19,374 customers who were affected for about 30 minutes on Thursday by a substation equipment failure. Georgia Power was contacted to repair the equipment and crews were able to restore power to customers.

<http://www.outageentry.com/dvOSM4/dvOSM4.php?Client=GREYS>

<http://patch.com/georgia/douglasville/thousands-without-power-douglas-county-0>

Petroleum

PBF Reports Fire after FCCU Incident at Its 182,200 b/d Delaware City, Delaware Refinery August 21

A fire broke out on Friday at a key gasoline-making unit at PBF Energy Inc's Delaware City, Delaware refinery, which triggered a sharp late-session rally in benchmark New York gasoline prices. A company spokesman said the 65,000 b/d fluid catalytic cracking unit (FCCU) experienced an operational incident around 12:00 p.m. EDT, which resulted in flaring and a subsequent fire. The spokesman did not comment on plant operations, but assured that all personnel were safe and accounted for. The Delaware Department of Natural Resources and Environmental Control said that the fire was quickly brought under control and extinguished, and that an investigation into the cause of the incident was underway. There was no immediate information on damage to the unit, but a prolonged outage could tighten regional gasoline inventories. The Delaware City refinery accounts for about 14 percent of the East Coast's total refinery capacity, and its proximity to the New York harbor oil pricing hub gives it a greater impact on markets. Gasoline prices in the upper Midwest also surged two weeks ago after a major crude unit at BP's 413,500 b/d Whiting, Indiana refinery shut down for potentially extended repairs following a leak. That unit may be brought back online this weekend.

Reuters, 15:38 August 21, 2015

Reuters, 14:10 August 21, 2015

Update: BP's 413,500 b/d Whiting, Indiana Refinery Unit May Restart Soon – Source

BP Plc's Whiting, Indiana, refinery may restart its largest crude oil unit weeks earlier than expected since inspections had not revealed extensive damage to the equipment, according to sources. The plant may restart the 240,000 b/d Pipestill 12 as soon as this weekend after it was able to make temporary repairs, industry publication Energy News Today (ENT) reported. The unit shut on August 8 after a leak in a heat exchanger, and early reports suggested it could remain offline for one or two months. The plant was able to temporarily repair the equipment, so that it would not have to wait for replacement parts to arrive, ENT said.

Reuters, 17:26 August 20, 2015

<http://www.energynewstoday.com/newsite/#>

Update: Valero Shutting All Units at Its 225,000 b/d Texas City, Texas Refinery after Transformer Fire August 20 – Official

Valero Energy Corp began to shut all units at its Texas City, Texas refinery on Thursday following a transformer fire, according to a city official. The fire, which was under control, followed a lightning strike at the plant, according to the city Emergency Manager. The fire resulted in billowing black smoke, but did not present a threat to the general public, according to the Office of Emergency Management. The fire caused no injuries and Valero expects no adverse effects on the community, according to a company spokesman.

<https://www.facebook.com/pages/Texas-City-Emergency-Management/240670722611841?fref=nf>

Reuters, 10:48 August 20, 2015

Marathon Reports Exchanger Leak, Flaring at Its 451,000 b/d Galveston Bay, Texas Refinery August 20

Reuters, 15:26 August 20, 2015

Irving Oil Stops Importing U.S. Bakken Shale at Its 320,000 b/d Saint John, New Brunswick Refinery

Irving Oil Ltd. said it has stopped importing Bakken Shale oil from the U.S. in favor of cheaper marine-imported crudes, which reflects a shift in crude costs affecting East Coast refiners. The company's refinery in Saint John, New Brunswick, one of the biggest by volume in North America, has reduced purchases of Bakken crude shipped by rail to zero from a high of nearly 100,000 b/d two years ago, Irving Oil's President said on Thursday. About 90 percent of the crude oil Irving currently buys is shipped by sea from such producers as Saudi Arabia and those in western Africa, with the remainder coming by rail from such western Canadian oil-sands operators as Syncrude Canada Ltd. and Royal Dutch Shell PLC.

<http://www.wsj.com/articles/irving-oil-to-invest-in-turnaround-project-at-saint-john-refinery-1440080588>

U.S. Refiners Take First Preparation Steps to Carry Out Fall Turnaround Maintenance

U.S. refiners' fall maintenance season has begun to kick off with pre-turnaround work under way at Flint Hills' 293,000 b/d Corpus Christi, Texas refinery where the fluid catalytic cracker will be shut for about 45 days starting in October. Maintenance is expected to be at average levels across the Gulf Coast, and above-average maintenance in the Midwest. The unexpected shutdown of the largest crude unit at BP's 413,500 b/d Whiting, Indiana refinery has caused Midwest gasoline prices to spike, even as crude prices continued their downward march, prompting speculation that refiners would postpone maintenance to take advantage of high margins. Still, because of the complexity of securing manpower for refinery turnarounds, work is on schedule at plants including Phillips 66's 336,000 b/d Wood River refinery and Marathon Petroleum Corp's 240,000 b/d Catlettsburg, Kentucky refinery. U.S. refineries typically use the autumn and spring seasons to shut down a unit or units for routine maintenance work or for capital projects, but the drop in crude oil prices combined with a surge in U.S. demand for gasoline has some refiners considering putting off the work to increase profits. Planned work at the refineries varies from a single unit to multi-unit shutdowns. Shutdowns and startups usually lead to fluctuations in regional wholesale market prices, which sometimes affecting national or global crude oil prices

Reuters 11:10 August 21, 2015

Most Canadian Oil Sands Crude Produced at Loss – TD Securities

More than three-quarters of Canada's 2.2 million b/d of oil sands crude production is being produced at a loss at current prices, research from analysts at TD Securities showed. Only two mining and upgrading projects—Canadian Natural Resources Ltd's Horizon project and Suncor Energy's Millennium mine—are producing synthetic crude for less than its current outright price around \$36 a barrel, an analyst said on Thursday. Every thermal oil sands company is losing cash on every barrel produced with U.S. crude around \$41 and the Canadian heavy benchmark, Western Canada Select (WCS), around \$24 a barrel, according to a report released by the bank on Wednesday.

http://www.rigzone.com/news/oil_gas/a/140230/Report_Most_Canada_Oil_Sands_Crude_Being_Produced_at_a_Loss#sthash.XTmQEt6H.dpuf

Natural Gas

Nothing to report.

Other News

Nothing to report.

International News

Update: Shell Lifts Force Majeure on Gas Supplies to Nigeria's NLNG

Shell said on Friday that the force majeure on natural gas supplies to the Nigeria Liquefied Natural Gas Co export terminal had been lifted after the affected pipeline was repaired. The force majeure was put in place on August 4 after the company discovered a leak on the Eastern Gas Gathering System. The company believes the leak was caused by crude thieves who thought the line was transporting crude oil

Reuters, 9:05 August 21, 2015

Energy Prices

U.S. Oil and Gas Prices			
August 21, 2015			
	Today	Week Ago	Year Ago
CRUDE OIL West Texas Intermediate U.S. \$/Barrel	40.40	42.40	94.23
NATURAL GAS Henry Hub \$/Million Btu	2.71	2.92	3.85

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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