



# ENERGY ASSURANCE DAILY

Wednesday Evening, September 16, 2015

## ***Electricity***

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### **Update: Approximately 11,600 PG&E Customers Remain Without Power As Crews Continue to Battle California Wildfires September 14**

Approximately 11,600 Pacific Gas and Electric (PG&E) customers remain without power on Tuesday as crews and emergency responders continued to fight the Valley and Butte wildfires. The Valley fire, which has led to the evacuation of residents and damage to highways and other infrastructure, prompted the Governor of California to issue an emergency declaration for Lake and Napa counties. In Lake County, PG&E crews were working to restore power to more than 7,000 customers, and indicated that only about 5 percent of significant damages have been assessed. The company said that crews have repaired about four dozen power poles and that the number of crews in Lake County is expected to grow from 225 on Monday. The Butte fire prompted PG&E to operate a command center just outside of San Andreas in an effort to restore service to thousands of customers in Amador and Calaveras Counties. At the height of the Butte wildfires, the utility had nearly 14,000 customers without power, but has restored service to all but 4,600 customers in Calaveras County. PG&E plans to use generators and hydro-electric power houses to generate power until the affected areas are safe to enter and assess damage. The utility is awaiting approval from the California Department of Forestry and Fire Protection to use a portable generator to energize about 1,000 customers in the West Point area. PG&E also estimated that 400 power poles must be replaced throughout the region, and that some customers may be without power until later this week.

<http://www.pge.com/en/about/newsroom/newsreleases/index.page>

<http://www.kcra.com/california-wildfires/power-restored-to-some-near-butte-fire-burn-area/35279268>

<http://kron4.com/2015/09/14/valley-fire-thousands-without-power-in-lake-county/>

<https://www.gov.ca.gov/news.php?id=19104>

### **Calpine Declares Force Majeure after Valley Fire Shuts 5 of 14 Power Plants at the 725 MW Geysers Geothermal Power Facilities in California September 14**

Over the weekend, the Valley Fire spread to Calpine Corporation's Geysers geothermal power facilities in Lake and Sonoma Counties, affecting 5 of Calpine's 14 power plants. Ancillary structures have been severely damaged, but there is no known damage to any of the main power houses at those sites. The fire also damaged some third-party transmission lines that transmit Calpine's power to the grid. The company expects its delivery obligations under power sales agreements to be excused without further obligation by reason of force majeure until repairs are completed. Cal Fire reports that the fire is moving away from other power plants at the facilities, but is only minimally contained and could change direction. Calpine continues to generate and deliver renewable electricity to the grid for its customers from its non-affected plants at to the extent possible.

<http://investor.calpine.com/investor-relations/news-releases/news-release-details/2015/Calpine-Provides-Update-on-Wildfire-Impact-on-The-Geysers-Geothermal-Power-Facilities/default.aspx>

### **Tollgrade and DTE Energy Issue Third Predictive Grid Report; Deploys Smart Grid Sensors to Monitor Conditions, Manage Power Restorations in Detroit, Michigan**

Tollgrade Communications, Inc. has published its third *Protective Grid Quarterly Report* detailing its latest findings on its grid modernization project with DTE Energy to predict power outages before they occur. The Tollgrade LightHouse platform provides advanced detection of outages by classifying and detecting power line disturbance events. Using the data, utilities can predict outages to avoid them or, during bad weather when outages are unavoidable, get the lights back on faster. To modernize its grid, DTE Energy is deploying Tollgrade LightHouse Smart Grid Sensors with the goal of preventing and reducing the length of power outages throughout the Detroit metropolitan area over the next two years. This is the third of eight reports to be released under Tollgrade's Clinton Global Initiative comprehensive grid modernization project with DTE Energy entitled.

<http://www.metering.com/detroit-grid-modernisation-project-q3-findings/>

<http://lp.tollgrade.com/predictive-grid-quarterly-report-volume3-0>

## **Update: TVA Shuts 1,125 MW Sequoyah Nuclear Unit 1 in Tennessee September 14 after a Loss of Power to Vital Instrument Board**

The U.S. Nuclear Regulatory Commission reports that early on Monday morning, Sequoyah Unit 1 was at 100 percent power when the Vital Instrument Power Board (VIPB) de-energized. Operators manually tripped the reactor in accordance with the Abnormal Operating Procedures for the loss of the VIPB 1-II. A post-trip investigation is in progress and a planned restart timeline has yet to be determined.

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

<http://www.nrc.gov/reading-rm/doc-collections/event-status/event/2015/20150915en.html>

## **Constellation's 1,120 MW Nine Mile Point Nuclear Unit 2 in New York Ramped Up to 95 Percent by September 15**

On the morning of September 14 the unit was operating at 85 percent.

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

## **TVA's 1,155 MW Browns Ferry Nuclear Unit 1 in Alabama at Full Power by September 15**

On the morning of September 14 the unit was operating at 86 percent.

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

## **Southern's 856 MW Hatch Nuclear Unit 1 in Georgia Reduced to 34 Percent by September 15**

On the morning of September 14 the unit was operating at 84 percent.

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

## **Entergy's 1,207 MW Grand Gulf Nuclear Unit 1 in Mississippi Ramped Up to 88 Percent by September 15**

On the morning of September 14 the unit was operating at 63 percent.

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

## **Agua Caliente Solar's 290 MW Agua Caliente Solar Unit in California Reduced by September 14**

The unit entered an unplanned curtailment of 228 MW.

<http://content.aiso.com/unitstatus/data/unitstatus201509141515.html>

## **AES's 498 MW Alamos Gas-fired Unit 5 in California Reduced by September 14**

The unit entered an unplanned curtailment of 158 MW.

<http://content.aiso.com/unitstatus/data/unitstatus201509141515.html>"

## **SCE's 820 MW Big Creek Hydro Unit in California Reduced by September 14**

The unit entered an unplanned curtailment of 237 MW.

<http://content.aiso.com/unitstatus/data/unitstatus201509141515.html>

## ***Petroleum***

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### **Phillips 66 Reports Process Unit Upset at Its 336,000 b/d Wood River, Illinois Refinery September 14**

Phillips 66 reported an unspecified process unit upset at its Wood River, Illinois refinery on Monday, according to a filing with the Illinois Emergency Management Agency.

Reuters, 04:08 September 15, 2015

### **Flint Hills Responds to Operating Conditions in the West Plant of Its 290,000 b/d Corpus Christi, Texas Refinery September 15 – Community Line**

Reuters, 14:48 September 15, 2015

## **LyondellBasell Restores FCCU Production at Its 270,600 b/d Houston, Texas Refinery September 14 – Source**

LyondellBasell Industries has restored full production levels on the gasoline-producing fluidic catalytic cracking unit (FCCU) at its Houston refinery after making repairs, sources familiar with plant operations said. Lyondell repaired cracks in the FCCU's two risers, the sources said. The repairs enabled Lyondell to boost production from 70,000 b/d to the FCCU's full 90,000 b/d capacity. The refinery has also been able to lift production by 10 percent beyond capacity. The repairs to the FCCU led Lyondell to push back a planned overhaul of the refinery's 147,000 b/d heavy oil crude distillation unit and a 42,000 b/d delayed coking unit from September to the first quarter of 2016, when the FCCU will also be shut for a planned overhaul, the sources said. The refinery wants to take full advantage of high gasoline margins before cutting production, according to the source.  
Reuters, 17:58 September 14, 2015

## **Chevron Reports Normal Operations at Its 269,000 b/d El Segundo, California Refinery after Previous Reports of Unplanned Flaring September 15**

Reuters, 13:29 September 15, 2015

## **Update: Shell Reports Normal Operations at Its 145,000 b/d Puget Sound, Washington Refinery September 14**

Shell reported operations have returned to normal conditions at its Puget Sound refinery in Washington following the shutdown of cogeneration Unit 3 on September 7.

Reuters, 12:49 September 14, 2015

## **Jefferson Energy Mixing Undiluted Canadian Crude with Domestic Crudes in Beaumont, Texas**

Jefferson Energy Companies in will open its second heated 100,000-barrel blending tank this fall to mix undiluted Canadian crude with domestic crudes for local refineries. Jefferson Energy Companies is located in Beaumont, Texas just across the Neches River from Exxon Mobil Corp's 344,600 b/d Beaumont refinery. Jefferson Energy says that a variety in available blending crudes allows custom mixtures with low cost crudes, which helps refiners maximize yields, or the amount of gasoline and diesel produced from each barrel of oil.

Reuters, 14:42 September 15, 2015

## **Update: Minnesota Court Invalidates Construction Permit for Enbridge's 600,000 b/d Sandpiper Crude Oil Pipeline Project**

The Minnesota Court of Appeals on Monday reversed the State's decision to approve a construction permit for Enbridge Energy's 600,000 b/d Sandpiper crude oil pipeline project. The court ruled that the Minnesota Public Utilities Commission must complete an environmental impact statement for the Sandpiper pipeline before determining the need for the project. Minnesota regulators granted the permit in June, saying the 610-mile pipeline from North Dakota's Bakken oil fields to Superior, Wisconsin was necessary and in the public interest. A lengthy environmental review of Enbridge's project was set to take place as officials determined the pipeline's final route, but a three-judge panel of the appeals court said on Monday that the certificate constituted a major governmental action. That determination requires that the environmental impact statement be completed before the construction permit can be granted. Enbridge said it is still examining what the decision will mean for the timeline of the project, but had hoped to have the pipeline in service by 2017.

<http://www.wpr.org/minnesota-court-quashes-permits-enbridge-oil-pipeline>

<http://www.foxbusiness.com/markets/2015/09/14/court-sandpiper-certificate-need-goes-back-to-minnesota-regulators-for/>

## **Chesapeake Energy Caps Two Oil Wells in Wyoming Amid Concerns of Misuse September 11**

Two of six Chesapeake Energy-owned oil wells near Douglas, Wyoming were capped on September 11 after Wyoming Oil and Gas officials found that the company had been pumping methanol into the affected wells before a fire started. An investigation is ongoing and crews are monitoring the air around the fire for any particulate matter and volatile organic compounds.

[http://trib.com/business/energy/chesapeake-energy-moves-to-quell-douglas-well-fire-as-concerns/article\\_0b3978e1-1da6-5e80-a360-1e9d593a28ef.html](http://trib.com/business/energy/chesapeake-energy-moves-to-quell-douglas-well-fire-as-concerns/article_0b3978e1-1da6-5e80-a360-1e9d593a28ef.html)

## **U.S. Shale Oil Production to Fall for Sixth Straight Month – EIA**

Total U.S. shale oil production for October is forecasted to decline by 80,000 b/d to 5.21 million b/d, compared with 5.29 million b/d in September, according to data released on Monday by the U.S. Energy Information Administration (EIA).

Reuters, 15:48 September 14, 2015

<http://www.eia.gov/petroleum/drilling/#tabs-summary-1>

<http://www.eia.gov/petroleum/drilling/pdf/dpr-full.pdf>

## **North Dakota May Temporarily Idle Oil Wells to Prevent More Crude from Flooding Global Markets**

North Dakota's oil regulators on Monday said they may allow more wells to be temporarily abandoned, a step that would permit producers to delay fracking beyond the typical one-year window, and prevent even more crude from flooding global markets. The change would fuel massive savings for oil producers in the state who have amassed a backlog of almost 1,000 wells that have been drilled, but not completed with processes needed to get the oil flowing. The delays are designed solely to ride out the roughly 50 percent drop in crude prices since last year. While no decision has been reached, the North Dakota Department of Mineral Resources is considering temporary permits to temporarily abandon wells.

[http://www.rigzone.com/news/oil\\_gas/a/140601/North\\_Dakota\\_May\\_Let\\_More\\_Oil\\_Wells\\_Be\\_Temporarily\\_Idled](http://www.rigzone.com/news/oil_gas/a/140601/North_Dakota_May_Let_More_Oil_Wells_Be_Temporarily_Idled)

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## **Natural Gas**

### **DCP Midstream Reports Flaring at Its 70 MMcf/d Fullerton Gas Plant in Texas**

#### **September 14**

DCP Midstream reported that a higher than normal amount of NGL from the field caused foaming and flooding of the amine treater system, which over pressured the reflux accumulator and flared acid gas. Operators restored normal conditions within a half hour.

<http://www2.tceq.texas.gov/oce/eeer/index.cfm?fuseaction=main.getDetails&target=220171>

### **Southern Union Reports Flaring at Its 140 MMcf/d Keystone Gas Plant in Texas**

#### **September 13**

Operators reported the Keystone plant was flaring after the plant went sour and was not able to take gas to sales.

<http://www2.tceq.texas.gov/oce/eeer/index.cfm?fuseaction=main.getDetails&target=220129>

### **Regency Reports AGI Compressor Shutdown at Its 290 MMcf/d Waha Gas Plant in Texas**

#### **September 10**

Operators reported that an acid gas injection (AGI) compressor went off spec, causing a recompressor to shutdown. Operators shut in all inlet gas under the matter was resolved the following morning.

<http://www2.tceq.texas.gov/oce/eeer/index.cfm?fuseaction=main.getDetails&target=220082>

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## **Other News**

### **Reports Indicate 159 Department of Energy Cyber Intrusions Over Four-Year Period; Experts Tell House Committee More Work Is Needed to Secure Power Grid from Cyber and Other Threats**

Incident reports submitted by federal officials and contractors since late 2010 to the Energy Department's Joint Cybersecurity Coordination Center show a total of 1,131 cyberattacks occurred over a 48-month period ending in October 2014. Of those attempted cyber intrusions, 159 were successful. A Department of Energy spokesman said in a statement that the department does not comment on ongoing investigations or possible attributions of malicious activity. Amid cybersecurity concerns, the oversight and energy subcommittees of the House Committee on Science, Space, and Technology held a joint hearing last Thursday to examine vulnerabilities of the national electric grid and the severity of various threats. A panel of academic and industry experts told members of Congress at the hearing that more should be done to address vulnerabilities in the nation's power grid and reduce the likelihood of a catastrophic outage. The power grid faces threats ranging from natural hazards like solar flares and ice storms, to the risk of potential physical or cyber-attacks, the witnesses told committee members.

<http://www.usatoday.com/story/news/2015/09/09/cyber-attacks-doe-energy/71929786/>

<http://www.usatoday.com/story/news/2015/09/11/power-grid-security-congress-blackout-electricity/72062108/>

## International News

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### **Iraq Targets Record Basra Oil Exports in October, Adding to Global Oversupply**

Iraq aims to export a record volume of Basra crude from its southern terminals in October as it ramps up production, adding to a global oil supply glut. Iraq plans to export 3.68 million b/d of Basra crude, traders said on Monday, citing a preliminary loading program. That volume would beat a previous monthly record of 3.064 million b/d set in July.

[http://www.downstreamtoday.com/news/article.aspx?a\\_id=49109](http://www.downstreamtoday.com/news/article.aspx?a_id=49109)

### **Venezuelan Crude Exports to the United States Rose for Second Straight Month**

Venezuelan crude oil exports to the United States increased for the second month in a row to 808,000 b/d in August, fueled by larger sales of diluted crude oil and other blends, according to Reuters trade flows data. The country has been buying African crudes since June while importing naphtha, and using both as diluents to make exportable blends. The United States received a total of 49 cargoes of Venezuelan crude last month from state-run PDVSA and its joint ventures, a 10.8% increase versus July, according to the data.

[http://www.downstreamtoday.com/news/article.aspx?a\\_id=49102](http://www.downstreamtoday.com/news/article.aspx?a_id=49102)

## Energy Prices

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<b>U.S. Oil and Gas Prices</b>			
September 16, 2015			
	<b>Today</b>	<b>Week Ago</b>	<b>Year Ago</b>
<b>CRUDE OIL</b> <b>West Texas Intermediate U.S.</b> \$/Barrel	44.53	45.87	92.25
<b>NATURAL GAS</b> <b>Henry Hub</b> \$/Million Btu	2.70	2.67	3.80

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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