



ENERGY ASSURANCE DAILY

Friday Evening, September 18, 2015

Electricity

Consumers Energy Urges Caution After State Report Shows 25 Coal Units Shutting Down in Michigan by 2020

A Consumers Energy executive testified before the Michigan Senate and Technology Committee on Thursday, cautioning that coal-fired generation plants that have shut or are scheduled for closure in Michigan by 2020 could result in a capacity shortfall in the Lower Peninsula beginning next year. The executive cited a new Michigan Agency for Energy report that shows 25 coal units in the state have or will shut down by 2020 due to age and current regulations issued by the U.S. Environmental Protection Agency (EPA). The units include Consumers Energy's seven oldest coal plants, which are shutting down by April 15, 2016. Michigan Governor Rick Snyder's administration announced September 1 that the state would develop its own carbon implementation plan to meet the power plant carbon emissions guidelines set for it in the federal Clean Power Plan, which aims to reduce power plant greenhouse gas emissions by a third of 2012 levels by 2030. The plan allows states to develop their own plans to reach their respective targets. The Michigan Agency for Energy is expected to have a rough plan submitted to the EPA by the deadline and will be coordinating its development.

<https://www.consumersenergy.com/News.aspx?id=8196&year=2015>

http://www.michigan.gov/documents/energy/ET_presentation_Sept_2015_499752_7.pdf

http://www.michigan.gov/documents/energy/SCIP_Statements_and_Attachments_498867_7.pdf

<http://www.candgnews.com/news/michigan-announces-it-will-design-own-clean-energy-plan-86049>

Ameren's 375-kV Spoon River Transmission Project Receives Final Regulatory Approval; Expected In-Service Date in 2018

Ameren Transmission Company of Illinois, a subsidiary of Ameren Corporation, has received a Certificate of Public Convenience and Necessity from the Illinois Commerce Commission authorizing construction of the Spoon River Transmission Project, including approval of a final route for the transmission line. The 345-kV transmission line, using single-shaft steel poles, will span 46 miles in Illinois between Galesburg and Peoria, with an in-service date anticipated in 2018. Line construction is expected to commence in late 2016.

<https://www.ameren.com/spoon-river>

<http://ameren.mediaroom.com/index.php?s=43&item=1396>

Construction on Geronimo Energy's 100 MW Apple Blossom Wind Farm in Michigan Expected to Begin in 2016 – Consumers Energy

Consumers Energy on Wednesday announced it would purchase energy from a new 100-MW wind farm to be built in Huron County. Consumers Energy has entered into a long-term agreement with Geronimo Energy to buy electricity from the Apple Blossom Wind Farm, which plans to start construction next year.

<http://www.geronimoenergy.com/ourprojects/apple-blossom>

<https://www.consumersenergy.com/News.aspx?id=8195&year=2015>

SunPower to Build 20 MW Solar Power Plant for Sulphur Springs Valley Electric Cooperative in Cochise County, Arizona; Expected In-Service Date in Late 2016

<http://newsroom.sunpower.com/2015-09-17-SunPower-to-Build-20-Megawatt-Solar-Power-Plant-for-Sulphur-Springs-Valley-Electric-Cooperative>

Pennsylvania Approves Air Quality Permit Plan for Moxie Freedom's Proposed 1,050 MW Natural Gas-Fired Power Plant in Luzerne County September 1

The Pennsylvania Department of Environmental Protection (DEP) has approved the air quality plan for the Moxie Freedom LLC natural gas-fired power plant. Moxie has proposed to build and operate the 1,050 MW plant in Salem Township, Luzerne. The company submitted its plan almost a year ago. It proposed the use of a combustion gas turbine and a steam turbine to produce electricity from natural gas produced in the Marcellus Shale.

http://www.portal.state.pa.us/portal/server.pt/community/news_releases/14288

<https://timesleader.com/news/394902/dep-approves-air-quality-permit-plan-for-natural-gas-power-plant>

Entergy's 1,207 MW Grand Gulf Nuclear Unit 1 in Mississippi Ramped Up to 91 Percent by September 18

On the morning of September 17 the unit was operating at 79 percent.

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

Agua Caliente's 290 MW Agua Caliente Solar Unit in California Returns to Service by September 17

The unit returned from an unplanned curtailment of 228 MW.

<http://content.caiso.com/unitstatus/data/unitstatus201509171515.html>

Cabrillo Power's 300 MW Encina Gas-fired Unit 4 in California Shut by September 17

The unit entered an unplanned outage.

<http://content.caiso.com/unitstatus/data/unitstatus201509171515.html>

Petroleum

Update: Restart of ExxonMobil's 149,500 b/d Torrance, California Refinery Delayed Indefinitely – Regulators

ExxonMobil Corp's proposed restart of its crippled Torrance refinery in southern California has been delayed indefinitely, the South Coast Air Quality Management District said. The refinery, which provides 10 percent of California's gasoline supply, has been shut since a February 18 explosion destroyed an electrostatic precipitator, disabling the fluid catalytic cracking unit. ExxonMobil had planned to seek the regulator's approval to restart the refinery at reduced rates as soon as this month, but hearings were twice delayed. The latest delay comes as California worker safety officials are investigating a September 6 leak of hydrofluoric acid at the plant, but neither ExxonMobil nor regulators would say whether that probe was a factor in canceling Thursday's hearing on the restart plan. An ExxonMobil spokesman said Thursday that the company is working with South Coast on a restart plan but it was not in a position to speculate on a timeline for restart. ExxonMobil had proposed restarting the plant using older emissions-controlling equipment until final fixes and upgrades are finished. The older equipment does not meet current emissions control standards, but ExxonMobil could maintain the overall cap on emissions by shutting a boiler and retrofitting some cooling towers. Otherwise, the refinery that ExxonMobil had hoped to restart by this summer could remain shut through the rest of the year.

Reuters, 18:33 September 17, 2015

Northern Tier Shuts Crude Unit at Its 89,500 b/d St. Paul Park, Minnesota Refinery for Unplanned Maintenance September 17

Northern Tier Energy on Thursday said it will take Crude Unit 2 offline at its St. Paul Park refinery for unplanned maintenance. The company said it expects crude oil throughput for third quarter, 2015, to average between 86,000 and 90,000 b/d as a result of this unscheduled work. Crude Unit 2 has a capacity of 49,000 b/d, according to IIR Energy data available on Thomson Reuters Eikon.

Reuters, 18:02 September 17, 2015

Buckeye, Trafigura Commissioning New 50,000 b/d Condensate Splitter at Their Corpus Christi, Texas Complex

Buckeye Partners LP and Trafigura AG will soon start up a new 50,000 b/d condensate splitter at their joint venture storage and export complex in Corpus Christi, Texas. A Buckeye spokesman said on Thursday that the splitter is undergoing commissioning, which involves testing its systems to ensure they operate correctly.

Reuters, 16:17 September 17, 2015

U.S. Senate Committee Probes Pipeline Safety in Response to Recent Oil Spills

A U.S. Senate committee is holding a field hearing on pipeline safety to examine whether the government has enough safety inspectors to manage a boom in U.S. energy production that's led to a rise in oil pipeline accidents after years of decline.

http://www.washingtontimes.com/news/2015/sep/18/us-senate-committee-probes-pipeline-safety-after-o/?utm_source=RSS_Feed&utm_medium=RSS

Update: Crews Extinguish Oil Well Fire at Chesapeake Energy's Site near Douglas, Wyoming September 15

Crews capped the final three burning wells September 15 at a Chesapeake Energy oil site near Douglas, Wyoming, after the fire began September 6 and spread to all six wells at the site. The company is investigating the cause of the blaze.

http://trib.com/news/state-and-regional/crews-extinguish-douglas-well-fire/article_901d301e-e6e2-5b45-ad32-94c62a75da57.html

Natural Gas

Atlantic Coast Pipeline Applies for FERC Permission to Build 564-Mile Interstate Natural Gas Pipeline from West Virginia to North Carolina September 18

Atlantic Coast Pipeline, LLC, today formally applied to the Federal Energy Regulatory Commission (FERC) for permission to build a 564-mile interstate natural gas transmission pipeline to transport natural gas supplies from Harrison County, West Virginia, southeast through Virginia with an extension to Chesapeake, Virginia, and south through central North Carolina to Robeson County. Pending regulatory approval, construction is expected to begin in the second half of 2016 and the pipeline is expected to be in service in the fourth quarter of 2018. Four major U.S. energy companies—Dominion, Duke Energy, Piedmont Natural Gas, and AGL Resources—formed Atlantic Coast Pipeline, LLC, to build and own the proposed Atlantic Coast Pipeline (ACP). Dominion Transmission Inc. applied simultaneously to FERC for permission to build its Supply Header Project, a project of approximately 38 miles of natural gas pipeline and modified existing compression facilities in West Virginia and Pennsylvania. The project will provide natural gas supplies to various customers, including the ACP, allowing the transport of natural gas from supply areas in Ohio, Pennsylvania, and West Virginia to underserved market areas in Virginia and North Carolina.

<http://dom.mediaroom.com/2015-09-18-Atlantic-Coast-Pipeline-Asks-FERC-For-Permission-To-Build-5-Billion-Interstate-Natural-Gas-Pipeline>

Regency Reports Flaring at Its 290 MMcf/d Waha Gas Plant in Texas September 17; Process Fluctuation Shuts Plant for 12 Hours September 18

Operators reported that on Thursday afternoon, while restarting the #4 re-compressor, an amine system fluctuation shut down the acid gas injection (AGI) unit, which led to flaring for about 2 hours. Early Friday morning, the plant shut down on an amine system process fluctuation/foaming. Operators restored normal conditions at the plant about 12 hours later.

<http://www2.tceq.texas.gov/oce/eer/index.cfm?fuseaction=main.getDetails&target=220327>

<http://www2.tceq.texas.gov/oce/eer/index.cfm?fuseaction=main.getDetails&target=220317>

Other News

Nothing to report.

International News

Bahrain, Saudi Arabia Sign Contracts for New 350,000 b/d Oil Pipeline Between the Two Countries

Saudi Arabia and Bahrain have signed contracts to lay a new 350,000 b/d oil pipeline between the two countries, with the link due to be operational in 2018, Bahrain's Energy Minister said on Thursday. Bahrain relies on output from the Abu Safa oil field that it shares with Saudi Arabia for the vast majority of its oil, and the new pipeline will replace an aging 230,000 b/d link and enable Bahrain Petroleum Company (Bapco) to expand the processing capacity of its 267,000 b/d Sitra refinery. Eventually the new pipeline's capacity could be increased to 400,000 b/d, the Energy Minister said.

http://www.downstreamtoday.com/news/article.aspx?a_id=49180

Energy Prices

U.S. Oil and Gas Prices			
September 18, 2015			
	Today	Week Ago	Year Ago
CRUDE OIL West Texas Intermediate U.S. \$/Barrel	44.66	44.70	93.28
NATURAL GAS Henry Hub \$/Million Btu	2.68	2.71	3.97

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