



ENERGY ASSURANCE DAILY

Tuesday Evening, October 18, 2016

Electricity

BWL Reports Nearly 30,000 Customers Briefly without Power in Michigan Due to Substation Lighting Strike October 16

Lansing Board of Water & Light (BWL) reported 29,729 customers briefly lost power after a suspected lightning strike hit the Eckert Substation around 9:00 a.m. EDT on Sunday. By 11:38 a.m. EDT on Sunday, BWL had restored power to all customers.

<https://www.facebook.com/LansingBWL>

<http://www.lbwl.com/outagecenter/>

Rainstorm Knocks Out Power to Over 27,000 LADWP Customers in Southern California October 17

LADWP on Monday reported over 27,000 customers were without power as a result of a rainstorm that hit the Los Angeles area. Some of the most frequent causes of power outages during rain storms are dried palm fronds, tree branches and other debris that fall and make contact with power lines, LADWP said. As of 3:30 p.m. EDT Tuesday 2,918 customers remained without power.

<http://www.ladwpnews.com/go/doc/1475/2893298/>

https://www.ladwp.com/ladwp/faces/header/outageinformation?_afLoop

Thunderstorms Knock Out Power to 40,000 Hydro One Customers in Ontario October 17

Strong thunderstorms knocked out power to 40,000 Hydro One customers across central and eastern Ontario on Monday. Wind gusts of up to 71 mph were reported, downing trees and powerlines. As of 3:30 p.m. EDT Tuesday, 5,444 customers remained without power.

<https://twitter.com/HydroOne>

<http://www.hydroone.com/StormCenter3/>

<http://globalnews.ca/news/3009424/ontario-storm-leaves-thousands-of-hydro-one-customers-without-electricity/>

<http://toronto.ctvnews.ca/down-burst-of-severe-weather-damages-building-knocks-out-power-in-collingwood-1.3118968>

Entergy's 653 MW Pilgrim Nuclear Unit 1 in Massachusetts Reduced to 75 Percent by October 18

On the morning of October 17 the unit was operating at full power.

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

PG&E's 1,087 MW Diablo Canyon Nuclear Unit 1 in California Reduced to 50 Percent by October 18

On the morning of October 17 the unit was operating at 99 percent.

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

Georgia Power Says Nuclear Operators for Its Vogtle Units 3, 4 Pass NRC Licensing Exam

Georgia Power announced on Monday that members of the first training class of nuclear operators for its Vogtle nuclear units 3 and 4 have passed the initial licensing exam by the Nuclear Regulatory Commission (NRC), ensuring that licensed, qualified operators are in place prior to nuclear fuel loading and plant startup. The three-week testing process encompassed simulator testing, job performance measures, and a written exam. The operators now must complete an additional six months of preoperational testing before receiving their licenses. Georgia Power is projecting in-service dates for its units 3 and 4 in 2019 and 2020, respectively.

<https://www.georgiapower.com/about-us/media-resources/newsroom.cshhtml>

Update: Colonial Pipeline to Temporarily Cut Gasoline Shipments by 20 Percent on Its 1.37 Million b/d Line 1 after Alabama Leak; Expects Full Restart by mid-November 2016

Colonial Pipeline said on Monday it would temporarily cut gasoline shipment volumes on its 1.37 million b/d Line 1 as it works to remove the temporary bypass line that was constructed in order to resume operations following the discovery of a leak near Helena, Alabama on September 9. Gasoline shipments on Line 1 will be reduced by about 20 percent for 10 days, the company told shippers in a notice on Monday, although Colonial did not publically specify when the cuts would begin. A company spokeswoman said that Colonial expects to fully restart the damaged section of Line 1 by mid-November. The damaged section of Line 1 was shut for more than 12 days after a leak was discovered in September. Colonial constructed a bypass line in order to restart shipping operations while repairs were made to the damaged section. The Colonial pipeline system connects Gulf Coast refineries with markets across the southern and eastern United States through more than 5,500 miles of pipeline, delivering gasoline, diesel, jet fuel, and other refined products. Lines 1 and 2 run from Houston, Texas to Greensboro, North Carolina, supplying markets in Mississippi, Alabama, Tennessee, South Carolina and North Carolina. Colonial's Lines 3 and 4 move fuels north from Greensboro to markets in Virginia, Maryland, Pennsylvania, and New Jersey before terminating in the New York Harbor area.

Reuters, 17:42 October 17, 2016

CNRL's Horizon 50,000 b/d Phase 2B Expansion Project Expected to Reach Full Production By November 2016

Phase 2B of Canadian Natural Resources Ltd's (CNRL's) Horizon project has started up and is expected to reach full production by November. The expansion will boost output capacity at the mining and upgrading project to around 182,000 b/d from 137,000 b/d currently. CNRL's Horizon Oil Sands project includes a surface oil sands mining and bitumen extraction plant, complemented by on-site bitumen upgrading with associated infrastructure to produce high quality synthetic crude oil. The Horizon Oil Sands are located just north of Fort McMurray, Alberta in the Athabasca region with an estimated 3.6 billion barrels of proved and probable synthetic crude oil reserves. CNRL expects incremental production gains throughout the completion of future expansion and debottlenecking, with targeted full facility capacity of approximately 250,000 b/d. Further phases of expansion could potentially bring the ultimate capacity to 500,000 b/d.

Reuters, 17:34 October 17, 2016

<http://www.cnrl.com/operations/north-america/horizon-oil-sands.html>

Shell Seeks Buyer for Its 156,400 b/d Martinez, California Refinery – Sources

Royal Dutch Shell has retained Deutsche Bank to sell its Martinez, California refinery, according to three sources familiar with the matter. The potential sale would also include a pipeline that delivers crude oil to the refinery from California's San Joaquin Valley production fields. The sources said that Shell is entering into confidentiality agreements with buyers who may be interested in reviewing the plant's data ahead of a sale, and that PBF was a potential bidder, citing the company's interest in California as indicated by its purchase of the Torrance refinery. A sale of the Martinez plant would leave Shell with a single, wholly-owned U.S. refinery in Anacortes, Washington, though it has several joint ventures in the U.S. Gulf. Shell is in the midst of a three-year, \$30 billion divestment plan following the company's purchase of BG Group earlier this year.

Reuters, 12:03 October 18, 2016

Natural Gas

Alliance Pipeline Declares Force Majeure on Canada Natural Gas System October 18

Alliance Pipeline LP on Tuesday declared a force majeure on its Canada system beginning Wednesday due to an extension of an outage as a result of a delay in maintenance at the Aux Sable Liquid Products facility in Illinois. The Alliance Pipeline outage period was extended beyond the planned system re-start time of October 19, the company said. The company operates a natural gas conduit between Western Canada's Montney region and the Chicago market hub.

http://ips.alliance-pipeline.com/Ips/ContentViewer.aspx?notice_id=10742&cwc_website_content_id=52

U.S. Task Force Issues Recommendations to Cut Natural Gas Facility Leak Risks October 18

A U.S. interagency task force, co-chaired by the Under Secretary for Science and Energy at the U.S. Department of Energy (DOE) and the Administrator of the Department of Transportation's Pipeline and Hazardous Materials Safety Administration (PHMSA), on Tuesday issued recommendations aimed at reducing the risk of incidents involving natural gas facilities in the wake of a major leak from SoCalGas' 86 Bcf Aliso Canyon storage facility in California last year. The report included 44 recommendations to industry, federal, state, and local regulators to reduce the likelihood of future leaks and minimize the impacts of any that occur. Other directions included risk assessments by natural gas storage facility operators and development and implementation of transition plans to address high-risk infrastructure, the task force said. SoCal Gas, owned by Sempra Energy, shut Aliso Canyon in October 2015 due to a massive methane leak, which was not plugged until February 2016. Aliso Canyon is the biggest of four SoCal Gas storage fields and supplies gas to homes and businesses in Southern California, including power plants and refineries.

<http://energy.gov/articles/federal-task-force-issues-recommendations-increase-safety-and-reliability-us-natural-gas>

Other News

ExxonMobil Requests Federal Court Injunction against New York State Climate Change Subpoena

ExxonMobil Corp asked a federal court on Monday to throw out a New York State subpoena that would force the oil company to hand over decades of documents as part of a wide-ranging inquiry into whether it misled investors about climate change risks. ExxonMobil has now requested the U.S. District Court in Fort Worth, Texas for injunctions against two major climate subpoenas—one issued by New York and another from Massachusetts that the company challenged in June. A group of New York state attorneys general said in March they would go after ExxonMobil for allegedly violating securities laws by soft-pedaling the dangers of climate change and efforts to fight it. ExxonMobil said in September the U.S. Securities & Exchange Commission is the right agency to vet how it books reserves and that it complies with accounting and securities laws.

Reuters, 13:29 October 17, 2016

International News

Iran October Oil Exports Hold near Five-Year, Pre-Sanctions Level High – Source

Iran's October crude and condensate exports are set to hold near five-year highs hit in September 2016, a source with knowledge of its preliminary tanker schedule said. Crude and condensate exports in October were set at 2.56 million b/d, down from 2.60 million b/d in September. The September exports—which some sources put as high as 2.8 million b/d—were the most since mid-2011, and compare with just under 2.5 million b/d in August 2016. Iran is seeking to raise its crude and condensate production to more than 5 million b/d by 2020, with its deputy oil minister saying on Monday that Iran's output was now almost sufficient to agree to the group limit planned last month by the Organization of the Petroleum Exporting Countries. The country is producing around 4.5 million b/d of crude and ultralight oil condensate, according to local oil officials, while it has nearly doubled its total exports since sanctions targeting its nuclear program were lifted in January 2016.

<http://www.reuters.com/article/us-iran-oil-exports-idUSKCN12I0KQ>

Update: Libya Resumes Output at Waha Oilfield – Senior Oil Official

Libya resumed production at the Waha oilfield last week bringing overall production to 580,000 b/d, a senior Libyan oil official said on Tuesday. The Waha field, operated by the Waha Oil Co, is one of the main sources for Libya's Es Sider export stream. The Waha oilfield was the first Es Sider field to resume production and was pumping 50,000 b/d as of Tuesday. The output is being redirected to the Ras Lanuf export terminal instead of the usual Es Sider port due to limited storage, the official added. Libya's oil production has been crippled for several years by an on-and-off blockade of its largest export terminals.

Reuters, 12:30 October 18, 2016

Energy Prices

U.S. Oil and Gas Prices			
October 18, 2016			
	Today	Week Ago	Year Ago
CRUDE OIL West Texas Intermediate U.S. \$/Barrel	50.25	50.67	47.25
NATURAL GAS Henry Hub \$/Million Btu	3.16	3.14	2.49

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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