



ENERGY ASSURANCE DAILY

Monday Evening, October 19, 2015

Electricity

PG&E Reports Restoration Nearly Complete to 55,700 Customers in California after Power Outage Possibly Due to Downed High-Voltage Transmission Line October 18

Pacific Gas and Electric (PG&E) on Monday reported power had been restored to nearly all 55,700 customers in Monterey County, California after a Sunday morning outage. By 2:45 p.m. PDT Sunday, service was restored to about 26,000 customers, officials said. The company hoped to have power fully restored to all customers by 11 p.m. EDT Sunday night. PG&E officials believe the power outage may be due to a high-voltage transmission line that came down, but the cause was still under investigation.

<http://www.pge.com/myhome/outages/outage/>

<https://twitter.com/pge4me>

<http://www.nbcbayarea.com/news/local/Major-Power-Outage-in-Monterey-Leaves-Thousands--333884441.html>

Storms Knock Out Power to 28,800 Customers in Arizona October 18

Heavy rain, winds, and hail knocked out power to 14,800 SRP and 14,000 APS customers on Sunday. APS reported 24 downed power lines. As of 3:30 p.m. EDT Monday, 121 SRP and 630 APS customers remained without power.

<https://www.aps.com/en/globalservices/outagecenter/Pages/home.aspx>

<https://myaccount.srpnet.com/MyAccount/Outages/Public>

<https://twitter.com/SRPconnect>

Constellation's 480 MW Ginna Nuclear Unit in New York Shut by October 19

On the morning of October 18 the unit was operating at 93 percent, reduced from full power on October 8.

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

Dominion's 815 MW Surry Nuclear Unit 2 in Virginia Shut by October 19

On the morning of October 18 the unit was operating at 90 percent, reduced from full power on October 5.

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

FPL's 693 MW Turkey Point Nuclear Unit 3 in Florida Shut by October 19

On the morning of October 18 the unit was operating at 50 percent, reduced from full power on October 17.

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

Exelon's 1,163 MW Byron Nuclear Unit 1 in Illinois Reduced to 85 Percent by October 19

On the morning of October 18 the unit was operating at full power.

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

Exelon's 1,131 MW Byron Nuclear Unit 2 in Illinois Reduced to 85 Percent by October 19

On the morning of October 18 the unit was operating at full power.

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

STP's 1,251 MW South Texas Nuclear Unit 1 in Texas Shut 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/2015/>

Duke Energy's 846 MW Oconee Nuclear Unit 2 in South Carolina Shut by October 17

On the morning of October 16 the unit was operating at 98 percent.

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

NMC's 522 MW Prairie Island Nuclear Unit 2 in Minnesota Shut by October 17

On the morning of October 16 the unit was operating at full power.

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

AES's 332 MW Alamos Gas-fired Unit 3 in California Shut by October 18

The unit entered an unplanned outage.

<http://content.caiso.com/unitstatus/data/unitstatus201510181515.html>

Update: Solar Partners' 123 MW Ivanpah Unit 1 in California Returns to Service by October 17

The unit returned from an unplanned outage that began on October 11.

<http://content.caiso.com/unitstatus/data/unitstatus201510171515.html>

SCE's 200 MW Eastwood Hydro Unit in California Shut by October 16

The unit entered an unplanned outage.

<http://content.caiso.com/unitstatus/data/unitstatus201510161515.html>

ERCOT Releases Report on Potential Clean Power Plan Impacts October 16

The Electric Reliability Council of Texas (ERCOT) on Friday released its updated Analysis of the Impacts of the Clean Power Plan, based on the final rule released by the U.S. Environmental Protection Agency (EPA) in August. ERCOT study results indicate the plan could result in retirement of at least 4,000 MW of coal-fired generation capacity in the ERCOT region, possibly beginning as soon as 2022. ERCOT anticipates the impacts of these changes could increase retail power prices by up to 16 percent by 2030, not including the impacts of new transmission projects or other investments that could be needed to support compliance. The report also highlights ERCOT's specific concerns associated with the future generation mix and transmission needs. The retirement of a large portion of controllable generation capacity, combined with the addition of a large amount of generation from intermittent solar and wind sources, could affect reliability of all generation resources as the system works together to maintain a balanced grid.

http://www.ercot.com/news/press_releases/show/76880

Algonquin Power, Renewable Energy Systems Americas Announce Joint Venture 150 MW Wind Project in Michigan October 19

Algonquin Power & Utilities Corp. today announced it agreed to jointly develop a 150 MW Deerfield construction stage wind project in central Michigan with Renewable Energy Systems Americas Inc. Deerfield has a 20-year power purchase agreement with Wolverine Power Supply Cooperative, Inc. The project is expected to achieve commercial operation at the end of 2016 with its first full year of operation being 2017.

<http://investors.algonquinpower.com/file.aspx?IID=4142273&FID=31490771>

Petroleum

Houston Ship Channel Partially Closed Due to Sunken Barge October 19

Coast Guard Vessel Traffic Service Houston closed a small section of the upper ship channel to deep draft ship traffic at 5:58 a.m. CDT Monday, about an hour after a tug and barge sank. A 1,000 yard long section of the ship channel, located across from the Kinder Morgan terminals in Galena Park, remains open to barge traffic one at a time. There are currently two ships waiting to go further into the port and two waiting to come out. The Enterprise, a tug across the ship channel from the incident, called the vessel traffic service when they heard what they described as lines parting as the tug Annie Moon and attached barge sank where they were moored at about 5 a.m. CDT. The Annie Moon is a small 25-foot harbor tug and the barge is about 200-feet long and was carrying 60 to 80-foot long, 2-foot wide and a half inch thick sheets of metal. The Coast Guard initially restricted the area to one-way traffic upon notification of the incident, deployed a boat crew from Station Houston and diverted an Air Station Houston helicopter crew to assess the situation. The Sector Houston-Galveston Incident Management Team deployed personnel to the scene to assess the incident and oversee response operations. The assessment team determined that approximately 20 gallons of diesel fuel leaked from the tug, which was carrying about 300 gallons. The area has been boomed off to contain and recover any additional spill while the vessels are being recovered. Big John, the Big John Marine heavy lift cargo crane, is expected to be on scene at 1 p.m. CDT to begin work lifting the sunken tug and barge. The cause of the incident is under investigation.

<http://www.uscgnews.com/go/doc/4007/2613202/>

ExxonMobil Reports Process Upset at Its 238,600 b/d Joliet, Illinois Refinery October 19

Reuters, 4:09 October 19, 2015

Valero Reports Emissions Due to Incinerator Upset at Its 335,000 b/d Port Arthur, Texas Refinery October 19

Reuters, 10:06 October 19, 2015

LyondellBasell Shuts FCCU, CDU at Its 263,776 b/d Houston, Texas Refinery October 18 – Sources

The small crude distillation unit (CDU) and the main fluidic catalytic cracking unit (FCCU) were shut at LyondellBasell Industries' Houston, Texas refinery, sources familiar with plant operations said on Sunday. The 120,000 b/d CDU, the smaller of two at the refinery, may remain shut until Wednesday after production was halted due to a leak in a circulating sidestream pipe that appeared on Saturday night, the sources said. The 90,000 b/d FCCU was shut on Sunday night due to the outage of a cold feed pump unit, the sources said. There was no estimate for a restart time.

Reuters, 12:44 October 19, 2015

Valero Reports Flaring at Its 88,000 b/d Houston, Texas Refinery – Community Line

Reuters, 10:27 October 18, 2015

Shell Reports Unit Start-Up at Its Scotford, Alberta Facility October 17

Royal Dutch Shell reported a unit start-up at its Scotford, Alberta facility on Saturday, according to a message with a community information system. The Scotford facility houses a 100,000 b/d refinery and a 255,000 b/d oil sands upgrader.

Reuters, 10:33 October 19, 2015

Chevron Reports Flange Leak at Its 245,271 b/d Richmond, California Refinery October 17

Chevron Corp reported a flange leak at its Richmond, California refinery on Saturday, according to a filing with California Emergency Management Agency. The unit area was evacuated of nonessential personnel, the filing said.

Reuters, 10:11 October 18, 2015

Phillips 66 Reports Pipeline Release in Kern County, California October 16

Phillips 66 reported a crude gathering line was struck causing a release at Lost Hills in Kern County, California. The company said a containment hole was dug and lined with plastic to contain the release.

Reuters, 6:37 October 16, 2015

U.S. Oil Drillers Cut Rigs for Seventh Week – Baker Hughes

Drillers removed 10 oil rigs in the week ended October 16, bringing the total rig count down to 595, the least since July 2010. Over the prior six weeks, drillers had cut 70 rigs, Baker Hughes Inc said. That total was less than half the 1,590 oil rigs in the prior year. Since hitting an all-time high of 1,609 in October last year, weekly rig count reductions have averaged about 20. While the total U.S. oil and gas rigs fell to another 13-year low, natural gas rigs were up three to 192. With that increase, gas rigs were just over the lowest level in at least 28 years, according to Baker Hughes data going back to 1987.

Reuters, 1:33 October 16, 2015

DOI Cancels Arctic Offshore Lease Sales

The Department of the Interior (DOI) on Friday announced that it will cancel the two potential Arctic offshore lease sales scheduled under the current five-year offshore oil and gas leasing program for 2012-2017. The Bureau of Safety and Environmental Enforcement (BSEE) also denied requests from Shell and Statoil for lease suspensions, which would have extended the expiration date of the leases. Under the current Five-Year Program, Chukchi Sea Lease Sale 237 was scheduled potentially for 2016. The Bureau of Ocean Energy Management (BOEM) issued a Call for Information and Nominations in September 2013, in response to which industry submitted no specific nominations. Shell recently announced that the results of its exploration well at the Burger J site in the Chukchi Sea did not warrant further exploration in the Burger prospect. Similarly, Beaufort Sea Lease Sale 242 had been scheduled potentially for the first half of 2017. BOEM published a Call for Information and Nominations in July 2014, but only received one nomination, thereby raising concerns about the competitiveness of any such lease sale at this time.

<https://www.doi.gov/pressreleases/interior-department-cancels-arctic-offshore-lease-sales>

Centurion Terminals Building Rail Project in Texas

Centurion Terminals is building a 160,000 b/d rail loading operation at one of two new \$75 million crude terminals in Reeves County, Texas, to move Delaware Basin condensate to a new export terminal in Brownsville via train. The Pecos, Texas terminal with rail will be connected via pipeline to another terminal in Orla, Texas. Once transported to the \$100 million export terminal at the Port of Brownsville, condensate will be processed in one of two existing distillation towers—and a third to be added—that will operate as splitters capable of initially processing up to 50,000 b/d into diesel, liquefied petroleum gases, and naphtha. Both the Brownsville and Reeves County operations are slated to start up in the third quarter of 2016. Centurion has a 10-year, take-or-pay contract with a shipper to buy all the splitter output to then export or sell domestically.

http://www.centurionterminals.com/uploads/3/6/5/8/3658984/centurion_breaks_ground_port_centurion.pdf

Iowa Group Seeks More Permit Oversight of Energy Transfer's Proposed 450,000 b/d Dakota Access Pipeline from North Dakota to Illinois

Iowa Citizens for Community Improvement members are asking the Army Corps of Engineers' district office in Rock Island, Illinois, to change how it is reviewing permit applications submitted by Dakota Access LLC, a unit of Energy Transfer Partners, to build a 1,134-mile pipeline. The pipeline would move North Dakota crude oil through South Dakota and Iowa to Illinois. The Iowa Utilities Board, which is tasked with approving the Dakota Access Pipeline in Iowa through a separate permit application, has scheduled a public hearing in November.

Reuters, 10:31 October 18, 2015

Zydeco Announces Non-Binding Open Season for Its Houma to St. James, Louisiana Pipeline October 19

Zydeco Pipeline Company, LLC today announced a non-binding open season for a potential new pipeline routed from the Houma Terminal to St. James, Louisiana. The new pipeline could replace the current 270,000 b/d, 18-inch Houma-St. James pipeline to meet higher capacity demand, pending customer interest gauged in the open season, which will conclude on December 11. Pending regulatory approval, construction is expected to be completed in early 2018. Zydeco is jointly owned by Shell Pipeline Company LP and Shell Midstream Partners LP.

<http://www.shell.us/media/2015-media-releases/zydeco-announces-non-binding-open-season-on-new-pipeline.html>

Natural Gas

Enbridge Reports AGI Upset at Its Tilden Gas Plant in Texas October 18

Enbridge reports an upset occurred due to an electrical malfunction. All gas was routed to the flare to curtail emissions, and processing and flow rates were adjusted to minimize downtime and flare duration.

<http://www2.tceq.texas.gov/oce/eer/index.cfm?fuseaction=main.getDetails&target=221755>

Regency Reports Pump Failure at Its 290 MMcf/d Waha Gas Plant in Texas October 17

Regency reported filters were changed and a pump failure occurred. The lube oil pump was repaired and the acid gas injector (AGI) compressor was reset and restarted.

<http://www2.tceq.texas.gov/oce/eer/index.cfm?fuseaction=main.getDetails&target=221752>

Other News

Nothing to report.

International News

Libya Producing 440,000 b/d of Crude Oil – NOC Chairman

Libya is producing roughly 440,000 b/d of crude oil, the chairman of the country's National Oil Corporation (NOC) said on Monday. Production remains limited by civil unrest and the closure of two major oil export ports that have been shut since December due to protests over jobs or oil pipeline blockades by armed groups. The NOC has been working to reopen the ports, but the disputes, along with a conflict between Libya's two rival governments, have kept the country's oil output well below the 1.6 million b/d it produced before the 2011 fall of leader Muammar Gaddafi.

Reuters, 8:33 October 19, 2015

Energy Prices

| U.S. Oil and Gas Prices | | | |
|--|-------|----------|----------|
| October 19, 2015 | | | |
| | Today | Week Ago | Year Ago |
| CRUDE OIL West Texas Intermediate U.S. \$/Barrel | 45.86 | 49.62 | 83.45 |
| NATURAL GAS Henry Hub \$/Million Btu | 2.38 | 2.44 | 3.79 |

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

Energy Assurance Daily provides a summary of public information concerning current energy issues. Published Monday through Friday to inform stakeholders of developments affecting energy systems, flows, and markets, it provides highlights of energy issues rather than a comprehensive coverage. *Energy Assurance Daily* is updated online Monday through Friday after 5:00 p.m. ET. For more information, visit the Infrastructure Security and Energy Restoration (ISER) website at:

<http://www.oe.netl.doe.gov/ead.aspx>

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