



ENERGY ASSURANCE DAILY

Tuesday Evening, November 01, 2016

Major Developments

Colonial Pipeline's 1.37 Million b/d Line 1 Shut after Explosion, Fire in Alabama October 31; 1.16 Million b/d Line 2 Restarts November 1

Colonial Pipeline Company shut down its main gasoline and distillate pipelines—Lines 1 and 2—on Monday afternoon after a large explosion and fire occurred in Shelby County, Alabama near the location where Line 1 leaked 6,000–8,000 barrels of gasoline in September. The company said a crew working on Line 1 experienced an accident when the trackhoe it was operating hit the pipeline, which ignited fuel in Line 1 causing a large explosion and fire. Five workers were hospitalized from the incident and one fatality was recorded at the scene. Line 2, which runs parallel to Line 1, was restarted at approximately 12:00 a.m. EDT on Tuesday, however Colonial anticipates Line 1 will remain shut through the remainder of the week. On October 17, Colonial notified its shippers of temporary volume reductions over a 10-day timeframe to allow crews to remove the Line 1 bypass that was constructed as a contingency measure during the September Line 1 outage. The 2.5 million b/d Colonial Pipeline is one of two major interstate pipeline systems supplying petroleum products from Gulf Coast refining centers to delivery locations across the Southeast and Eastern Seaboard as far north as New York Harbor. The Colonial system consists of 5,500 pipeline-miles and has connections to 29 refineries and 267 customer terminals. Major metropolitan areas served from Colonial's mainline system include Birmingham, Alabama; Atlanta, Georgia; Charlotte, North Carolina; Richmond, Virginia; Washington, DC; Baltimore, Maryland; Philadelphia, Pennsylvania; and New York, New York. In addition, Colonial spur lines push fuel into secondary markets, including Chattanooga, Nashville and Knoxville in Tennessee; Norfolk, Virginia Beach, and Roanoke in Virginia; Macon and Augusta in Georgia; and the Raleigh-Durham area in North Carolina. Colonial also delivers products into several connecting pipeline systems in New Jersey and Pennsylvania, including the Buckeye and Sunoco Logistics systems.

<https://helena.colonialresponse.com/>

<https://www.eia.gov/todayinenergy/detail.php?id=28032>

Reuters, 10:22 November 1, 2016

Update: Enterprise Restarts Its 400,000 b/d Legacy Seaway Oil Pipeline October 31 after Crude Oil Spill October 23

Enterprise Products Partners on Monday said it resumed flows on its legacy Seaway pipeline after repairs were completed, about three days ahead of the previously targeted date of November 3. The legacy pipeline suffered a leak on October 23, which prompted Enterprise to shut the entire 850,000 b/d Seaway system. The 500-mile pipeline system connects the U.S. crude oil storage hub in Cushing to the Freeport, Texas area, and a terminal and distribution crude oil network that serves refineries in the Greater Houston area.

Reuters, 16:18 October 31, 2016

Electricity

PSEG Reports 10,000 Customers in New Jersey without Power Due to Equipment Failure October 31

PSEG on Monday evening reported an equipment failure knocked out power to 10,000 customers in Jersey City. As of 3:30 p.m. EDT Tuesday, 697 customers remained without power.

<https://s3.amazonaws.com/outagecenter.pseg.com/external/default.html>

<http://newjersey.news12.com/news/pseg-equipment-failure-leaves-thousands-of-residents-in-the-dark-in-jersey-city-1.12536809>

Talen Energy's 1,105 MW Susquehanna Nuclear Unit 1 in Pennsylvania Reduced to 30 Percent by November 1

On the morning of October 31 the unit was operating at full power.

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

Update: Entergy's 1,075 MW Waterford Nuclear Unit 3 in Louisiana Ramps Up to 45 Percent by November 1

On the morning of October 31 the unit had restarted and ramped up to 13 percent. The unit was shut from full power on October 25 due to unknown causes.

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

Update: Solar Partners' 123 MW Ivanpah 1 Solar Unit in California Returns to Service by October 31

The unit returned from an unplanned outage that began on October 30.

<http://content.aiso.com/unitstatus/data/unitstatus201610311515.html>

Desert Star Energy Center's 495 MW Gas-fired Unit in California Shut by October 31

The unit entered an unplanned outage.

<http://content.aiso.com/unitstatus/data/unitstatus201610311515.html>

ERCOT Expects Adequate Power Supply in Texas for Upcoming Winter, Spring

The Electric Reliability Council of Texas (ERCOT)—the power grid operator for most of Texas—said on Tuesday it expects to generate enough electricity to meet demands this winter and next spring. The Seasonal Assessment of Resource Adequacy (SARA) report released by ERCOT showed a winter peak of more than 58,000 MW, surpassing ERCOT's all-time winter peak record of 57,265 MW set February 10, 2011, unchanged from the forecast provided in the preliminary winter SARA released in September, ERCOT said. Total generation resource capacity expected to be available for peak demand has increased to nearly 82,000 MW, including planned resources that are expected to provide more than 800 MW of new generation by winter and almost 600 MW from new resources that have begun operating since the last report. The preliminary SARA report for spring 2017, anticipates a seasonal peak of more than 58,000 MW in May, also reflects sufficient generation. More than 1,700 MW of new natural gas, wind, and solar resources are expected to be available by the start of the spring season.

<http://www.ercot.com/news/releases/show/110797>

Petroleum

Colonial Oil Reports Increased Shipper Interest at Its Savannah, Charleston Terminals after Colonial Pipeline Line 1 Shutdown November 1

Colonial Oil on Tuesday was fielding interest from shippers seeking access for its marine terminals in Charleston, South Carolina and Savannah, Georgia due to the fire and shutdown of the Colonial Pipeline's main gasoline pipeline, according to a vice president at Colonial Oil, a private fuel supplier that is not associated with Colonial Pipeline Company. During the Colonial Pipeline outage in September, Colonial Oil saw volumes at its marine terminal increase by up to seven times the normal rates and trucks were delivering gasoline as far as inland Tennessee.

Reuters, 1:48 November 1, 2016

PES Shifts to Higher Gasoline Production at Its 335,000 b/d Philadelphia, Pennsylvania Refinery November 1 – Source

Philadelphia Energy Solutions (PES) shifted operations to higher gasoline production at its Philadelphia, Pennsylvania refinery as refining margins increase due to the Colonial Pipeline shutdown, according to a source familiar with the plant's operations.

Reuters, 11:11 November 1, 2016

Kern Oil & Refining Shuts Pipelines after 20–30 Barrel Crude Oil Leak in Bakersfield, California November 1

Kern Oil & Refining Co on Tuesday shut pipelines in Bakersfield, California after discovering a leak of about 20–30 barrels of crude oil, according to a state regulatory filing. The cause of the leak was not yet known, but Kern said the lines had been turned off and cleanup efforts were underway.

Reuters, 15:07 November 1, 2016

Update: Monroe Energy Plans to Restart FCCU at Its 185,000 b/d Trainer, Pennsylvania Refinery November 3 – Source

Monroe Energy is on track to restart the 55,000 b/d fluid catalytic cracking unit (FCCU) at its Trainer refinery on Thursday following an unexpected shutdown on October 13, according to a source familiar with the plant's operations. The FCCU was unexpectedly shut on October 13, but the company kept the unit down to perform planned work.

Reuters, 10:49 November 1, 2016

Valero Reports Startup, Excess Emissions at Its 86,000 b/d Ardmore, Oklahoma Refinery October 26

Valero Energy Corp reported a startup and excess hydrogen sulfide emissions from the crude distillation unit, fluid catalytic cracking unit, sulfur recovery unit, and SCOT unit at its Ardmore refinery on October 26, according to a filing with the Oklahoma Department of Environmental Quality.

Reuters, 11:04 November 1, 2016

Flint Hills Reports Vapor Release at Its 290,000 b/d Corpus Christi, Texas Refinery November 1

Flint Hills Resources reported a vapor release at the West plant of its Corpus Christi, Texas refinery, according to a community alerting network. The release was fully contained in the facility, according to the alert.

Reuters, 10:41 November 1, 2016

Reformer Upset at Motiva's 603,000 b/d Port Arthur, Texas Refinery Triggers Flaring October 31 – Sources

A catalytic reformer malfunction on Monday triggered the safety flare system at Motiva Enterprises' Port Arthur, Texas refinery, sources familiar with plant operations said. The flaring appeared to have no impact on operations at the refinery, the sources said. A reformer converts refining byproducts into blending components for gasoline.

Reuters, 18:24 October 31, 2016

Shell Reports Upset at Its 145,000 b/d Puget Sound, Washington Refinery October 28

Royal Dutch Shell reported an upset at its Puget Sound, Washington refinery on October 28, according to a filing with the Northwest Clean Air Agency. Additionally, Shell reported a multi-unit outage and flare gas recovery shutdown at the refinery, which occurred from October 26–27.

Reuters, 16:36 October 31, 2016

Shell Reports Unit Restarts, Intermittent Flaring at Its Scotford, Alberta Facility October 31

Royal Dutch Shell reported restarting units at its Scotford, Alberta facility on October 31, according to a community information line. Shell added there may be intermittent flaring over the next 48 hours. The Scotford facility houses a 100,000 b/d refinery and a 255,000 b/d oil sands upgrader.

Reuters, 1:55 November 1, 2016

Natural Gas

Nothing to report.

Other News

Nothing to report.

International News

Nigeria's NNPC Pipeline Attacked in Niger Delta – Oil Workers Union

A pipeline operated by state oil firm NNPC in Nigeria's Niger Delta oil hub was attacked on Sunday by a militant group, the oil workers union said. The Greenland Justice Mandate group said in a statement it had attacked the Efurun-Otor line operated by NPDC, a unit of NNPC. The pipeline is a major carrier of NPDC's product although it was not in use at the time of the attack, the union chairman said.

http://www.downstreamtoday.com/news/article.aspx?a_id=54123

Energy Prices

U.S. Oil and Gas Prices			
November 1, 2016			
	Today	Week Ago	Year Ago
CRUDE OIL			
West Texas Intermediate U.S. \$/Barrel	46.61	49.40	46.07
NATURAL GAS			
Henry Hub \$/Million Btu	2.79	2.76	1.94

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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