



ENERGY ASSURANCE DAILY

Tuesday Evening, November 29, 2016

Electricity

Strong Storms Knock Out Power to 41,000 Customers in Michigan November 28–29

Storms producing heavy rain and high winds knocked out power to at least 24,000 Consumers Energy customers and 17,000 DTE customers in Michigan beginning on Monday night with impacts into Tuesday morning. Wind gusts of up to 40 mph were reported, bringing down trees and powerlines. As of 3:30 p.m. EST, Tuesday, 194 Consumers Energy and 1,398 DTE customers remained without power. DTE said the majority of remaining outages should be restored by Tuesday night.

<https://www.consumersenergy.com/outagemap>

<http://www.dteenergy.com/map/outage.html>

<http://www.ourmidland.com/news/article/Consumers-Energy-24K-power-outages-statewide-10641925.php>

http://www.mlive.com/news/detroit/index.ssf/2016/11/power_outages_scattered_across.html

<http://www.macombdaily.com/general-news/20161129/thousands-without-power-around-metro-detroit-after-heavy-rain-high-winds>

TVA's 1,118 MW Browns Ferry Nuclear Unit 2 in Alabama Reduced to 22 Percent by November 29

On the morning of November 28 the unit was operating at full power.

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

Update: Southern's 830 MW Farley Nuclear Unit 1 in Alabama Restarts, Ramps Up to 13 Percent by November 29

The unit was shut from full power on November 27 due to voltage oscillations.

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

<http://www.nrc.gov/reading-rm/doc-collections/event-status/event/2016/20161128en.html>

Update: Duke Energy's 846 MW Oconee Nuclear Unit 1 in South Carolina at Full Power by November 29

On the morning of November 28 the unit was operating at 85 percent. The unit was shut from full power on November 5 due to unknown causes.

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

PG&E Announces \$85 Million Deal with California Cities, School District Affected by Closure of Its 2,323 MW Diablo Canyon Nuclear Power Plant in 2025

Pacific Gas & Electric (PG&E) on Monday announced it reached a deal to pay \$85 million to neighboring cities and a school district affected by the closure of the Diablo Canyon nuclear power plant in California in 2025. The agreement includes San Luis Obispo County, a coalition of local cities, and the San Luis Coastal Unified School District. Under the agreement, PG&E will create a fund to provide \$75 million in nine annual payments to fund essential local services, with most of the money going to the school district. Another fund will supply \$10 million for economic development. PG&E also agreed to provide programs to retain and retrain employees, and as much as \$62.5 million for emergency planning for up to 25 years as the nuclear plant is decommissioned and its nuclear fuel removed and stored. The entire settlement could therefore be worth nearly \$150 million. The deal needs approval from the California Public Utilities Commission.

https://www.pge.com/en/about/newsroom/newsdetails/index.page?title=20161128_pge_slo_county_slo_coastal_unified_school_district_local_cities_reach_accord_on_diablo_canyon_community_support_funding

Reuters, 1:31 November 29, 2016

Update: Valero Prepares to Restart HCU at Its 190,000 b/d Memphis, Tennessee Refinery November 28 – Sources

Valero Energy on Monday evening was preparing to restart the hydrocracking unit (HCU) at its Memphis, Tennessee refinery, according to sources familiar with plant operations. The sources said the restart was expected to take three days to complete. Valero has been working to repair a leak on the HCU since the unit shutdown on November 17. The leak occurred about 24 hours after the unit had been restarted from a month-long shutdown for an overhaul.

Reuters, 18:46 November 28, 2016

Update: Motiva Returns Fire Damaged HCU to Half Production at Its 235,000 b/d Convent, Louisiana Refinery ‘Late Last Week’ – Sources

Motiva Enterprises restored the heavy oil hydrocracking unit (HCU) at its Convent, Louisiana refinery to half production late last week for the first time since an August 11 fire, sources familiar with plant operations said on Monday. The 45,000 b/d HCU is expected to run at half capacity until March, when repairs from the fire are scheduled to be completed.

Reuters, 16:34 November 28, 2016

Update: Marathon Restarts Units Shut by Steam Loss at Its 459,000 b/d Galveston Bay, Texas Refinery November 28 – Sources

Marathon Petroleum restarted process units at its Galveston Bay, Texas refinery on Monday that were shut from a loss of steam supply on November 21, according to sources familiar with plant operations. Units affected by the steam loss include the 60,000 b/d hydrocracker, a 75,000 b/d reformer, a 65,000 b/d reformer, the 31,500 b/d alkylation unit, the 105,000 b/d hydrotreater for the main gasoline-producing unit, and two crude distillation units, which were restarted last week, according to the sources. Although the units had restarted on Monday, the refinery continues to be affected by boiler interruptions that supply the refinery with steam. Additionally, the 60,000 b/d residual hydrotreater was shut by a flash fire on Saturday and a sulfur recovery unit was shut by a malfunction on Sunday.

Reuters, 19:39 November 28, 2016

HCU at Valero’s 335,000 b/d Port Arthur, Texas Refinery to Remain Shut for 2 Weeks – Sources

Valero Energy intends to keep the 57,000 b/d hydrocracking unit (HCU) at its Port Arthur, Texas, refinery shut for about two weeks in order to repair the unit's heat exchanger and advance a scheduled catalyst cleaning activity. The unit was shut last Friday after tubes in the unit's heat exchanger blew out, sources familiar with plant operations said on Tuesday.

Reuters, 11:57 November 29, 2016

Valero Reports Emissions, Isolates Heat Exchanger for Repair at Its 293,000 b/d Corpus Christi, Texas Refinery November 28

Valero Energy reported elevated emissions were detected during a routine monthly inspection of the complex 2 cooling water tower at the West plant of its Corpus Christi, Texas refinery on November 28, according to a filing with the Texas Commission on Environmental Quality. Valero said upstream equipment was surveyed and a heat exchanger, which was identified as the cause, was isolated for repair.

Reuters, 17:33 November 28, 2016

Canada’s Prime Minister to Announce Decision on Enbridge, Kinder Morgan Pipelines November 29

Canada’s Prime Minister was set to unveil decisions on at least two major pipeline projects during an announcement scheduled at 4:30 p.m. EST on Tuesday. The Canadian government is expected to announce its decision on Enbridge’s Northern Gateway pipeline from Alberta’s oil sands region to the British Columbia coast and its Line 3 pipeline replacement project from Alberta to Wisconsin, and Kinder Morgan’s Trans Mountain expansion project from Alberta to the British Columbia and U.S. Pacific Coast.

Reuters, 14:47 November 29, 2016

Natural Gas

ENPG Warns of Strained Operating Conditions in U.S. Southwest November 29

El Paso Natural Gas Company (EPNG) on Tuesday said it was concerned about the potential for a low linepack situation due to actual offtakes in excess of scheduled deliveries. The company said linepack started Tuesday morning at 7,385 MMcf, which was a decrease of approximately 233 MMcf compared to linepack on Monday morning. ENPG said continued drafting without overnight recovery could result in a low linepack situation, and that its Washington Ranch storage facility in New Mexico was on maximum withdrawal. Kinder Morgan's approximately 10,200-mile El Paso Natural Gas pipeline system transports natural gas from the San Juan, Permian and Anadarko basins to California – its largest market. In addition, EPNG moves product to Arizona, Nevada, New Mexico, Oklahoma, Texas and northern Mexico.

<http://passportebb.elpaso.com/ebbmasterpage/Notices/NoticesAutoTable.aspx?code=EPNG&status=Notice&name=Critical%20Notices&sParam1=1&sParam3=16578&sParam14=D&details=Y>
http://passportebb.elpaso.com/ebbmasterpage/Tariff/OrgChart.aspx?code=EPNG&fileName=EPNG_System_Map.pdf

Other News

Nothing to report.

International News

Nigeria Considers Importing Crude Oil from Niger Due to Militant Attacks

Nigeria is considering importing crude from Niger due to militant attacks on pipelines in the Niger Delta region that supplies its refineries, a state oil company spokesman said on Friday. Nigeria's crude production, which was 2.1 million b/d at the start of 2016, fell by around a third in the summer following a series of attacks by Delta militants who want a greater share of the country's energy wealth to go to the impoverished southern oil-producing region.

http://www.downstreamtoday.com/news/article.aspx?a_id=54476

ExxonMobil, Chevron Among 17 Private Companies Set to Bid in Mexico's First Private Deepwater Oil Auctions

Mexico's oil regulator announced on Monday a final list of 17 oil companies, including ExxonMobil and Chevron, which have qualified to bid on the country's first-ever deep water oil auctions on December 5. The tenders include an auction to pick a partner for Mexican national oil company, Pemex, to develop its Trion field, as well as 10 separate deep water fields, including four clustered around Trion just south of Mexico's maritime border with the United States. The auctions will mark the fourth phase of the so-called Round One tender, a major part of an energy reform that was launched in 2013 to end the decades-long monopoly by Pemex and reverse oil production declines over the last decade.

Reuters, 16:23 November 28, 2016

Energy Prices

U.S. Oil and Gas Prices			
November 29, 2016			
	Today	Week Ago	Year Ago
CRUDE OIL			
West Texas Intermediate U.S. \$/Barrel	45.24	48.02	45.51
NATURAL GAS			
Henry Hub \$/Million Btu	2.91	2.80	2.74

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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