



U.S. DEPARTMENT OF ENERGY
Office of Electricity Delivery and Energy Reliability
Infrastructure Security and Energy Restoration

ENERGY ASSURANCE DAILY

Tuesday Evening, January 10, 2017

Electricity

Dayton Power and Light Investigating Incident at Its 2,308 MW J.M. Stuart Coal-Fired Power Plant in Ohio January 10

Dayton Power and Light on Tuesday said six people were treated for non-life threatening injuries on Tuesday after an incident at its J.M. Stuart coal-fired power plant in Aberdeen, Ohio. Officials from the company said there was an incident at the Stuart Station at approximately 1:00 p.m. EST, Tuesday, followed by an evacuation of the plant, yet all employees and contractors had been accounted for. Images emerging from individuals at the plant show damage to a building including walls and doors blown out, and workers covered with soot.

Reuters, 16:56 January 10, 2017

http://www.maysville-online.com/news/local/update-dp-l-confirms-six-injured-in-afternoon-explosion-at/article_f7efbe88-a354-5cb8-aeed-ed14432c45f7.html

U.S. Energy Secretary, Mexico Energy Minister Sign Bilateral Principles to Promote Electricity Reliability of Interconnected Power Systems

On Saturday, U.S. Secretary of Energy Ernest Moniz and Mexico's Secretary of Energy Pedro Joaquin Coldwell, along with other energy officials, together signed a nonbinding foundational document that will support a continued effort by both countries to assure reliability of the increasingly interconnected American and Mexican electricity grids. The U.S. and Canadian electricity systems are well integrated to mutual benefit, with NERC playing a key role in maintaining reliability. The U.S. and Mexican electricity systems are on a path to a similar level of integration and mutual economic benefit. These issues are addressed in-depth in the recently released Quadrennial Energy Review 1.2, which offers six recommendations for enhanced North American electricity integration.

<https://www.energy.gov/articles/us-energy-secretary-and-mexico-energy-minister-sign-bilateral-principles-promote>

Restoration Progressing after Wind Storm Cuts Power to at least 28,400 CSU and San Isabel Electric Customers in Southern Colorado January 9

Colorado Springs Utility (CSU) reported that at the height of the wind storm on Monday, more than 20,000 CSU customers were without power. San Isabel Electric Association (SIEA) reported 8,400 of its customers were without power at the peak of the storm. As of 3:30 p.m. EST, 2,329 CSU customers and 1,500 SIEA customers remained without power.

<https://www.csu.org/Pages/default.aspx>

<http://stormcenter3.csu.org/>

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

TVA's 1,125 MW Sequoyah Nuclear Unit 1 in Tennessee Reduced to 13 Percent by January 10

On the morning of January 9 the unit was operating at 44 percent.

<http://www.nrc.gov/reading-rm/doc-collections/event-status/reactor-status/2017/>

Entergy's 858 MW Arkansas Nuclear Unit 2 in Arkansas Ramped Up to 89 Percent by January 10

On the morning of January 9 the unit was operating at 48 percent.

<http://www.nrc.gov/reading-rm/doc-collections/event-status/reactor-status/2017/>

PG&E's 120 MW Caribou Aggregate Hydro Unit in California Shut by January 9

The unit entered an unplanned outage.

<http://content.caiso.com/unitstatus/data/unitstatus201701091515.html>

PG&E's 102 MW Electra Aggregate Hydro Unit in California Shut by January 9

The unit entered an unplanned outage.

<http://content.caiso.com/unitstatus/data/unitstatus201701091515.html>

PCWA's 218 MW Middle Fork and Ralston Hydro Unit in California Shut by January 9

The unit entered an unplanned outage.

<http://content.caiso.com/unitstatus/data/unitstatus201701091515.html>

Petroleum

Update: Colonial's Line 19 Remains Shut; Work to Restore Service Continues January 10

Colonial Pipeline's Line 19 gasoline spur pipeline between Atlanta, Georgia and Nashville, Tennessee remained shut on Tuesday as the company continued to search for the source of a leak of about 15 barrels of gasoline in Chattanooga, Tennessee. Colonial reported concerns that forecasted rain may impact its progress to restart the line. Line 19 was shut last Saturday after the odor of gasoline was reported to the Chattanooga Fire Department. Colonial says it has updated schedules to reflect its revised estimate for the restart of Line 19, but did not publically specify a restart time. Line 20, a distillates line, was also shut as a precaution, but restarted on Sunday. The leak released gasoline into Shoal Creek, which empties into the Tennessee River. Lines 19 and 20 are spur lines supplied from Colonial's Line 1 and Line 2 breakout junction in Atlanta, Georgia. Colonial Pipeline, the largest refined products system in the United States, can carry more than 3 million barrels of gasoline, diesel, and jet fuel between the U.S. Gulf Coast and the New York Harbor area.

Reuters, 12:25 January 10, 2017

Terminal Pipeline Fire Reported at Huston Fuel Oil Terminal in Texas January 9

A pipeline fire broke out just before midnight on Monday at the 13.8 million barrel Houston Fuel Oil Terminal along the Houston Ship Channel, local media reported. Sources said workers were repairing a pipeline late Monday when the fire broke out. As of 4:00 a.m. CST, Tuesday, the fire appeared to be contained. The U.S. Coast Guard said the spill was minimal and cleanup efforts were underway.

<http://www.khou.com/news/local/tank-catches-fire-along-houston-ship-channel/384687946>

<http://www.hfotco.com/facilities.html>

ExxonMobil May Restart FCCU, HCU at Its 344,600 b/d Beaumont, Texas Refinery by January 14 – Source

Sources familiar with operations at ExxonMobil's Beaumont, Texas refinery said the fluid catalytic cracking unit (FCCU) and the hydrocracking unit (HCU) may return to production by the end of this week. An Exxon spokeswoman on Tuesday said units, which were shut by cold weather on Saturday, were restarting at the Beaumont refinery and the company continues to meet its contractual commitments. Separately, Exxon reported a process compressor tripped at the refinery on January 7, which resulted in emissions from the FCCU flare and hydrocracker, according to a filing with the Texas Commission on Environmental Quality made public on Tuesday.

Reuters, 15:41 January 10, 2017

Reuters, 15:36 January 10, 2017

Shell Shuts Hydrotreater after Coker Fire at Its 285,550 b/d Deer Park, Texas Refinery January 10 – Energy News Today

Royal Dutch Shell Plc shut a gas oil hydrotreater on Tuesday after a fire from a coking unit at its Deer Park, Texas refinery, Energy News Today reported. Shell said it experienced a small fire in a section of a process unit on Tuesday morning, which was brought under control with no injuries, adding that the section of the involved unit had been taken down for repairs with minimal impacts to production. Earlier on Tuesday, Shell reported it was experiencing a "Level 1 Incident" at its Deer Park, Texas facility on Tuesday morning, according to a community information line. Operators said the incident was being handled within the boundaries of the facility and there was no risk to the community or industry neighbors.

Reuters, 15:33 January 10, 2017

Reuters, 11:05 January 10, 2017

Valero Reports Emissions Due to SRU Upset at Its 293,000 b/d Corpus Christi, Texas Refinery January 10

Valero reported an upset on sulfur recovery unit (SRU) no. 2 led to emissions at its Corpus Christi, Texas refinery on Tuesday.

Reuters, 12:22 January 10, 2017

Total Restores Cogen Operations at Its 225,000 b/d Port Arthur, Texas Refinery January 10 after Malfunction January 7 – Source

A source familiar with operations at Total SA's Port Arthur, Texas refinery said the cogeneration unit was operating normally on Tuesday following a malfunction last Saturday. Separately, Total reported unit 830 was taken out of production after a malfunction with a lubricating oil pump on Saturday, according to filing with the Texas Commission on Environmental Quality made public on Tuesday.

Reuters, 13:52 January 10, 2017

Reuters, 13:22 January 10, 2017

Phillips 66 Reports Emissions at Its 336,000 b/d Wood River, Illinois Refinery January 10

Phillips 66 reported hydrogen sulfide emissions and a leak at its Wood River, Illinois refinery Tuesday, according to a filing with the Illinois Emergency Management Agency.

Reuters, 16:11 January 10, 2017

Plant Upset Leads to Flaring at Chevron's 245,271 b/d Richmond, California Refinery on January 7

Chevron reported a plant upset resulted in flaring at its Richmond, California refinery Saturday, according to state regulators. The refinery later reported the flaring had ceased.

Reuters, 15:08 January 9, 2017

SCAQMD to Consider Crude Heater Abatement Order at Phillip 66's 139,000 b/d Wilmington, California Refinery January 24

Southern California's air regulator, the South Coast Air Quality Management District (SCAQMD), said on Tuesday it planned to hold a public hearing on January 24 to consider the issuance of an order for abatement for a crude unit heater at Phillips 66's Carson, California refining facility near Los Angeles. Phillips 66's Wilmington refinery is comprised of two linked facilities about five miles apart in Carson and Wilmington. The former processes crude oil while the latter upgrades the feedstocks into finished petroleum products.

Reuters, 12:53 January 10, 2017

Native Americans Vote to Reject Tribal Land Easement Extensions for Section of Enbridge's Mainline Crude Oil Pipeline System in Wisconsin

The Bad River Band Native American tribe in Wisconsin has voted against extending the contracts which allow Enbridge Inc. to operate the 540,000 b/d Line 5 segment of its Mainline crude oil pipeline system. The tribe rejected the extension citing concerns about the risk of oil spills, and requested the 64-year-old pipeline to be decommissioned and removed. A section of Line 5 passes through about 12 miles of the tribe's land where 15 plots are no longer valid under the current easements. Line 5 transports light crude and natural gas liquids from Superior, Wisconsin to Sarnia, Ontario, whereas other segments of the Mainline system transport a large share of the Canadian crude imports into the United States.

<http://www.reuters.com/article/us-enbridge-pipeline-wisconsin-idUSKBN14U02L>

http://www.enbridge.com/~media/www/Site%20Documents/Delivering%20Energy/LiquidsPipelines/Pipeline%20Configuration%20Map_%20Q1%202014.pdf

DOE to Sell 8 Million Barrels of Crude Oil from Strategic Petroleum Reserve for March, April Delivery

The Department of Energy Office of Fossil Energy on Monday announced a Notice of Sale of crude oil from the Strategic Petroleum Reserve. On December 10, 2016, a Continuing Resolution was passed that included a provision to allow DOE to sell up to \$375.4 million worth of crude oil from the SPR in Fiscal Year 2017 in order to generate revenue to fund the necessary operational improvements to ensure the long-term integrity of SPR infrastructure as part of the SPR Modernization program. Section 404 of the Bipartisan Budget Act of 2015 authorized the sale of SPR crude oil, over the course of four years, to generate the \$2 billion needed for the SPR Modernization program. The Notice of Sale announced provides for the price-competitive sale of up to 8 million barrels of sweet crude oil from three of the SPR storage sites: up to 3 million barrels from Bryan Mound; up to 3 million barrels from Big Hill; and up to 2 million barrels from West Hackberry. Deliveries will take place in March and April, with a possibility for February deliveries. There are about 695 million barrels of oil in the reserves, which are kept in heavily guarded salt caverns along the Texas and Louisiana coasts. The program was developed to shield the U.S. economy from supply disruptions following the 1973 and 1974 Arab oil embargo.

<http://www.spr.doe.gov/doeec/2017-01/FY17%20SPR%20Modernization.pdf>

<https://www.energy.gov/fe/articles/departement-energy-announces-notice-sale-crude-oil-strategic-petroleum-reserve>

Natural Gas

AGI Compressor Shutdown Leads to Flaring at Regency's 290 MMcf/d Waha Gas Plant in Texas January 9

Regency reported an acid gas injection (AGI) compressor shutdown led to emissions on Monday afternoon, according to a filing with the Texas Commission on Environmental Quality.

<http://www2.tceq.texas.gov/oce/eer/index.cfm?fuseaction=main.getDetails&target=250096>

Other News

Elite Octane to Begin Construction on Its 120 MMg/y Ethanol Plant in Iowa in January

Construction on a new corn ethanol plant in Cass County, Iowa could begin as soon as this month, with commissioning expected to kick off 18 months later. The project is under development by Elite Octane, a company formerly known as Farmers Energy Cardinal LLC. The facility, with a nameplate capacity of 120 million gallons per year (MMg/y), is one of only a handful of ethanol plants to be built in the United States since 2008.

<http://ethanolproducer.com/articles/14040/elite-octane-to-break-ground-on-corn-ethanol-plant-in-iowa>

NRG-JX Nippon Joint Venture Begins Carbon Capture Operations at Coal-Fired Power Plant in Texas December 29; CO₂ Injections to Boost Oil Production

NRG Energy and JX Nippon Oil & Gas Exploration Corp said on Tuesday they had begun operations at a \$1.04 billion carbon capture facility at a Texas coal-fired power plant and were using the emissions for enhanced oil recovery. At its peak, the Thompsons, Texas facility should capture 1.6 million tons of CO₂ per year, or roughly 90 percent of the emissions from NRG's nearby power plant, the largest in Texas. The facility collects the plant's carbon emissions, known as flue gas, through a 16-foot diameter pipe that strips out CO₂ in a four-step process. The NRG-JX Nippon joint venture built an 80 mile CO₂ pipeline to the West Ranch Oil Field, which produces 300 b/d of oil. With the help of CO₂ injections, production should jump to 15,000 b/d within 3 years, NRG said.

Reuters, 01:00 January 10, 2017

International News

Kazakhstan, Azerbaijan Cut January Oil Production in Line with OPEC Deal

Non-OPEC member countries Kazakhstan and Azerbaijan on Tuesday reported that oil production cuts were being implemented in accordance with OPEC's decision to cut global oil production beginning January 1. OPEC and some non-OPEC producers, including Russia, Kazakhstan, and Azerbaijan, last December reached the first deal since 2001 to jointly curtail oil output. Kazakhstan's energy ministry said production had been cut by 20,000 b/d in January. Azerbaijan's energy ministry has also begun implementing its cuts, but did not specify to what degree, according to a report from Interfax news agency.

Reuters, 05:58 January 10, 2017

Reuters, 04:05 January 10, 2017

Energy Prices

U.S. Oil and Gas Prices January 10, 2017			
	Today	Week Ago	Year Ago
CRUDE OIL West Texas Intermediate U.S. \$/Barrel	50.77	52.31	33.15
NATURAL GAS Henry Hub \$/Million Btu	3.12	3.68	2.35

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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