



ENERGY ASSURANCE DAILY

Wednesday Evening, January 18, 2017

Electricity

DTE Energy's Multi-Year Infrastructure Modernization Projects to Bring Improved Reliability in 2017

DTE Energy's investments in smart meters, smart technologies, and overall infrastructure modernization have improved service quality, resulting in 70 percent more reliable power for customers in 2016 compared to 2014, and the company plans continue this work throughout 2017 and beyond. In 2016, DET installed more than 3,500 new smart grid sensors and other grid technologies; began construction on four new substations and equipment upgrades at existing substations; upgraded equipment on over 200 customer-serving circuits and replaced approximately 3,000 utility poles to strengthen reliability, trimmed 650,000 trees; and completed multi-year installation for more than 2.4 million electric smart meters. DTE now has the ability to know the status of its electric system in real time, flag and correct equipment problems before an outage occurs, and learn about outages instantaneously. New and upgraded substations also are allowing the company to serve more customers.

<http://finance.yahoo.com/news/dte-energys-2016-electric-infrastructure-132900299.html>

Exelon's 1,116 MW Peach Bottom Nuclear Unit 2 in Pennsylvania Reduced to 40 Percent by January 18

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

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

Update: NMC's 522 MW Prairie Island Nuclear Unit 2 in Minnesota Ramped Up to 42 Percent by January 18

The unit was reduced from full power on January 16 to 15 percent by January 17.

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

Update: CDWR's 237 MW Devil Canyon Aggregate Hydro Unit 1-4 in California Returns to Service by January 17

The unit returned from an unplanned outage that began by January 16.

<http://content.aiso.com/unitstatus/data/unitstatus201701171515.html>

<http://content.aiso.com/unitstatus/data/unitstatus201701161515.html>

Update: PCWA's 218 MW Middle Fork and Ralston Hydro Unit in California Returns to Service by January 17

The unit returned from an unplanned outage that began by January 14.

<http://content.aiso.com/unitstatus/data/unitstatus201701171515.html>

<http://content.aiso.com/unitstatus/data/unitstatus201701141515.html>

RES Announces Substantial Completion of 198 MW Bluestem Wind Project in Oklahoma January 18

Renewable Energy Systems (RES) announced today the substantial completion of the Bluestem Wind Project located in Beaver County, Oklahoma. The project, which consists of 60 wind turbines, will distribute power via OG&E's transmission system, feeding the grids of cities and industries across the state, in addition to the broader Southwest Power Pool region. The project is expected to generate approximately 845,000 MWh per year once it enters commercial service.

<http://finance.yahoo.com/news/res-announces-substantial-completion-198-130000282.html>

Update: Energy Transfer Motions to Block EIS Process for Its 570,000 b/d Dakota Access Crude Oil Pipeline Route in North Dakota

Energy Transfer Partners on Monday filed a motion to bar the U.S. Army Corps of Engineers from initiating an environmental impact statement (EIS) on the proposed river crossing route in North Dakota for its Dakota Access crude oil pipeline project. Specifically, Energy Transfer requested that a U.S. District Court judge for the District of Columbia stop the Corps from initiating the EIS process until a ruling has been made on whether the pipeline company already has necessary approvals for the river crossing. In July 2015, the Corps allegedly approved of the proposed crossing route, but later denied the route's easement in December 2016, which would have allowed Energy Transfer to horizontally drill under Lake Oahe and install the project's last remaining section of pipeline. The Corps of Engineers on Wednesday published a notice in the Federal Register of its intent to prepare an EIS on the Lake Oahe crossing, which could take up to two years to complete, according to the U.S. Department of Energy, and would prevent the pipeline's completion while the study is ongoing. The notice said the Corps is gathering information to prepare an environmental impact statement regarding an easement to cross at Lake Oahe, a water source upstream from the Standing Rock Sioux reservation that has been the focus of months of fierce protests due to fears the pipeline could damage drinking water and desecrate sacred grounds. The District Court judge will consider Energy Transfer's request during a Wednesday afternoon hearing. The 1,172-mile Dakota Access Pipeline will transport 570,000 b/d of crude from the Bakken shale of North Dakota to the Midwest.

<https://www.gpo.gov/fdsys/pkg/FR-2017-01-18/pdf/2017-00937.pdf>

Reuters, 15:32 January 18, 2017

Reuters, 10:31 January 18, 2017

Reuters, 18:52 January 17, 2017

PBF Expects to Restart Coker at Its 182,200 b/d Delaware City, Delaware Refinery by January 19 – Sources

PBF Energy on Tuesday had plans to restart the 49,000 b/d coker unit within 48 hours at its Delaware City, Delaware refinery after it was unexpectedly shut six days ago, according to sources familiar with the plant's operations. The sources also said that PBF Energy would delay a planned shutdown of the 65,000 b/d fluid catalytic cracking unit in March if the coker is unable to restart this week.

Reuters, 10:45 January 18, 2017

Reuters, 13:21 January 17, 2017

HollyFrontier Reports Emissions at Its 70,300 b/d Tulsa East, Oklahoma Refinery January 13

HollyFrontier reported hydrogen sulfide emissions from the #2 alkylation flare at its Tulsa East, Oklahoma refinery on January 13, according to a regulatory filing made public on Wednesday.

Reuters, 12:52 January 18, 2017

CVR Reports FCCU Regenerator Emissions at Its 70,000 b/d Wynnewood, Oklahoma Refinery January 15

CVR Energy Inc. reported excess opacity from fluid catalytic cracking unit (FCCU) regenerator at its Wynnewood, Oklahoma refinery on January 15, according to a regulatory filing made public on Wednesday.

Reuters, 12:58 January 18, 2017

Update: Cogen Unit at Full Operation at Total's 225,000 b/d Port Arthur, Texas Refinery after Turbine Outage January 10 – Sources

Total SA returned the cogeneration unit at its 225,500 b/d Port Arthur, Texas refinery to full operation on Monday, according to sources familiar with plant operations on Tuesday. The unit went offline after a turbine malfunctioned on January 10, but refinery production was not affected by the malfunction since the cogen unit's boilers remained in operation and steam was supplied by an external steam producer.

Reuters, 20:24 January 17, 2017

Shell Reports Upset at Its 156,400 b/d Martinez, California Refinery January 14

Royal Dutch Shell reported an upset at its Martinez, California refinery on January 14, according to a filing made public on Wednesday.

Reuters, 12:27 January 18, 2017

Phillips 66 Reports Upset at Its 139,000 b/d Wilmington, California Refinery January 18

Phillips 66 reported an unspecified upset at its Wilmington, California refinery on Wednesday caused a release of sulfur dioxide, according to a filing with the California Emergency Management Agency.

Reuters, 07:51 January 18, 2017

Plains All American to Expand Its 250,000 b/d Cactus Crude Oil Pipeline in Texas

Plains All American Pipeline, L.P. on Wednesday announced plans to expand the existing the capacity on its Cactus crude oil pipeline in Texas to approximately 390,000 b/d. The expansion will allow Plains to move increasing production volumes from the Permian Basin to Corpus Christi, Texas and other delivery points along the system. The expansion includes manifold and metering enhancements at its origination station that are expected to be completed in the third quarter of 2017. The Cactus pipeline is a 310-mile, 20-inch crude oil pipeline capable of transporting crude oil from the Permian Basin to the Plains All American-Enterprise Products Partners Eagle Ford Joint Venture (Eagle Ford JV) Pipeline, which has a capacity of 660,000 b/d and serves the Three Rivers and Corpus Christi markets directly, and can supply the Houston-area market through a connection to the Enterprise South Texas Crude Oil Pipeline.

<http://ir.paalp.com/profiles/investor/ResLibraryView.asp?ResLibraryID=82913&GoTopage=1&Category=117&BzID=789&G=549>

Medallion Pipeline Launches Binding Open Season on Santa Rita and Howard Lateral Crude Oil Pipeline Expansions in Texas

Medallion Pipeline Company, LLC, a subsidiary of Medallion Midstream LLC, on Tuesday announced a binding Open Season to solicit long-term commitments from shippers for firm transportation capacity on the Santa Rita Expansion and the Howard Expansion in Texas, collectively referred to as the “Expansion Project.” The Expansion Project consists of two new crude oil pipeline projects to expand and extend the geographic reach of the existing Medallion Pipeline system. The “Santa Rita Expansion” consists of a proposed new 18.4-mile, 20,000 b/d pipeline that will extend northward from a point of interconnection on Medallion’s existing Santa Rita Lateral in Reagan County, Texas to a point of interconnection on Medallion’s existing Midkiff Lateral in Glasscock County. Medallion also proposes to expand the capacity of the Santa Rita Lateral by 20,000 b/d and reconfigure the system so that it will be capable of bi-directional operations. The “Howard Expansion” consists of a proposed 15,000 b/d expansion of Medallion’s existing Howard Lateral and a new pipeline extending approximately 15 miles from the existing Howard Lateral to the northwest quarter of Howard County near the Martin, Dawson, and Borden County lines. The Expansion Project is expected to commence full commercial operations in the second quarter of 2017.

<http://www.businesswire.com/news/home/20170117006607/en/Medallion-Pipeline-Launches-Binding-Open-Season-Santa>

Natural Gas

Update: California Regulators to Hold Two Public Meetings in February to Discuss Reopening SoCal Gas’ Aliso Canyon Natural Gas Storage Facility

Regulators from California’s Division of Oil, Gas, and Geothermal Resources (DOGGR) and the Public Utilities Commission (PUC) on Tuesday announced two public hearings on February 1 and 2 to address the state’s findings from its comprehensive safety review of Southern California Gas Co.’s (SoCalGas) Aliso Canyon natural gas storage facility – the first step towards reopening the facility after a major methane leak in October 2015 shut storage operations indefinitely and forced the evacuation of thousands of nearby residents. In the findings, the state proposes to limit gas storage in the facility to a maximum of 29 Bcf, about a third of its normal working storage capacity, and requiring SoCalGas to maintain a minimum of 15.4 Bcf of reserve supply to be available during extreme weather. The two agencies will decide jointly on whether the facility can reopen, and a DOGGR official indicated there was no timeline for arriving at a decision.

Reuters, 18:46 January 17, 2017

<https://www.socalgas.com/1443740287018/1.17.17-SoCalGas-Statement-Regarding-DOGGR-Public-Meeting.pdf>

Update: Destin Pipeline to Offer Service to Enterprise's 1.5 Bcf/d Pascagoula Gas Plant for All Offshore Receipt Points January 19

All Destin Pipeline Co. said effective gas day January 19 at 9:00 a.m., it will offer transportation service to Pascagoula Gas Plant (PGP) for all offshore receipt points. The 225-mile Destin gas pipeline system can carry 1.2 Bcf/d from offshore producers to the Pascagoula plant, and then further north to interconnections with six major interstate gas transmission lines. The Pascagoula facility was shut on June 27 after two explosions damaged its processing trains, forced Destin to declare a force majeure event, and resulted in temporary offshore production platform shut-ins while operators adjusted transportation arrangements.

Reuters, 19:12 January 17, 2017

NextDecade Leases Texas City Site for Potential LNG Project

NextDecade, LLC announced Tuesday that it has signed lease agreements with the State of Texas and City of Texas City for a nearly 1,000-acre site at Shoal Point for the potential development of a multi-billion dollar liquefied natural gas (LNG) export facility. Texas City owns almost 376 acres at Shoal Point, while the Texas General Land Office manages the adjoining 618 acres of state land. Together, the Ports of Houston, Texas City, and Galveston form the largest port complex in North America and the NextDecade project would be the first LNG facility in the area. The Shoal Point site, located just east of Texas City's major petrochemical industrial complex and 40-miles southeast of Houston, provides an attractive location for an LNG export terminal. The ample acreage at Shoal Point allows for significant design flexibility and potential expansion capability, increasing the project's appeal to potential customers and investors. The site also benefits from its deep-water access and proximity to nearby natural gas pipeline infrastructure. NextDecade's current focus also includes its Rio Grande LNG project in South Texas. The 27 Mtpa Rio Grande LNG project is advancing through the Federal Energy Regulatory Commission permitting process. The project at Shoal Point will benefit from NextDecade's ability to replicate much of the design and engineering work done for Rio Grande LNG.

<http://next-decade.com/2017/01/nextdecade-signs-lease-1000-acre-texas-city-site/>

http://www.downstreamtoday.com/news/article.aspx?a_id=54964

Dominion East Ohio to Begin Replacing Aging Gas Pipelines in Cuyahoga Falls, Ohio This Month

Dominion East Ohio has announced plans to replace more than 15,000 feet of the utility's aging gas pipelines in Cuyahoga Falls. Dominion will split the work into two projects, local media reported. The projects are part of Dominion East Ohio's \$4 billion, 25-year Pipeline Infrastructure Replacement (PIR) program. The PIR program seeks to overhaul more than 5,500 miles of the company's 22,000-mile pipeline system. The first project, slated to begin January 23, involves replacing about 14,000 feet of bare steel pipe with corrosion-resistant plastic line. The second project, projected for this summer, will switch out roughly 1,000 feet of bare steel pipe with both plastic line and coated steel line, respectively.

Reuters, 04:01 January 18, 2017

<http://www.ohio.com/blogs/your-business/your-business-1.567844/dominion-east-ohio-to-replace-some-pipelines-in-cuyahoga-falls-1.740809>

Other News

EPA Denies AFPM Petition for Supplemental Biofuels Waiver

The U.S. Environmental Protection Agency (EPA) has denied a petition from oil refiners requesting an additional waiver for their annual requirements to use an advanced biofuel in 2016, the agency said in a statement. EPA denied the American Fuel and Petrochemical Manufacturers a partial supplemental waiver of the 2016 cellulosic biofuel volumes, as set by EPA.

Reuters, 13:54 January 18, 2017

International News

Nigerian Oil Pipeline Fires Extinguished January 17 – Community Leader

Oil pipelines in oil mining lease 30 and 34 in Nigeria's Delta region were set on fire late on Tuesday and the fires have been extinguished, a community leader told reporters. The fires were set after Nigerian Vice President Yemi Osinbajo visited the Delta for talks with militants whose attacks have crippled crude production in the region.

Reuters, 04:05 January 18, 2017

<http://www.upi.com/Fire-reported-at-Nigerian-oil-pipeline/2471484742252/>

Mexico's Pemex Imports First Diesel Cargo via Train from U.S. January 7

Mexico's state oil company Pemex began receiving imported fuel by train at a new privately run terminal for the first time in January as companies expand storage and transportation operations under the country's energy opening, a senior executive said in an interview. The cargo of just under 60,000 barrels arrived from Port Arthur, Texas on January 7 at the new private San Jose Iturbide storage terminal in central Guanajuato state via train, marking another first for the company, which normally uses pipelines and seaports for fuel imports. Pemex officials said the initial cargo was used to test the new process, but they expect similar diesel cargos to supply the terminal via rail about every eight days. The new stream of imported fuel will help Pemex supply the Mexican capital and several central Mexican states, some of which were hit by sporadic shortages in recent weeks. The shortages followed a double-digit gasoline price spike that took effect on Jan. 1 across Mexico, where government-set prices are gradually being relaxed and opened to market forces.

http://www.downstreamtoday.com/news/article.aspx?a_id=54968

Energy Prices

| U.S. Oil and Gas Prices | | | |
|--|-------|----------|----------|
| January 18, 2017 | | | |
| | Today | Week Ago | Year Ago |
| CRUDE OIL West Texas Intermediate U.S. \$/Barrel | 51.07 | 52.14 | 29.40 |
| NATURAL GAS Henry Hub \$/Million Btu | 3.31 | 3.21 | 2.19 |

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