



ENERGY ASSURANCE DAILY

Friday Evening, January 22, 2016

Major Developments

Major Winter Storm Knocks Out Power to Over 138,000 Customers Across Midwest, Eastern U.S. January 22; Outages Likely to Increase Rapidly

A major winter storm was moving across the Midwest to the east coast on Friday knocking out power to 138,043 customers as of 4:30 p.m. EST. Utility companies in Arkansas, Georgia, and Tennessee were making progress on Friday afternoon restoring power to customers. Utilities along the east coast were bracing for increasing power outages and advised customers to be prepared for the potential of extended outages as the storm moves across the region. Duke Energy said in addition to the company's more than 3,200 line and tree workers and contractors, about 3,600 personnel from neighboring states began arriving yesterday in the Carolinas. The storm is expected to move north from the southern Appalachians through the Mid-Atlantic, Friday into the weekend. Snowfall totals may exceed two feet in portions of these areas, including Baltimore and Washington, D.C. metropolitan areas. Power outages are likely to be significant along the East Coast.

<http://news.duke-energy.com/releases/duke-energy-crews-begin-restorations;-expect-storm-s-assault-to-continue>

East Coast, Midwest Customer Power Outages			
January 22, 2016			
Electric Utility	State	Peak	Latest Reported
Entergy Arkansas	AR	13,000	3,099
First Electric Cooperative	AR	2,030	46
Georgia Power	GA	25,000	4,203
South Kentucky RECC	KY	2,870	2,869
Cumberland Valley Electric Inc	KY	2,500	2,500
Kentucky Association of Electric Cooperatives	KY	2,500	2,500
Duke Energy	NC	48,437	48,437
Lumbee River Electric Membership Corp	NC	3,972	3,972
Duke Energy	SC	25,791	25,791
Nashville Electric Service	TN	2,000	1,411
MLGW	TN	1,732	364
Appalachian Power	TN	1,700	141
Dominion	VA	1,422	1,376
Southside Electric Cooperative	VA	5,089	1,673
TOTAL*		138,043	98,382

*Total outages represent only electric utilities listed in this table.

Sources:

<https://twitter.com/EntergyArk>

<https://twitter.com/FirstElecCoop>

https://twitter.com/georgiapower?WT.svl=tw3&hp=dm_db_twitter

<http://www.cumberlandvalley.coop/outage-update/>

<https://twitter.com/skrecc>

<https://twitter.com/KyElectricCoops>

<https://twitter.com/DukeEnergy>

<https://twitter.com/nespowers>

<https://twitter.com/MLGW>

<https://www.facebook.com/AppalachianPower/posts/10156409499340398>

<https://twitter.com/DomVAPower>

<https://twitter.com/SouthsideEC>

SCE Reports Power Fully Restored to 15,000 Customers near San Bernardino, California January 21

Southern California Edison (SCE) restored full power to more than 15,000 customers Thursday afternoon after an hours-long outage. Officials were investigating the cause of the outage.

<https://www.sce.com/wps/portal/home/outage-center/check-outage-status/>

<http://www.sbsun.com/general-news/20160121/more-than-15000-rialto-customers-without-power>

Entergy's 813 MW FitzPatrick Nuclear Unit in New York Reduced to 60 Percent by January 22

On the morning of January 21 the unit was operating at full power.

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

Update: FPL's 1,155 MW Seabrook Nuclear Unit 1 in New Hampshire at Full Power by January 22

On the morning of January 21 the unit was operating at 60 percent, reduced from full power on January 17.

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

FERC Acts to Improve Bulk Electric System Cybersecurity

The Federal Regulatory Commission (FERC) said on Thursday revisions for seven critical infrastructure protection (CIP) reliability standards were approved to improve cybersecurity of the bulk electricity system. The rule directs the North American Electric Reliability Corporation, the FERC-certified electric reliability organization, to address protection for cyber systems and the communication network, the regulator added. The final rule takes effect 65 days after publication in the Federal Register.

<http://www.ferc.gov/media/news-releases/2016/2016-1/01-21-16-E-2.asp#.VqJOGIUrk00>

Petroleum

ExxonMobil Says Its 344,600 b/d Beaumont, Texas Refinery Restarts January 22 after Power Outage January 21

ExxonMobil Corp on Friday afternoon reported power was restored to its Beaumont, Texas refinery and it was working on resuming normal operations. The refinery was shut Thursday after a power outage knocked its units out of production.

Reuters, 3:26 January 22, 2016

Coast Guard Responding to Barge Allision on Mississippi River January 21

The Coast Guard on Thursday said it was responding to a towboat allision with the Natchez-Vidalia Bridge on the Mississippi River resulting in a barge sinking with slurry oil on board, near Natchez, Mississippi. Coast Guard Sector Lower Mississippi River watchstanders received a call reporting an allision involving the towing vessel Amy Francis and the Natchez-Vidalia Bridge at mile marker 363 on the Mississippi River. The Amy Francis was transporting six barges, four reportedly loaded with slurry oil and two reported to be empty at the time of the incident. The allision caused damage to at least one barge containing slurry oil, and discharging an unknown amount into the Mississippi River. An oily sheen was reportedly observed in the vicinity of the allision. The Coast Guard was working with state and local agencies and the barge owner to determine the amount of slurry oil that has been discharged. The barge reportedly has a maximum potential of more than 1 million gallons of slurry oil on board. The Captain of the Port has issued a waterway restriction from mile marker 363 near Natchez north to mile marker 438 near Vicksburg, Mississippi. The restriction is for towboats pushing barges to not transit under the bridges. The cause of incident was under investigation.

<http://www.uscgnews.com/go/doc/4007/2778526/>

Update: Coast Guard Reopens Mississippi River to One-Way Traffic January 21 after Barge Incident January 19

The Coast Guard said Friday that it reopened the Mississippi River to one-way traffic from mile marker 50 to mile marker 52, near West Point a la Hache, Louisiana on Thursday night. The Mississippi River was closed Tuesday between mile markers 50 to 53 in response to a 22-barge breakaway.

<http://www.uscgnews.com/go/doc/4007/2778606/>

ExxonMobil Says Its Memphis, Tennessee Terminal Returned to Normal Operations January 20

ExxonMobil said its Memphis terminal returned to normal operations on Thursday. The company also said the refinery experienced no significant impact from the rising flood waters.
Reuters, 7:33 January 21, 2016

Operations Normal at Valero's 180,000 b/d Memphis, Tennessee Refinery after Flaring January 22 – Sources

Valero Energy Corp's Memphis, Tennessee, refinery was operating normally on Friday after cold weather triggered brief flaring on Thursday night, said sources familiar with plant operations. The flaring was set off by frozen instrumentation on some units at the refinery. Energy industry intelligence service Genscape said the flaring lasted for about 30 minutes.
Reuters, 12:49 January 22, 2016

Motiva Returning FCCU to Full Production at Its 235,000 b/d Convent, Louisiana Refinery January 21 – Sources

Motiva Enterprises was returning the 92,000 b/d fluidic catalytic cracking unit (FCCU) to full production at its Convent, Louisiana, refinery following a Sunday malfunction, sources familiar with plant operations said on Thursday. The company has announced plans to permanently shutter the FCCU later this year as part of the project to integrate its two Louisiana refineries. Motiva is 50-50 joint-venture between Royal Dutch Shell Plc and Saudi Aramco.
Reuters, 6:41 January 21, 2016

ExxonMobil Reports Malfunction at Its 238,600 b/d Joliet, Illinois Refinery January 22

ExxonMobil Corp reported a malfunction and took equipment out of service at its Joliet, Illinois refinery.
Reuters, 4:08 January 22, 2016

Update: Marathon Restarts Crude Unit, VDU at Its 212,000 b/d Catlettsburg, Kentucky Refinery January 20 after Brief Outage January 18 – Source

Marathon Petroleum restarted its 86,000 b/d crude unit and an associated vacuum distillation unit (VDU) Wednesday night at its Catlettsburg, Kentucky, refinery after shutting the units Monday due to cold weather, according to a source familiar with the plant's operations. Energy industry intelligence service Genscape reported Thursday morning that the units had restarted.
Reuters, 10:27 January 21, 2016

Valero Reports Flaring at Its 205,000 b/d Corpus Christi East, Texas Refinery January 21

Valero Energy Corp reported operating conditions at its Corpus Christi East refinery made flaring necessary, according to a community information line.
Reuters, 5:05 January 21, 2016

Tesoro Reports Unit Shutdown, Flaring at Its 166,000 b/d Martinez, California Refinery January 21

Tesoro Corp reports unit shutdown, flaring activity at its Martinez, California refinery.
Reuters, 4:44 January 21, 2016

Phillips 66 Reports Upset at Its 120,200 b/d Rodeo, California Refinery January 17

Phillips 66 reported a plant upset and emissions at its Rodeo, California refinery on January 17.
Reuters, 10:40 January 22, 2016

Oil Rigs Fall 5 to 510 – Baker Hughes

The number of oil rigs in the U.S. fell by 5 this week to 510, data from Baker Hughes showed on Friday.
Reuters, 1:01 January 22, 2016

PSC Approves Wolverine Pipe Line Company's 90,000 b/d Detroit Metro Access Petroleum Pipeline in Southeast Michigan

The Michigan Public Services Commission (PSC) on Tuesday approved a plan for Wolverine Pipe Line Company's 35-mile Detroit Metro Access Pipeline January 21, which will stretch from Freedom Township to storage facilities in Romulus, and carry up to 90,000 b/d of refined petroleum. Construction is scheduled to begin during the summer of 2016.

<http://wolverinepipeline.com/2016/01/wolverine-pipe-line-company-receives-mpsc-approval-for-detroit-metro-access-pipeline-project/>

Obama Administration Seeks to Curb Methane Emissions on Public Land January 22,

The Obama administration on Friday said it will overhaul 30-year-old regulations for oil and gas operations on public and tribal lands to limit the "wasteful release" of natural gas and curb methane emissions. The proposal by the Interior Department's Bureau of Land Management would require oil and gas producers to use currently available technology to limit flaring at oil wells on federal land. It would also require operators to regularly check for natural gas leaks and replace outdated equipment that allows large quantities of gas and methane to escape into the air. The overhaul would also clarify when oil and gas companies need to pay royalties on flared natural gas. The overhaul would reduce flaring by up to 60 percent and venting by up to 46 percent compared to 2013 rates.

http://www.blm.gov/wo/st/en/info/newsroom/2016/january/nr_01_22_2016.html

Natural Gas

Dominion Reports Unplanned Outage at Its South Oakford Unit 1 in Pennsylvania January 22

Dominion reported it experienced an unplanned outage of its South Oakford Unit 1 in Pennsylvania.

https://escript.dom.com/jsp/info_post.jsp?&company=dti#

Atlas Pipeline Reports Valve Leak at Its 195 MMcf/d Midkiff Gas Plant in Texas January 21

Atlas reported a valve in the consolidator cryogenic plant began to leak and unplanned maintenance was required to replace the leaking valve. This routed residue gas to the process flare and the consolidator flare. Inlet gas was routed to other plants to minimize flared inlet gas. As soon as the normal start-up procedure was complete, all flaring ceased at the plant.

<http://www2.tceq.texas.gov/oce/eer/index.cfm?fuseaction=main.getDetails&target=226354>

Natural Gas Rig Count Falls 8 to 127 – Baker Hughes

The number of rigs drilling for natural gas in the U.S. fell by 8 this week to 127, data from Baker Hughes showed on Friday.

Reuters, 1:01 January 22, 2016

Mountain Valley Pipeline Secures New Shipper Commitment with Con Edison

Mountain Valley Pipeline, LLC and Consolidated Edison, Inc. today announced their intent to deliver natural gas to industrial and consumer end-use markets located in the growing demand areas of the Northeast U.S. through a 20-year transportation agreement with Consolidated Edison Company of New York, Inc. for 250,000 dekatherms per day of firm capacity on Mountain Valley Pipeline (MVP). Con Edison also agreed to a 20-year firm transportation agreement for 250,000 dekatherms per day on the Equitrans system, located in northern West Virginia and southwestern Pennsylvania, providing more direct access to supply resources upstream of MVP. Equitrans is owned and operated by EQT Midstream Partners, LP. The MVP is an approximately 300-mile long, 42-inch diameter pipeline. Mountain Valley Pipeline, LLC filed a certificate application with the Federal Energy Regulatory Commission (FERC) in October 2015, and subject to approval by the FERC, the MVP is targeting a full in-service during the fourth quarter of 2018.

<http://mountainvalleypipeline.info/wp-content/uploads/2014/06/ConEd-Announcement-FINAL2.pdf>

Other News

Nothing to report.

Update: Fires Still Burning at Libya's Ras Lanuf Oil Terminal after Attack

Fires at oil storage tanks in the major Libyan terminal of Ras Lanuf were still raging on Friday more than 24 hours after an attack by Islamic State militants, a firefighting official said. The fires were burning at five of the terminal's 13 storage tanks, one of which was close to collapse. Islamic State militants have taken advantage of a security vacuum to establish themselves in the city of Sirte, about 125 miles along the coast to the west of Ras Lanuf and the nearby terminal of Es Sider. This month they have staged several attacks against the ports, which have a combined export capacity of 600,000 b/d. The country was processing about half of that before both were closed amid fighting in December 2014. At least seven storage tanks had already been damaged by fires earlier this month. After Thursday's attack, a spokesman for the National Oil Corporation (NOC) said up to 3 million barrels of oil could now be lost.

Reuters, 12:05 January 22, 2016

Energy Prices

U.S. Oil and Gas Prices			
January 22, 2016			
	Today	Week Ago	Year Ago
CRUDE OIL West Texas Intermediate U.S. \$/Barrel	32.02	29.40	45.90
NATURAL GAS Henry Hub \$/Million Btu	2.20	2.19	2.94

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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