



# ENERGY ASSURANCE DAILY

Friday Evening, February 26, 2016

## *Electricity*

---

### **Update: Only 51,000 Customers Remain without Power across Eastern U.S., Canada February 26 after Widespread Storm System Knocked Out Power to Over 1.7 Million Customers February 23–25**

As of 3:30 p.m. EST Friday, only 51,169 electric customers were without power after a widespread, multi-impact storm system knocked out power to 1,720,226 customers across the Eastern U.S. and Canada beginning Tuesday night. Restoration teams have worked diligently to restore all but 27,513 outages across the Eastern U.S.—no single utility, State, or U.S. region had more than 10,000 total remaining outages as a result of the storm. Eversource has restored power to more than 123,000 customers across its New England service area using more than 700 line and tree crews. Crews from Massachusetts and New Hampshire, as well as contractors from New York, Pennsylvania, Ohio and Canada were also working alongside Connecticut crews to remove more than 70 large trees, replace nearly 100 broken poles, and repair 30,000 feet of overhead power lines. Hydro Quebec, the hardest hit Canadian utility with 250,000 outages, restored power to all but 22,509 customers by Friday morning, but said that the vast majority should have service restored by Saturday morning. The utility said the delays were due to adverse road conditions and limited access to some damaged areas.

[https://twitter.com/hydroquebec?ref\\_src=twsrc%5Egoogle%7Ctwcamp%5Eserp%7Ctwgr%5Eauthor](https://twitter.com/hydroquebec?ref_src=twsrc%5Egoogle%7Ctwcamp%5Eserp%7Ctwgr%5Eauthor)

[https://www.eversource.com/content/ct-e/about/news-](https://www.eversource.com/content/ct-e/about/news-room/connecticut/newspost?Group=connecticut&Post=eversource-makes-significant-progress-restoring-power)

[room/connecticut/newspost?Group=connecticut&Post=eversource-makes-significant-progress-restoring-power](https://www.eversource.com/content/ct-e/about/news-room/connecticut/newspost?Group=connecticut&Post=eversource-makes-significant-progress-restoring-power)

### **D.C. Public Service Commission Rejects Exelon Deal for Pepco, Offers Revised Settlement February 26**

District regulators rejected a merger of Pepco and Chicago-based Exelon on Friday, dashing plans to create the nation's largest electric utility. The D.C. Public Service Commission voted 2-1 to reject the settlement terms negotiated by the D.C. Mayor's office, saying that an inherent conflict of interest remains in putting the city's electricity distribution in the hands of an out-of-town power generator. The \$6.8-billion deal fell apart after regulators said there was no evidence that Pepco couldn't perform adequately without the merger with Exelon. The decision was a major loss for nuclear-energy giant Exelon, and for proponents of the deal who said the company would bring capital and long-term stability to customers of Pepco, which has for many years struggled with a dismal record of reliability and in keeping the lights on D.C. suburbs after storms. Exelon had promised to finish reliability improvements to Pepco's system in D.C. and in Maryland, and would freeze rate increases for four years. After that, residents could have faced balloon increases of multiple years' of increases at once. The commission did vote to give Pepco and Exelon another chance to consider reapplying within 14 days if they would agree to strict new conditions. Pepco officials said Friday they were reviewing the terms and planning the next steps.

[https://www.washingtonpost.com/local/dc-politics/decision-nears-on-mega-utility-merger-that-would-end-one-of-washingtons-oldest-institutions/2016/02/26/ae04258c-dc96-11e5-925f-](https://www.washingtonpost.com/local/dc-politics/decision-nears-on-mega-utility-merger-that-would-end-one-of-washingtons-oldest-institutions/2016/02/26/ae04258c-dc96-11e5-925f-1d10062cc82d_story.html?postshare=4521456506525376&tid=ss_mail)

[1d10062cc82d\\_story.html?postshare=4521456506525376&tid=ss\\_mail](https://www.washingtonpost.com/local/dc-politics/decision-nears-on-mega-utility-merger-that-would-end-one-of-washingtons-oldest-institutions/2016/02/26/ae04258c-dc96-11e5-925f-1d10062cc82d_story.html?postshare=4521456506525376&tid=ss_mail)

<http://www.reuters.com/article/us-pepco-exelon-dc-idUSKCN0VZ265>

### **Wolf Creek's 1,165 MW Nuclear Unit 1 in Kansas Reduced to 84 Percent by February 26**

On the morning of February 25 the unit was operating at full power.

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

### **Update: Blythe Energy's 493 MW Gas-fired Unit in California Returns to Service by February 25**

The unit returned from an unplanned curtailment of 253 MW that began on February 23.

<http://content.aiso.com/unitstatus/data/unitstatus201602251515.html>

## **Update: Desert Sunlight's 250 MW Solar Unit in California Returns to Service by February 25**

The unit returned from an unplanned outage that began on February 23.

<http://content.aiso.com/unitstatus/data/unitstatus201602251515.html>

## **Coal Remains Top Power Source in 2015, Gas a Close Second – EIA**

Coal retained its top spot for U.S. power generation fuel sources in 2015, while natural gas came in at a close second, according to the latest data from the Energy Information Administration (EIA) on Friday. Coal produced about 1.4 billion MW hours per day, and natural gas followed closely producing a record high 1.3 billion MW hours per day. Although data from EIA showed that power plants used more gas than coal to produce electricity in seven of the 12 months in 2015, including every month between July and December, coal managed to maintain its lead. Reuters, 13:02 February 26, 2016

## ***Petroleum***

---

### **Coast Guard Reports Portion of Houston Ship Channel Briefly Shut after Boat Fire February 26**

A portion of the Houston Ship Channel was briefly closed to vessel traffic on Friday morning following a fire on a tug boat moored at the 263,776 b/d LyondellBasell refinery, the Coast Guard said. The Ship Channel with a safety zone near Interstate 610 was closed from 1:15 a.m. EST to 3 a.m. EST on Friday morning. The tugboat, San Gabriel, was moored next to an empty sulfur barge when it caught fire and the crew members were able to evacuate safely, the Coast Guard said.

<http://www.uscgnews.com/go/doc/4007/2791386/>

### **PES Reports Units Restarted at Its 335,000 b/d Philadelphia, Pennsylvania Refinery on February 23**

Philadelphia Energy Solutions (PES) said several units restarted by February 23 at the Point Breeze and Girard Point sections of its Philadelphia refinery. Unit 869 was shut down on February 19 due to loss of an effluent treating pump, and several others were briefly shut due to a steam emergency.

Reuters, 12:52 February 26, 2016

### **Update: Valero Restored Small Amount of Output at Its 180,000 b/d Memphis, Tennessee Refinery – Sources**

Valero Energy Corp increased production at its Memphis, Tennessee refinery in the past few days by a small amount, industry sources said on Thursday. Valero cut production at the refinery by 25 percent, or 45,000 b/d, in early February as large gasoline inventories, especially in the Midwest, cut refiner profit margins.

Reuters, 18:11 February 25, 2016

### **Catalytic Reformer at Chevron's 330,000 b/d Pascagoula, Louisiana Refinery Being Restarted February 25**

The 55,000 b/d catalytic reformer at Chevron's Pascagoula, Louisiana refinery was being restarted, after the unit went offline on January 10. Activity from the unit has been increasing since the evening of February 25.

Reuters, 7:14 February 26, 2016

### **Phillips 66 Reports Emissions at Its 120,200 b/d Rodeo, California Refinery February 25**

Phillips 66 reported emissions at its Rodeo, California refinery, according to a filing with the California Emergency Management Agency.

Reuters, 20:01 February 25, 2016

### **Delek Reports Production Cuts across Two Refineries by 10–12 Percent February 26**

Delek US Holdings Inc said on Friday that production was cut at its 83,000 b/d El Dorado, Arkansas refinery and its 60,000 b/d Tyler, Texas refinery by 10 to 12 percent due to poor refining margins caused by huge surpluses of gasoline.

Reuters, 9:32 February 26, 2016

## **Update: New Jersey DEP Reports IMTT Oil Pipeline Leak Plugged, 95,000 Gallons Collected February 24**

The New Jersey Department of Environmental Protection (DEP) said an International-Matex Tank Terminals (IMTT)-owned underground pipeline leak was plugged Wednesday night after workers collected about 95,000 gallons of an oil and water mixture. Officials said the leak, reported Monday, stems from residual heating oil left in a pipeline removed from service. A state spokeswoman said the stoppage was temporary and that some oil entered the Upper New York Bay that had since been contained.

Reuters, 6:01 February 26, 2016

## **Canadian Crude-by-Rail Volumes Decrease 39 Percent in December 2015 – NEB**

Canadian exports of crude oil by rail dropped 39 percent in December versus the same month a year ago, National Energy Board (NEB) data showed on Thursday, in part due to poor revenues for oil producers and narrow discounts on Canadian heavy crude. Canada shipped 106,704 b/d of crude by rail to the U.S. in the final month of 2015, significantly lower than the 175,654 b/d transported in tank cars in December 2014, which was close to the height of the crude-by-rail boom. Volumes have picked up from the low point of 80,000 b/d hit in June 2015, averaging 125,000 b/d in the fourth quarter of 2015, according to the NEB.

[http://www.downstreamtoday.com/news/article.aspx?a\\_id=51224](http://www.downstreamtoday.com/news/article.aspx?a_id=51224)

## ***Natural Gas***

---

### **Southern Union Reports Flaring at Its 125 MMcf/d Keystone Gas Plant in Texas February 24**

Southern Union reported operational conditions at the plant led the sulfur recovery unit (SRU) to flare. All acid gas was being routed to the acid gas flare.

<http://www2.tceq.texas.gov/oce/ee/index.cfm?fuseaction=main.getDetails&target=228305>

### **Cheniere to Export 8 – 10 Additional LNG Cargoes from its Sabine Pass Terminal in Louisiana – Company Executive**

Cheniere Energy expects to export eight to ten more cargoes of liquefied natural gas (LNG) in the next two months out of its newly commissioned Sabine Pass terminal on the Texas-Louisiana border, a company executive said on Thursday. The cargoes will be offered on a spot basis and likely sail to Europe or Brazil, the executive said.

Cheniere on Wednesday became the first U.S. company to export LNG, sending a cargo carrying 3.7 billion cubic feet of the liquefied shale gas to Brazil for state-run oil company Petrobras.

<http://finance.yahoo.com/news/ceraweek-cheniere-export-8-10-235550090.html>

## ***Other News***

---

Nothing to report.

## ***International News***

---

### **Update: Iraq-Turkey's 600,000 b/d Kirkuk-Ceyhan Oil Pipeline Seen Offline for Additional Two Weeks – Sources**

Crude flows through the Iraqi-Kurdistan pipeline to Turkey are not expected to resume for at least another two weeks as security problems near the pipeline persisted, a shipping source and three Turkish industry sources said. The pipeline, which carries crude to Turkey's Mediterranean port of Ceyhan from fields in Iraq's Kurdish region and Kirkuk, has been offline since February 17. One crude tanker was due to be loaded for exports on Friday with 375,000 barrels of Iraqi Kurdish oil from Ceyhan stocks, a shipping source said.

Reuters, 5:12 February 26, 2016

## Update: Forcados Crude Oil Flows Potentially Shut Until April after Force Majeure in Nigeria – Sources

Flows of Nigeria's Forcados crude oil to the export terminal could be halted until April, sources told Reuters. Pipeline operator Shell put the grade under force majeure on February 21, a week after a pipeline leak forced it to halt loadings to the export platform, according to the company. Local producers have had to shut Forcados crude output as a result, with local and trading sources saying it is likely to take until early April before the pipeline is repaired and oil production can resume and flow to the export terminal. About 249,000 b/d of oil were scheduled to be exported from the Forcados stream in both February and March. Sources said that gas production associated with the Forcados field may also have to close, depending on how long it takes to repair the pipeline. Shell declined to comment.

Reuters, 4:57 February 26, 2016

## Mexico's First Deep Water Gulf Oil Auction Set for December 5

Contract awards for Mexico's first-ever deep water oil auction covering ten blocks will take place on December 5, an oil regulator said on Friday. The ten blocks are located in the country's territorial waters in the Gulf of Mexico, four of which straddle the U.S. maritime border in the Perdido Fold Belt where oil majors on the U.S. side, including Royal Dutch Shell and BP, have drilled dozens of commercially successful wells. The remainder are located in the Salina basin along the southern rim of the Gulf.

Reuters, 12:15 February 26, 2016

## Energy Prices

---

U.S. Oil and Gas Prices			
February 26, 2016			
	Today	Week Ago	Year Ago
<b>CRUDE OIL</b> <b>West Texas Intermediate U.S.</b> \$/Barrel	31.55	29.54	47.60
<b>NATURAL GAS</b> <b>Henry Hub</b> \$/Million Btu	1.77	1.87	3.19

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](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](mailto:ead@oe.netl.doe.gov)*