



ENERGY ASSURANCE DAILY

Thursday Evening, April 21, 2016

Electricity

Duke Energy Reports Power Restored to 16,000 Customers after Trees Fall on Power Line in North Carolina April 20

Duke Energy on Wednesday restored power to 16,000 customers after trees fell on a power line between Greensboro and Asheboro, North Carolina. A private company was cutting trees about 200 yards off a roadway when one fell onto a very large, high voltage line, according to a Duke spokeswoman. Crews were able to restore power in under two hours.

<http://outagemap.duke-energy.com/ncsc/default.html>

<http://www.wfmynews2.com/news/local/power-back-on-for-more-than-16000-in-randolph-county/145263665>

Entergy's 1,207 MW Grand Gulf Nuclear Unit 1 in Mississippi Reduced to 74 Percent by April 21

On the morning of April 20 the unit was operating at full power.

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

Solar Partners' 133 MW Ivanpah Solar Unit 2 in California Shut by April 20

The unit entered an unplanned outage.

<http://content.caiso.com/unitstatus/data/unitstatus201604201515.html>

Court Overturns Approval of FPL's 2,200 MW Expansion Project at Its Turkey Point Nuclear Plant in Florida April 20

The 3rd District Court of Appeal in Miami, Florida on Wednesday reversed a 2014 decision by Governor Rick Scott and the Cabinet to approve construction of two nuclear reactors by Florida Power & Light (FPL) at its Turkey Point nuclear plant near Homestead. The expansion would have added about 2,200 MW of electric power to the Turkey Point plant. A three-judge panel ruled the governor and Cabinet failed to account for environmental regulations meant to protect the Everglades and endangered birds that make their home in the wetlands. The court ordered Governor Scott and the Cabinet to reconsider the project in light of its ruling. An FPL spokesman said the company was disappointed in the decision and was reviewing its legal options.

Reuters, 17:01 April 20, 2016

Petroleum

Alyeska Pipeline Service's 545,000 b/d Trans-Alaska Oil Pipeline Restarts after Pump Fire in Alaska April 20

Alyeska Pipeline Service Co. reported its 800-mile Trans-Alaska crude oil pipeline was restarted late Wednesday after 9-hour shutdown due to pump station fire near Coldfoot. On Wednesday afternoon, an employee at Pump Station 5 saw flames coming from a pressure vacuum vent on a tank. The station, which relieves pressure that builds up in the pipeline as the oil descends Atigun Pass in the Brooks Range, was evacuated, according to a company spokeswoman. Alyeska control operators in Anchorage isolated the tank and the station, and the fire was contained in the tank with no injuries and no environmental contamination, the company said. Alyeska said late Wednesday it planned to operate the pipeline at a reduced flow rate of 400,000 to 420,000 b/d until early Thursday, when personnel would be in position to monitor valves as oil flow is returned to the normal rate of more than 500,000 b/d. Alyeska operates the pipeline on behalf of its owners, primarily BP, ExxonMobil, and ConocoPhillips.

<http://www.adn.com/article/20160420/pump-station-fire-shuts-down-trans-alaska-pipeline>

Reuters, 7:25 April 21, 2016

PBF's 182,200 b/d Delaware City, Delaware Refinery Reports Problem with Hydrocracker Unit April 20

PBF Energy reported a problem with the hydrocracker unit at its Delaware City, Delaware refinery. The unit was being depressurized and operations at the refinery were stable, according to a community line. Earlier on Wednesday, the company reported the refinery was running normally after experiencing a leak on a fan exchanger associated with a hydrocracker, according to a source familiar with the plant's operations.

Reuters, 18:16 April 20, 2016

Reuters, 16:06 April 20, 2016

Update: Monroe Energy's 185,000 b/d Trainer, Pennsylvania Refinery Attempt to Restart FCCU Fails April 21 – Source

An attempt by Delta Air Lines' Monroe Energy to restart the 52,000 b/d fluid catalytic cracker unit (FCCU) at its Trainer, Pennsylvania refinery failed on Thursday, according to a source familiar with the plant's operations.

Workers uncovered leaks in the unit during the restart and a small fire broke out, the source said. The FCCU was unexpectedly shut on April 13. It was unclear when the company will attempt to restart the unit again.

Reuters, 13:25 April 21, 2016

Update: Motiva Restarts CDU at Its 235,000 b/d Convent, Louisiana Refinery April 20 – Sources

Motiva Enterprises restarted the 130,000 b/d crude distillation unit (CDU) at its Convent, Louisiana refinery on Wednesday after repairing a leak, according to sources familiar with plant operations. The CDU was taken out of production on Tuesday night for the repair. It was the second time on Tuesday a leak had to be repaired on the unit, which restarted on Saturday after being shut for an eight-week overhaul.

Reuters, 17:49 April 20, 2016

Motiva's 603,000 b/d Port Arthur, Texas Refinery Operations Unaffected by Shut SRU – Sources

Operations at Motiva Enterprises' Port Arthur, Texas refinery were unaffected by the shutdown of a sulfur recovery unit (SRU) on Wednesday, according to sources. Energy industry intelligence service Genscape reported the shutdown of SRU 7 early on Wednesday. The refinery has six SRUs that convert hydrogen sulfide removed from the production of motor fuels into elemental sulfur.

Reuters, 18:02 April 20, 2016

Update: LyondellBasell's 263,776 b/d Houston, Texas Refinery Running at 32 Percent Capacity April 20; Pipe Failure Determined as Cause for April 8 Coker Fire – Sources

LyondellBasell Industries' Houston, Texas refinery was running at about 32 percent capacity while making repairs to four production units, two Gulf Coast market sources said on Wednesday. The Houston refinery may operate at about 85,000 b/d for up to a month as repairs are made to a vacuum distillation unit (VDU) attached to its largest crude distillation unit (CDU), the sources said. The smaller CDU and its VDU are also shut. A coking unit has been shut since an April 8 fire and is expected to remain so for three months, the sources said. A Lyondell spokeswoman said on Wednesday the company was continuing to examine the damage to the coker and could not comment on a timeline for its repair. Within days of the fire being extinguished, the repairs to the 42,000 b/d coker were expected to take up to six weeks, but the source of the fire was determined to be a failure of piping on the unit and not a rupture in a seal on a pump. The piping's failure may be due to it being of a type not suited to use on the coker. If that is the case, Lyondell may be forced to replace piping throughout the unit to prevent additional failures, the sources said. Lyondell shut down the 120,000 b/d CDU on April 11 after leaks were found in its attached 91,000 b/d VDU. The second 91,000 b/d VDU was shut on Friday. It is attached to the 147,000 bpd CDU, called Unit 537. Unit 537 and a 57,000 b/d coker remain in production at reduced levels.

Reuters, 17:19 April 20, 2016

Alon Reports SRU Shutdown at Its 70,000 b/d Big Spring, Texas Refinery April 21

Alon USA Energy reported sulfur recovery unit (SRU) no. 1 was shut due to a flame scanner loss at its Big Spring, Texas, refinery, according to a filing with the Texas Commission on Environmental Quality. While in the process of starting up SRU no. 1, SRU no. 2 shut on a flame scanner loss from acid gas swings. Alon reported when SRU no. 2 was shut, acid gas feed had already been re-established to SRU no. 1, which resulted in minimal acid gas flaring.

During the process of starting up SRU no. 1, opacity was observed at the no. 2 incinerator.

Reuters, 9:23 April 21, 2016

U.S. Crude Stockpiles Rise 2.1 Million Barrels April 15 – EIA

U.S. crude oil inventories rose slightly less than expected last week, data from the Energy Information Administration (EIA) showed on Wednesday. Crude inventories rose 2.1 million barrels during the week ending April 15, compared with analysts' expectations for an increase of 2.4 million barrels. Crude stocks at the Cushing, Oklahoma delivery hub for U.S. crude futures fell 248,000 barrels, EIA said.
http://www.downstreamtoday.com/news/article.aspx?a_id=51858

Natural Gas

Kinder Morgan Suspends Northeast Direct Natural Gas Pipeline Due to Low Shipping Demand

Kinder Morgan, Inc. and its subsidiary, Tennessee Gas Pipeline Company (TGP), have suspended further work and expenditures on the Northeast Energy Direct (NED) natural gas pipeline project as a result of inadequate capacity commitments from prospective customers. The insufficient contracted capacity is due to several factors, including the fact that the New England states have not yet established regulatory procedures to facilitate binding electric distribution company (EDC) commitments, that the process in each state for establishing such procedures is open-ended, and that the ultimate success of those processes is not assured. In addition, innovations in natural gas production have resulted in a low-price environment that has made it difficult for producers to make new, long term commitments. The NED project, which involved upgrades and retrofits to TGP's existing system in New York, Pennsylvania, Massachusetts, New Hampshire, and Connecticut, had been scheduled to start shipping natural gas to Boston ahead of the 2018 – 2019 winter heating season. TGP said it will continue to work with customers to explore alternative solutions to address their needs, particularly local distribution companies that are unable to fully serve consumers and businesses in their areas because of the lack of access to abundant, low-cost domestic natural gas.
http://www.kindermorgan.com/content/docs/NED_Project_Statement-April_20_2016.pdf

Consolidated Edison, Crestwood Announce Joint Venture Northeast to Develop Pipeline, Storage Services in New York, Pennsylvania April 21

Consolidated Edison, Inc. and Crestwood Equity Partners LP today announced that their subsidiaries entered into definitive agreements to form a joint venture called Stagecoach Gas Services LLC in order to own and develop Crestwood's existing natural gas pipeline and storage business located in northern Pennsylvania and southern New York. The transaction is expected to be substantially completed in the second quarter of 2016.
<http://www.crestwoodlp.com/investors/news/news-details/2016/Consolidated-Edison-and-Crestwood-Announce-Northeast-Pipeline-and-Storage-Joint-Venture/default.aspx>

Other News

Nothing to report.

International News

Update: Nigeria's Oil Export Pipeline Repair Work Will Last Until June – Oil Minister

Repair work on a Nigerian pipeline feeding the key Forcados export terminal will last until June, the country's oil minister said on Wednesday. Unknown gunmen attacked the pipeline run by Royal Dutch Shell in February, reducing Nigeria's oil output by 250,000 b/d.
Reuters, 14:51 April 20, 2016

Libya Can Quickly Ramp Up Oil Output If Stability Returns – NOC

Libya could rapidly increase oil production once political stability returns, the head of the National Oil Corporation (NOC) told an industry summit on Thursday. OPEC member Libya's oil output has been cut by years of fighting following the 2011 ousting of leader Muammar Gaddafi. Libya's oil production had been reduced to about 360,000 b/d from 1.5 million (b/d) prior to the country's prolonged crisis. Once stability improves, the NOC aims to increase production with a target of achieving 2 million b/d.
Reuters, 6:40 April 21, 2016

Oil Supply Freeze to Be Discussed at June OPEC Meeting – Saudi Oil Advisor

A freeze in oil production for which top oil producing countries failed to agree during talks last weekend in Doha, Qatar will be on the agenda of OPEC's next meeting in June, a senior Saudi oil advisor said on Thursday. Reuters, 7:05 April 21, 2016

Venezuela Announces Daily, Nationwide Power Cuts Due to Ongoing Drought – Electricity Minister

Venezuela will begin cutting electricity supplies amid a prolonged drought that has limited power generation, the electricity minister said on Thursday. Power cuts will rotate among different hours during different four-hour periods for 40 days beginning on April 25, however; the country's crucial oil sector is expected to be exempt from the cuts. Most of the country's electricity comes from the massive Guri hydroelectric dam, whose reservoir has reached historic lows due to an ongoing drought.

Reuters, 15:11 April 21, 2016

Energy Prices

U.S. Oil and Gas Prices			
April 21, 2016			
	Today	Week Ago	Year Ago
CRUDE OIL West Texas Intermediate U.S. \$/Barrel	43.13	41.40	55.53
NATURAL GAS Henry Hub \$/Million Btu	2.02	1.98	2.55

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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