



ENERGY ASSURANCE DAILY

Tuesday Evening, May 03, 2016

Major Developments

Update: Spectra, TETCO Confirm Delmont Compressor Station Shut through May 6 after Texas Eastern Natural Gas Pipeline Explosion in Pennsylvania

Spectra Energy Corp and Texas Eastern Transmission (TETCO) on Monday said that natural gas flows through the Delmont compressor station on the Texas Eastern pipeline system in western Pennsylvania would remain at zero through at least May 6. An explosion on April 29 damaged one of four parallel TETCO transmission lines in Salem Township, leading Spectra to isolate all four lines in the pipeline corridor and shut all flows through the Delmont Compressor Station. Spectra said it was working with the Pipeline Hazardous Materials Safety Administration (PHMSA) on a return to service plan for its unaffected lines and said it was keeping its shippers informed of the plan. In Pennsylvania, the Texas Eastern pipeline splits into a northern route, which was damaged in Friday’s incident, and a southern route. Spectra said gas can still flow from West Virginia to New Jersey on the southern route. Gas can also flow on the northern route, although not through the damaged area around the Delmont compressor. Before the explosion, about 1.3 Bcf/d of gas was moving through the impacted area.

<http://www.spectraenergy.com/announcements/>

<https://infopost.spectraenergy.com/infopost/default.asp?pipe=TE>

Reuters, 7:41 May 3, 2016

<https://www.oe.netl.doe.gov/docs/eads/ead050216.pdf>

Electricity

Thunderstorms Knock Out Power to Over 31,000 Customers in Mid-Atlantic May 2–3

Thunderstorms producing heavy rain and high winds knocked out power to 31,332 customers in Tennessee, North Carolina, West Virginia, Virginia, Maryland, and Washington, D.C. on Monday and continuing overnight into Tuesday. Dominion, the hardest hit utility with 12,000 customer outages, had restored nearly all power by 11:00 a.m. EDT on Tuesday. As of 3:30 p.m. EDT Tuesday, 5,881 customers remained without power. The table below shows total affected customers and the latest reported outages by utility. The “Affected” column shows the total count of customers that lost power at one point or another over the course of the storm for each utility. These outages may not have occurred concurrently and are not the same as peak outages.

Mid-Atlantic Customer Power Outages			
May 2–3, 2016			
Electric Utility	State	Affected	Latest Reported
Pepco	DC/MD	2,600	157
Duke	NC	3,470	2,179
Appalachian Power	TN	1,329	1,326
MLGW	TN	655	39
Dominion	VA	12,000	579
Appalachian Power	VA	9,500	131
Appalachian Power	WV	1,778	1,470
TOTAL*		31,332	5,881

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

Sources:

<http://www.pepco.com/pages/connectwithus/outages/outagemaps.aspx>

<http://outagemap.dom.com.s3-website-us-east-1.amazonaws.com/external/default.html>

<https://www.appalachianpower.com/outages/outageMap.aspx>

<http://outagemap.duke-energy.com/ncsc/default.html>
<http://azimuth.mlgw.org/OutageSummary.php>,
<http://www.wdbj7.com/content/news/More-than-9500-Appalachian-Power-customers-without-power-377842471.html>
<https://www.washingtonpost.com/news/local/wp/2016/05/03/power-outages-left-in-d-c-area-after-severe-storms/>

Restoration Complete after Strong Storms, High Winds Knock Out Power to Over 71,000 Customers in Texas April 29–30

Strong thunderstorms producing high winds and hail knocked out power to at least 71,892 customers in Texas beginning on Friday, April 29, and continuing into Saturday, April 30. Oncor, the hardest hit utility with 17,000 customer outages, reported several downed trees and powerlines. The majority of customers had their power restored by Sunday with a few of the hardest hit areas not restored until Monday. As of 12:00 p.m. EDT Tuesday, 1,288 customers remained without power. The table below shows total affected customers and the latest reported outages by utility. The “Affected” column shows the total count of customers that lost power at one point or another over the course of the storm for each utility. These outages may not have occurred concurrently and are not the same as peak outages.

Texas Customer Power Outages			
April 29–30, 2016			
Electric Utility	State	Affected	Latest Reported
Oncor	TX	17,000	911
Wood County Electric Cooperative	TX	12,000	2
SWEPCO	TX	10,600	13
Bluebonnet Electric Cooperative	TX	10,792	5
Austin Energy	TX	8,000	11
Upshur Rural Electric Cooperative	TX	6,300	23
CenterPoint Energy	TX	4,200	317
Pedernales Electric Cooperative	TX	3,000	6
TOTAL*		71,892	1,288

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

Sources:

<http://stormcenter.oncor.com/external/default.html>
<http://www.wcec.org/index.php/outage-center/current-outages/>
<https://www.facebook.com/WoodCountyElectricCooperative/>
<https://www.swepco.com/outages/outageMap.aspx>
<https://austinenergy.com/outages/>
<https://twitter.com/austinenergy>
<https://twitter.com/BluebonnetCoop>
<https://ebill.urecc.coop/oms/outageMap>
<http://gis.centerpointenergy.com/outagetracker/>
<https://twitter.com/PedernalesCoop>
http://pec.coop/Home/Energy_Services/pec-power-outage-center
<http://www.statesman.com/news/weather/overnight-storms-leave-thousands-without-power-in-nrFL/>
<http://www.theweathernetwork.com/us/news/articles/us-weather/floods-kill-6-in-texas-as-severe-weather-lashes-central-us/67221>

Strong Storms Knock Out Power to 28,000 Customers in Alabama April 29

Strong storms including heavy rain, gusty winds, and frequent lightning strikes knocked out power to 25,000 Alabama Power customers on Friday evening. Cullman Electric reported an additional 2,800 customer outages after the storms knocked out a circuit at its Trimble substation. Power was fully restored to impacted customers over the weekend.

<https://twitter.com/alabamapower>
<https://twitter.com/cullmanec>
<http://www.trussvilletribune.com/2016/04/29/lightning-ignites-fires/>
<http://www.wbrc.com/story/31851512/first-alert-update-strong-storms-moving-east-toward-talladega?sf25383857=1>

Update: NextEra Energy's 565 MW Duane Arnold Nuclear Unit in Iowa Ramps Up to 92 Percent by May 3

On the morning of May 2 the unit was operating at 70 percent, reduced from full power on May 1.
<http://www.nrc.gov/reading-rm/doc-collections/event-status/reactor-status/2016/>

BHE Renewables' 276 MW Solar Star Unit 2 in California Shut by May 2

The unit entered an unplanned outage.
<http://content.aiso.com/unitstatus/data/unitstatus201605021515.html>

TVA Expects to Start Up New 1,150 MW Unit 2 at Its Watts Bar Nuclear Power Plant in Tennessee by End of May

The Tennessee Valley Authority (TVA) expects to start up the new unit 2 reactor at its Watts Bar Nuclear Plant within the next month. Unit 2 will be the first new nuclear power reactor added to America's power grid in two decades. TVA's Chief Nuclear Officer said he expects the unit to achieve initial criticality later this month. After a couple of weeks of tests, the unit should begin low power production and should achieve 100 percent production and be declared a commercial generating plant by this summer.

<https://www.tva.com/Newsroom/Watts-Bar-2-Project>
<https://www.tva.com/Newsroom/Press-Releases/TVA-Reports-Second-Quarter-Financial-Results>
<http://www.timesfreepress.com/news/business/aroundregion/story/2016/may/03/tva-start-new-reactor-watts-bar-month/363535/>

DOE Announces \$25 Million Grant to Accelerate Integration of Solar Energy into Nation's Electrical Grid May 2

The Energy Department (DOE) on Monday announced \$25 million in available funding through an effort called Enabling Extreme Real-Time Grid Integration of Solar Energy (ENERGISE) to help software developers, solar companies, and utilities accelerate the integration of solar energy into the grid. The amount of solar power installed in the U.S. has increased from 1.2 gigawatts in 2008 to an estimated 27.4 gigawatts in 2015, with one million systems now in operation. ENERGISE specifically seeks to develop software and hardware platforms for utility distribution system planning and operations that integrate sensing, communication, and data analytics. These hardware and software solutions will help utilities manage solar and other distributed energy resources on the grid and will be data-driven, easily scaled-up from prototypes, and capable of real-time monitoring and control.

<http://www.energy.gov/articles/energy-department-announces-25-million-accelerate-integration-solar-energy-nation-s>

Petroleum

Update: Shuttered FCCU at Motiva's 603,000 b/d Port Arthur, Texas Refinery Could Restart May 3 – Sources

The 81,000 b/d fluidic catalytic cracking unit at Motiva Enterprises' Port Arthur, Texas refinery may restart as early as Tuesday, according to sources familiar with plant operations. The FCCU was shut on April 27 due to a malfunction and repairs were expected to take 7–10 days to return the unit to production, the sources said shortly after the unit was shut. Gulf Coast market sources said the FCCU could be shut another two weeks for additional work.

Reuters, 18:20 May 2, 2016

ExxonMobil Removes CDU from Production at Its 560,500 b/d Baytown, Texas Refinery May 2 – Sources

The second largest crude distillation unit (CDU) at ExxonMobil Corp's Baytown, Texas refinery was taken out of production for the second time in three weeks due to a malfunction, sources familiar with plant operations said on Monday. The 135,000 b/d CDU, called Pipe Still 7, malfunctioned on Monday, the sources said. Two other CDUs remain in operation. An ExxonMobil spokesman said unplanned maintenance is being performed at the refinery, but there was minimal impact to production and contractual commitments were being met. The units involved were not identified.

Reuters, 22:56 May 2, 2016

Update: LyondellBasell Reports Pump Failure, SRU Power Outage Led to Emissions at its 263,776 b/d Houston, Texas Refinery May 2, 3; Restarts 91,000 b/d VDU May 1 – Sources

A power outage on a sulfur recovery unit (SRU) at LyondellBasell Industries' Houston refinery on Tuesday morning triggered the plant's safety flare system and an erroneous report of a fire to a Houston community information line, said Gulf Coast market sources. This is the second unit malfunction reported this week at the refinery, which has three other production units shut due a major coker fire, which occurred on April 8, and the discovery of leaks from a vacuum distillation unit (VDU) on April 11. On Monday, a pump equipment failure triggered the release of a large propane cloud from the butane recovery unit, the sources said. Lyondell told the Texas Commission on Environmental Quality that a failed flange connection on a unit led to the release of 21,100 pounds of propane and 63,700 pounds of propylene into the atmosphere on Monday. Prior to the power outage and equipment failure, the refinery was ramping up production on Sunday after restarting a 91,000 b/d VDU attached to a 147,000 b/d crude distillation unit (CDU), which was shut on April 15 to repair leaks from piping as well as pump problems. That outage followed the April 11 shutdown of the 120,000 b/d CDU and its attached 91,000 b/d VDU to repair similar problems. The fire-damaged 42,000 b/d coking unit was still expected to be shut for at least three months to repair piping, which is thought to have failed and caused the blaze.
Reuters, 11:10 May 3, 2016

Tesoro Says Operations Normal after Small Fire at Its 166,000 b/d Martinez, California Refinery May 1

Tesoro Corp said on May 1 a processing unit experienced a localized fire that was quickly isolated and extinguished at its Martinez, California refinery. Operations were currently normal at refinery and there was no impact to contractual supply agreements, according to the company.
Reuters, 16:22 May 2, 2016

Halliburton, Baker Hughes Abandon Planned Merger May 1

Halliburton and Baker Hughes on Sunday disclosed plans to the Department of Justice (DOJ) to abandon their planned \$34 billion merger. DOJ filed suit on April 6 to block the merger, claiming that the transaction would unlawfully eliminate significant competition in almost two dozen markets, which are crucial to the exploration and production of oil and natural gas in the U.S. DOJ officials said the merger of Halliburton and Baker Hughes would have raised prices, decreased output, and lessened innovation in at least 23 oilfield products and services critical to the nation's energy supply. As part of the agreement, Halliburton will pay Baker Hughes the termination fee of \$3.5 billion by Wednesday, according to a joint release from the companies.

<https://www.justice.gov/opa/pr/halliburton-and-baker-hughes-abandon-merger-after-department-justice-sued-block-deal>

<http://www.bakerhughes.com/news-and-media/press-center/press-releases/2016-05-01-halliburton-and-baker-hughes-announce-termination-of-merger-agreement>

Reuters, 9:31 May 2, 2016

Buckhorn Energy Reports 11,000 Gallon Saltwater, Oil Spill in North Dakota April 29

Buckhorn Energy Services LLC reported April 29 that 10,080 gallons of saltwater and 840 gallons of oil were released, contained, and recovered at an oil well in McKenzie County. North Dakota's Oil and Gas Division that the spill was the result of an equipment failure.

http://bismarcktribune.com/news/state-and-regional/oil-and-saltwater-spill-cleaned-up-at-mckenzie-county-well/article_529c2b5b-611a-5fe1-959a-ba05a0982a85.html

Natural Gas

Regency Reports AGI Shutdown at Its 290 MMcf/d Waha Gas Plant in Texas May 2

Regency reported the acid gas injector (AGI) shutdown on high suction/discharge pressures due to high scrubber levels and a power blip. The suction valve was placed in manual, scrubber levels were reduced, level transmitters were checked, and the AGI was reset and restarted.

<http://www2.tceq.texas.gov/oce/eer/index.cfm?fuseaction=main.getDetails&target=232553>

Canada Set to Make Decision on Petronas' Pacific NorthWest LNG Project by Summer – Natural Resources Minister

Canada's natural resources minister on Monday said the Canadian government expects to make a decision on environmental approvals for Petronas liquefied natural gas (LNG) project on the nation's Pacific coast by mid- to late-summer. Petronas is expected to provide further information to regulators soon, completing its application for the Pacific NorthWest LNG development. The Petronas development has been held up by opposition from an aboriginal group near the site of its proposed shipping terminal.

http://www.downstreamtoday.com/news/article.aspx?a_id=52007

Other News

Nothing to report.

International News

Nothing to report.

Energy Prices

U.S. Oil and Gas Prices			
May 3, 2016			
	Today	Week Ago	Year Ago
CRUDE OIL West Texas Intermediate U.S. \$/Barrel	43.60	42.34	58.87
NATURAL GAS Henry Hub \$/Million Btu	1.91	1.98	2.56

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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