



ENERGY ASSURANCE DAILY

Tuesday Evening, May 26, 2015

Electricity

Severe Storms Knock Out Power to Over 195,000 Customers in Arkansas, Louisiana, Mississippi, Texas May 25–26

Severe thunderstorms coupled with high winds, heavy rainfall, and flooding knocked out power to 195,324 customers in Arkansas, Louisiana, Mississippi, and Texas on Monday. As of 3:30 p.m. EDT, 59,983 customers remained without power. SWEPCO, the hardest hit utility at 60,000 customers without power in three states, said the storms caused extensive damage to its transmission and distribution system. Damage assessments were ongoing, but downed trees and flooding limited access to affected areas. SWEPCO said customers should prepare for outages that may last longer than a day, especially in the hardest hit areas. Entergy Arkansas, which reported 30,000 customers without power, estimated nearly all power should be restored by 11 p.m. CDT Wednesday. Entergy Louisiana, which reported 30,000 customers without power, expected full restoration in the metro area by 4 p.m. CDT Tuesday. As of 3:30 p.m. ET, the Governor of Texas has his May 25 emergency declaration to 46 counties across the state due to severe weather, tornado and flooding which began on May 4. Additional severe storms are possible late this afternoon and evening across parts of the southern Plains.

Arkansas, Louisiana, Mississippi, Texas Customer Power Outages			
May 25–26, 2015			
Electric Utility	State	Peak	Latest Reported
SWEPCO	AR/LA/TX	60,000	26,926
Entergy Arkansas	AR	30,000	7,352
First Electric Coop	AR	1,253	1,162
Entergy Louisiana	LA	30,000	2,217
Entergy Mississippi	MS	2,937	710
Oklahoma Gas & Electric	OK	3,050	1,514
Oncor	TX	55,102	16,788
Entergy Texas	TX	6,921	1,749
Blue Bonnet Electric Coop	TX	6,061	1,565
TOTAL*		195,324	59,983

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

Sources:

<http://www.etrviewoutage.com/external/ar.aspx>

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

<https://twitter.com/EntergyArk>

<https://www.swepco.com/outages/details.aspx?stormName=Ark-La-Tex+Storms+-+May+25%2c+2015>

<http://outage.fecc.coop/>

<https://twitter.com/EntergyLA>

<http://www.etrviewoutage.com/external/la.aspx>

<http://www.etrviewoutage.com/external/ms.aspx>

<https://oge.com/wps/portal/oge/outages/systemwatch!/ut/p/a1/04>

<https://twitter.com/OGandE>

<http://www.etrviewoutage.com/external/tx.aspx>

<http://stormcenter.oncor.com/default.html>

<https://twitter.com/EntergyTX>

<http://outage.bluebonnetelectric.coop:82/>

<http://gov.texas.gov/news/press-release/20935>

<http://www.thv11.com/story/news/2015/05/26/thousands-without-power-following-monday-night-storm/27948285/>

<http://www.spc.noaa.gov/>

Update: Entergy's 979 MW Indian Point Nuclear Unit 3 in New York Returns to Service May 25 After Transformer Failure May 9

Entergy's Indian Point nuclear Unit 3 returned to service Monday after a sixteen-day shutdown to replace a failed electrical transformer. The unit automatically shut down upon failure on May 9, and an estimated 3,000 gallons of dielectric fluid leaked into the Hudson River. The failed transformer held approximately 24,000 gallons of dielectric fluid which acts as an electrical insulator and coolant. Entergy said it was working closely with the U.S. Coast Guard and the New York State Department of Environmental Conservation to investigate and mitigate the environmental impact of dielectric fluid discharge into the river.

<http://www.energynewsroom.com/latest-news/indian-point-unitback-service-generating-electricity-following-transformer-replacement/>

<http://www.nrc.gov/reading-rm/doc-collections/event-status/reactor-status/2015/>

Entergy's 653 MW Pilgrim Nuclear Unit 1 in Massachusetts Shut May 22; Restarts May 24

On the morning of May 25 the unit was operating at 38 percent after restarting and ramping up to 23 percent on May 24. The unit was shut from 15 percent on May 22 due to the loss of a condenser vacuum.

<http://www.nrc.gov/reading-rm/doc-collections/event-status/reactor-status/2015/>

<http://www.nrc.gov/reading-rm/doc-collections/event-status/event/2015/20150526en.html>

Dynegy's 756 MW Moss Landing Gas-fired Unit 7 in California Returns to Service by May 24

The unit returned from an unplanned curtailment of 356 MW that began on May 21.

<http://content.caiso.com/unitstatus/data/unitstatus201505241515.html>

AES's 332 MW Alamos Gas-fired Unit 3 in California Returns to Service by May 23

The unit returned from an unplanned curtailment of 166 MW that began on May 21.

<http://content.caiso.com/unitstatus/data/unitstatus201505231515.html>

AES's 336 MW Alamos Gas-fired Unit 4 in California Returns to Service by May 23

The unit returned from an unplanned curtailment of 168 MW that began on May 21.

<http://content.caiso.com/unitstatus/data/unitstatus201505231515.html>

AES's 498 MW Alamos Gas-fired Unit 5 in California Returns to Service by May 23

The unit returned from an unplanned outage that began by May 21.

<http://content.caiso.com/unitstatus/data/unitstatus201505231515.html>

AES's 495 MW Alamos Gas-fired Unit 6 in California Returns to Service by May 23

The unit returned from an unplanned outage that began by May 21.

<http://content.caiso.com/unitstatus/data/unitstatus201505231515.html>

Crockett's 240 MW Gas-fired Unit in California Shut by May 23

The unit entered an unplanned outage.

<http://content.caiso.com/unitstatus/data/unitstatus201505231515.html>

Mirant's 530 MW Pittsburg Gas-fired Unit 7 in California Reduced by May 23

The unit entered an unplanned curtailment of 130 MW.

<http://content.caiso.com/unitstatus/data/unitstatus201505231515.html>

ITC Files Permit Application with Canada's NEB for 345 kV Lake Erie Connector Project from Pennsylvania to Ontario

ITC Lake Erie Connector LLC today announced it filed a major permit application with Canada's National Energy Board (NEB) for the ITC Lake Erie Connector transmission line. The ITC Lake Erie Connector is a proposed 345kV, bi-directional, High-Voltage Direct Current (HVDC) merchant transmission line that will provide the first direct link between the markets of the Ontario Independent Electricity System Operator (IESO) and PJM Interconnection, LLC (PJM). The ITC Lake Erie Connector will enable transmission customers to more efficiently access energy, capacity, and renewable energy credit opportunities in both markets. In addition to this filing with the NEB, ITC is preparing a permit application with the U.S. Department of Energy in order to obtain a Presidential Permit necessary for international border-crossing projects, as well as a joint application to the U.S. Army Corps of Engineers and Pennsylvania Department of Environmental Protection. The 73-mile ITC Lake Erie Connector will interconnect with converter stations located in Erie, Pennsylvania and Nanticoke, Ontario. A 345 kV underground transmission line will connect the Erie converter station to the existing Penelec Erie West Substation, while a 500 kV line will interconnect the Nanticoke converter station to Hydro One Network's Nanticoke Transformer Station. The majority of the transmission line either will be buried beneath Lake Erie or underground using existing roadway rights-of-way. ITC anticipates the commencement of construction in 2017 and commercial operation in 2019.

<https://docs.neb-one.gc.ca/ll-eng/llisapi.dll?func=ll&objId=2777596&objAction=browse>
<http://finance.yahoo.com/news/itc-files-permit-application-canadas-130500984.html>

Petroleum

Update: Refugio Oil Spill Cleanup Operations Continue, PAA Yet to Remove Ruptured Oil Pipeline in California May 26

Members of the Refugio Oil Response Unified Command continue cleanup operations at the oil spill in Santa Barbara County. Officials from Plains All American Pipeline (PAA) say they hope the broken section of a pipeline can be removed for investigation by Tuesday. PAA was still measuring the spill as it cleans up along the Santa Barbara County coastline and recovers oil from the pipeline. On Monday, the company downgraded the amount of oil that may have spilled to 101,000 gallons, about 4,200 gallons less than previously thought. Last Friday, the U.S. Transportation Department's Pipeline and Hazardous Materials Administration (PHMSA) said PAA must take numerous corrective measures, including an in-depth analysis of factors contributing to the spill and a plan to fix any identified concerns before the line can restart. The ruptured line was the only pipe of its kind in the county not required to have an automatic shut-off valve, the deputy director of the county's Energy and Minerals Division said. Auto shut-off valves are not required by federal regulators.

<http://www.phmsa.dot.gov/pipeline/us-department-of-transportation-issues-corrective-action-order-to-plains-pipeline-lp>

<http://www.plainsupdate.com/go/doc/7258/2519394/>

Reuters, 3:17 May 26, 2015

Reuters, 20:47 May 24, 2015

Reuters, 21:06 May 22, 2015

Alberta Wildfire Shuts 233,000 b/d of Canadian Oil Sands Production May 25

A wildfire in northeastern Alberta has shut down approximately 233,000 b/d of production at four oil sands projects. Over the holiday weekend, Cenovus Energy Inc and Canadian Natural Resources Ltd (CNRL) evacuated staff and halted output at three sites as a precaution. On Tuesday, MEG Energy Inc said it was suspending operations at its Christina Lake oil sands project and evacuated non-essential staff. Imperial Oil Ltd and Husky Energy also have oil sands projects in the Cold Lake region, but both producers said operations were unaffected and they were monitoring the situation closely. In total, roughly 9 percent of Alberta's crude output is offline as a result of the fire with no clear indication of when production can resume. The Alberta government's wildlife information officer said the fire, which started on Friday, has grown to more than 8,000 hectares and was still out of control.

<http://www.megenergy.com/news-room/article/meg-energy-moves-non-essential-staff-christina-lake-site>

<http://www.cenovus.com/news/news-releases/2015/0525-FC-forest-fire.pdf>

Reuters, 14:29 May 25, 2015

Reuters, 11:42 May 26, 2015

Texas Petroleum Investment's Offshore Oil Platform Fire Extinguished off Coast of Louisiana May 23

A fire aboard a small oil platform in the Gulf of Mexico was extinguished early on Saturday, the Coast Guard said. After the fire, repair crews boarded the Texas Petroleum Investment Co.'s platform to begin clean-up. A sheen was seen on the surface of the water stretching more than a mile from the platform. All 28 crew members were safely evacuated from the platform after the fire broke out on Friday. The platform can store up to 4,000 barrels of crude, but only held between 100 and 130 barrels at the time of the fire, the company and Coast Guard said.

Reuters, 14:30 May 23, 2015

PES' 335,000 b/d Philadelphia, Pennsylvania Refinery Experiences Second Fire in 5 Days May 26 – Source

Philadelphia Energy Solutions experienced a brief fire on Tuesday in a boiler at its Philadelphia, Pennsylvania refinery, according to a person familiar with the plant's operations. At 1:10 p.m. EDT on Tuesday, the city's community alert system reported that the fire department responded to a fire at the refinery, and the incident was under control. The refinery suffered a fire in the 200,000 b/d crude unit on Friday, shutting it down over the weekend. The crude unit was running at about half capacity, a source familiar with the facility's operations said Tuesday.

Reuters, 14:08 May 26, 2015

Reuters, 9:43 May 26, 2015

Reuters, 19:42 May 22, 2015

Shell Restarting Unit at Its Scotford, Alberta Upgrader Facility May 24 – Community Line

Royal Dutch Shell Plc reported it was restarting an unspecified unit at its Scotford upgrader facility near Edmonton, Alberta, according to a message posted on a community information phone line on Sunday. The activity may lead to intermittent flaring over the next 48 hours but there would not be any impact on production, the message said. Shell runs a 255,000 b/d oil sands upgrader facility and a 100,000 b/d refinery at Scotford.

Reuters, 22:23 May 25, 2015

Chevron Says No Operational Impact after Hydrogen Sulfide Emissions at Its 269,000 b/d El Segundo, California Refinery May 24

Reuters, 23:17 May 25, 2015

EPA Says Citgo Agrees to Fine, Fix Problems at Its 163,000 b/d Corpus Christi, Texas Refinery May 22

The Environmental Protection Agency (EPA) on May 22 announced an agreement with the Citgo Refining and Chemicals Company for violations at the company's Corpus Christi, Texas refinery. In addition to correcting violations and paying a civil penalty, the company will provide the local fire department with equipment to help improve their response to chemical releases. The agreement follows an unannounced inspection by EPA enforcement staff in June 2012, who acted on a tip from the Chemical Safety Board. The inspectors found violations in a range of areas, including equipment and controls, operation and auditing procedures, and initial and ongoing training. . The agreement, achieved through EPA's alternative dispute resolution process, requires Citgo to address and correct each violation. The company will also pay a civil penalty of \$266,369. The agreement also included a supplemental environmental project, or SEP, to benefit the Corpus Christi community. Citgo will provide over \$117,000 in equipment to the Corpus Christi Fire Department to help quickly detect and identify suspected chemical leaks.

<http://yosemite.epa.gov/opa/admpress.nsf/21b8983ffa5d0e4685257dd4006b85e2/9dde9db8dda03bc985257e4d0058c21b!OpenDocument>

TransCanada's Proposed 1.1 Million b/d Energy East Pipeline Would Threaten Manitoba's Drinking Water – Manitoba Energy Justice Coalition Report

A new report said TransCanada's proposed Energy East pipeline would threaten the drinking water of more than 60 percent of Manitoba residents. The report, funded by the Manitoba Energy Justice Coalition, says a rupture on the pipeline would seep into any number of waterways which feed into Winnipeg's water supply. The pipeline would carry about one million barrels of oil a day from Alberta and Saskatchewan to refineries and port terminals on the East Coast. Part of the proposed line would run underneath an aqueduct carrying Winnipeg's drinking water from Shoal Lake near the Ontario boundary. Dennis LeNeveu, author of the report, says oil would be carried across Manitoba in a 40-year-old repurposed natural gas line. He says such pipelines can corrode and have ruptured four times in Manitoba in the last 20 years.

http://noenergyeastmb.org/wp-content/uploads/2015/05/potential_impacts_energy_east_winnipeg_leneveu-final-may-25-2015.pdf

Reuters, 13:02 May 25, 2015

American Midstream Launches Open Season for 40,000 b/d Bakken Crude Oil Gathering System in North Dakota

American Midstream Partners, LP on May 22 announced that American Midstream Bakken, LLC was conducting a binding open season for a proposed Bakken crude oil gathering and transportation system in the core of McKenzie County, North Dakota to transport up to 40,000 b/d of crude oil beginning in June 2015. As proposed, the Bakken System will have initial transportation capacity up to approximately 15,000 b/d with the ability to expand up to approximately 40,000 b/d. The open season will close on June 22.

<http://www.americanmidstream.com/investor-relations/press-releases/press-release-details/2015/American-Midstream-Launches-Open-Season-for-Bakken-Crude-Oil-Gathering-System-in-McKenzie-County-North-Dakota/default.aspx>

Natural Gas

PG&E Completes 10th Safety Recommendation since 2010 San Bruno Pipeline Explosion in California

Pacific Gas and Electric Company (PG&E) on May 20 announced that it completed the 10th of 12 safety recommendations issued by the National Transportation Safety Board (NTSB) following the 2010 San Bruno pipeline explosion. The NTSB granted "closed-acceptable action" status given the improvements the company has made on Supervisory Control and Data Acquisition (SCADA) and commended the company's actions for exceeding the scope of the recommendation. In 2014, PG&E opened a Gas Control Center in San Ramon, California that serves as the company's hub for all natural gas SCADA activities. SCADA enables predictive pipeline safety monitoring and real-time data about the company's natural gas system to significantly reduce the risk of a pipeline incident.

http://www.pge.com/en/about/newsroom/newsdetails/index.page?title=20150520_ntsb_pge_completes_10supthsup_safety_recommendation_since_2010_san_bruno_pipeline_explosion

Other News

Ethanol Shipments Disrupted at Kinder Morgan's Argo, Illinois Hub Due to CN Train Derailment May 21

Shipments of ethanol into Kinder Morgan's terminal at Argo, Illinois, were disrupted this week due to a train derailment at the company's terminal, a company spokesman said on Friday. Two cars of a train carrying ethanol and operated by CN Railroad derailed inside the facility's fence line on Thursday morning, the spokesman said. The spokesman said there was no release of product and no environmental issue. He further said deliveries were expected to resume Thursday night. The terminal has a storage capacity of 2.5 million barrels for chemicals, petroleum and residual fuel oil.

<http://finance.yahoo.com/news/ethanol-shipments-disrupted-kinder-morgans-204216722.html>

U.S., Canada, Mexico Create New Climate Change Partnership

North American energy ministers said on Monday they had set up a working group on climate change and energy, a partnership designed to help Canada, the U.S., and Mexico harmonize policies. The partnership does not include binding targets, but will enhance cooperation and integrate more climate change-related policies into energy discussions between the countries, Canadian Natural Resources Minister Greg Rickford said. All three governments said they will prioritize working together on issues, including efficiency of electricity grids, pursuing new clean energy technologies, and aligning regulations to control emissions from the oil and gas sector. The agreement would also enhance cooperation on technologies to capture and bury greenhouse gas emissions underground, Rickford said. Reuters, 17:39 May 25, 2015

International News

Nigeria Fuel Shortages Ground Planes, Threaten Businesses

A fuel crisis in Nigeria has grounded airplanes, shut banks, and threatens businesses as fuel retailers halt distribution over a pay dispute with the government. MTN, Africa's biggest mobile phone company with 61 million customers in Nigeria, said in a statement it's running low on fuel reserves and its phone network will be "significantly degraded" if it doesn't receive supplies before Tuesday. Guaranty Trust Bank Plc, Nigeria's biggest lender, will close its offices at 1 p.m. local time from Monday because of the shortages, while Arik Air Ltd., the country's biggest carrier, has cut two-thirds of its 120 daily flights. Nigeria depends on fuel imports to meet more than 70 percent of its domestic needs and pays importers to guarantee cheaper local prices. Major fuel-marketing companies allege they're still owed \$1 billion in outstanding payments by the outgoing government of President Goodluck Jonathan. Though the country's four state-owned refineries were built to refine 445,000 b/d of crude oil, enough to meet national demand of about 300,000 b/d, they're ill-maintained and run at a fraction of their capacity.

http://www.downstreamtoday.com/news/article.aspx?a_id=47813

Libya's Power Station Shuts Due to Lack of Fuel after Tanker Attack May 25

A power station in Sirte, Libya, was shut from lack of fuel, after war planes belonging to the country's official government bombed a tanker delivering supplies, officials of the state-owned power company said on Monday. An air force commander said jets attacked the Libyan-registered tanker Anwaar Afriqyaying outside the port of Sirte on Sunday because it had been discharging weapons. But state oil firm NOC said the tanker had been bringing 30,000 tonnes of fuel to Sirte's power station. The power plant on the western outskirts of Sirte is controlled by forces loyal to the rival government in Tripoli.

Reuters, 15:28 May 25, 2015

Energy Prices

U.S. Oil and Gas Prices			
May 26, 2015			
	Today	Week Ago	Year Ago
CRUDE OIL West Texas Intermediate U.S. \$/Barrel	57.98	59.69	103.73
NATURAL GAS Henry Hub \$/Million Btu	2.88	2.96	4.53

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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