



ENERGY ASSURANCE DAILY

Thursday Evening, May 28, 2015

Electricity

Update: Over 5,000 Oncor Customers Remain Without Power May 28 after Storms Hit Texas May 26

Frequent lightning strikes and wind gusts in excess of 70 mph moved through the Dallas Fort Worth Metroplex in Texas Tuesday night and into Wednesday knocking out power to 56,000 Oncor customers. As of 3:30 p.m. EDT 5,602 customers remained without power. Oncor said restoration efforts from the storm were nearing completion with Jacksonville, Palestine, and surrounding areas estimated to have power restored by Thursday evening.

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

Preventative Structural Repairs Continue at Lewis Creek Reservoir Dam in Texas May 28; Normal Operations Resume May 26 at Entergy's 543 MW Gas-fired Lewis Creek Plant

Entergy reported it performed inspections of the Lewis Creek Reservoir dam with a geotechnical engineer and confirmed that the dam remains intact and previously installed protective covering continues to hold. Following rains on May 25 and 26, inspections revealed two new areas of soil movement, which was not unexpected, and will be covered with protective covering. With additional heavy rainfall a possibility, Entergy Texas, Inc. on May 28 stepped up placement of additional protective coverings along the levee as an extra precaution. The company said it will continue to work around the clock with remediation efforts and repair efforts will continue until all repairs are complete. Entergy said it has pre-positioned materials, such as covering and limestone in order to quickly mitigate new areas of soil movement. On May 26, the company notified the Midcontinent Independent System Operator (MISO), the reliability coordinator for Entergy, that Lewis Creek units 1 and 2 were available to resume normal operations. The company said it will continue monitoring the water level of the reservoir and will adjust as needed.

<http://www.energynewsroom.com/blog/lewis-creek-reservoir-updates/>

<http://www.energynewsroom.com/latest-news/lewis-creek-levee-remains-intact-more-preventive-measures-way/>

Watson Cogeneration Company's 417 MW Gas-fired Unit in California Reduced by May 27

The unit entered an unplanned curtailment of 227 MW.

<http://content.caiso.com/unitstatus/data/unitstatus201505271515.html>

TVA Clears Licensing Hurdle for Its 1,150 MW Watts Bar Nuclear Unit 2 in Tennessee

Tennessee Valley Authority (TVA) said on Wednesday it cleared a critical regulatory step in obtaining a full-power operating license for unit 2 at its Watts Bar nuclear power plant in Tennessee. The Nuclear Regulatory Commission voted to delegate the licensing authority to the Director of its Office of Nuclear Reactor Regulation. TVA's Chief Nuclear Officer said this was a critical step for keeping the project on track. Work on unit 2 was about 60 percent complete when it was halted in 1988 due to low power demand. In February, TVA said the project was about 95 percent complete. TVA expects the unit to start commercial operation between September and June 2016.

http://www.tva.com/news/releases/aprjun15/nrc_commissioners.html

APS Completes 500 kV Transmission Line Construction from Phoenix to Yuma, Arizona

Arizona Public Service (APS) recently completed construction of a 500 kV transmission line linking Phoenix to Yuma—one of the largest transmission construction projects in the west. The project will improve reliability for Yuma area customers and the entire southwest desert. The 110-mile transmission line runs from the Hassayampa substation to the North Gila substation in Yuma.

<https://www.aps.com/en/ourcompany/news/latestnews/Pages/aps-completes-one-of-the-largest-transmission-construction-projects-in-the-west.aspx>

SunEdison Plans 14 MW of Solar Generation through Long Island Power Authority's Clean Solar Initiative Tariff Program in New York

SunEdison, Inc. today announced that it signed agreements with five municipal entities on Long Island, New York to build seven solar power plants totaling at 14 MW. The electricity from these power plants will be sold to the Long Island Power Authority (LIPA) through separate 20 year power purchase agreements. Contracts with the Town of Southold, Town of Easthampton, Nassau County, Suffolk County, and the Suffolk County Water Authority were awarded as part of the LIPA 100 MW Clean Solar Initiative Feed-in Tariff program.

<http://investors.sunedison.com/phoenix.zhtml?c=106680&p=irol-newsArticle&ID=2053960>

Duke Energy Receives Approval for 5 MW Solar Facility in Florida May 27

Duke Energy Florida on Wednesday received approval to build, own, and operate a 5 MW solar facility that will serve the Reedy Creek Improvement District near Orlando. The Reedy Creek Improvement District Board of Supervisors voted to accept a 15-year power-purchase agreement with Duke Energy Florida Solar Solutions LLC, a subsidiary of Duke Energy Florida. Construction is expected to begin mid-summer with the facility to be in service by year end.

<http://www.duke-energy.com/news/releases/2015052701.asp>

Petroleum

Update: Kinder Morgan Suspends Operations at Pasadena, Texas Fuel Terminal Due to Power Outage Due to Lightning Strike in Texas; Houston Refineries Remain Unaffected from Severe Weather May 27

Kinder Morgan suspended service at its Jefferson Street petroleum products terminal in Pasadena, Texas, where trucks load gasoline and diesel, after lightning affected the area's electrical systems during severe storms and heavy rainfall that has been impacting Texas over the past few days. The truck racks at the terminal were scheduled to resume service on Tuesday, a company spokesman said. Pipeline operators and refiners including ExxonMobil and Enterprise Products Partners said they haven't been affected by the severe weather. A spokesperson for ExxonMobil said operations at its 560,500 b/d Baytown complex were normal. Phillips 66, which owns the 247,000 b/d Sweeny and 146,000 b/d Borger refinery in Texas, hasn't been affected by the storms, according to a company spokesman. A Valero Energy spokesman said there were no reports of injuries to employees or environmental impacts due to severe weather but couldn't comment on production rates. The company runs an 88,000 b/d refinery in Houston. An Enterprise Products Partners spokesperson said it hasn't had significant trouble at its storage terminals and pipelines due to the storms. Reuters reported that flooded roads and waterways did not substantially impact oilfield operations on the Permian and Eagle Ford shale formations and the state's pipelines and oil refineries also remain in operation.

<http://www.hydrocarbonprocessing.com/Article/3457087/Latest-News/Texas-storms-shut-some-fuel-terminal-operations-but-plants-go-uncathed.html>

<http://www.manufacturing.net/news/2015/05/texas-oil-industry-largely-unaffected-by-flooding>

Update: Canadian Wildfires Intensify Near Oil Sands Sites; 10 Percent of Oil Sands Crude Offline May 28

A wildfire burning in northeastern Alberta near two major oil sands projects nearly doubled in size to 42,000 acres on Wednesday, although firefighters made some progress tackling fires elsewhere in the oil-rich province. Current conditions have forced energy companies to shut in 233,000 b/d of production, or roughly 10 percent of total oil sands output. The Alberta Emergency Management Agency said the fire on the Canadian military's Cold Lake Air Weapons Range (CLAWR), near the oil sands projects, was still out of control. That fire has forced Cenovus Energy Inc and Canadian Natural Resources Ltd to shut down production and evacuate staff from their Foster Creek and Primrose oil sands projects. A wildfire information officer at the Alberta government said the fire had advanced to roughly 9.3 miles away from Cenovus's Foster Creek site. Although the two oil sands facilities are not threatened directly by the wildfire, it has closed the only access road to the projects. Both Cenovus and Canadian Natural said the status of their operations was unchanged on Thursday. Imperial Oil's chief executive on Thursday said the fire was just 3.7 miles away from one of the company's wells but there was little risk to Imperial's extensive operations in the region. A separate wildfire north of Conklin forced MEG Energy to evacuate nonessential staff and halt planned maintenance work at its Christina Lake oil sands project earlier this week. That fire has grown to 3,300 hectares and was still classed as out of control. A number of other oil sands projects across the province have evacuated staff and slowed operations due to other fires. Firefighters made some progress in tackling fires elsewhere in Alberta, with the number of fires burning dropping to 42 on Thursday morning from 63 on Wednesday afternoon.

<https://www.facebook.com/AlbertaWildfireInfo>

Reuters, 14:30 May 28, 2015

Update: EPA, Coast Guard Enforce Oil Spill Cleanup Requirements, Timeline to Plains All American in California May 27

The Environmental Protection Agency (EPA) and the U.S. Coast Guard on Wednesday issued a joint federal Clean Water Act order to ensure the cleanup of heavy crude oil leaked from a pipeline near Refugio State Beach, Santa Barbara County, California. The order requires Plains All American Pipeline (PAA), the pipeline owner and operator, to continue its cleanup work inland, beachside, and in the ocean, to contain the oil and prevent further shoreline contamination. The order establishes federally enforceable timelines and cleanup requirements for the long-term response action that will be required to clean up the spill. Since the 24-inch pipeline ruptured on May 19 with an estimated 105,000 gallons of heavy crude inside, trained cleanup crews have been working to capture and remove oil that has leaked from the pipeline, seeped into the soil, and reached the shoreline and ocean. The Coast Guard and EPA mobilized immediately after notification of the spill and integrated into a Unified Command with California Department of Fish & Wildlife's Office of Spill Prevention and Response and Santa Barbara County's Office of Emergency Management.

<http://yosemite.epa.gov/opa/admpress.nsf/8b770facf5edf6f185257359003fb69e/5d83d41952e76a1b85257e52007cd488!OpenDocument>

<http://www.refugioresponse.com/go/doc/7258/2517706/>

Flood Repairs Ongoing on Alaska's Dalton Highway; North Slope Transit Disabled Indefinitely

Repairs were underway on Alaska's Dalton Highway, despite some sections still being underwater, after unprecedented flooding from the Sagavanirktok River. The only road supplying Alaska's oil-producing North Slope has been closed for 10 days. No potential date for vehicle traffic has been set. Two independent contractors and Alaska Department of Transportation and Public Facilities (DOT) crews slowly began cleanup Sunday at the north and south ends of the closure—milepost 334.5 to milepost 414. Governor Bill Walker declared the highway a disaster on April 7; a second disaster declaration encompassing the entire North Slope Borough was announced on May 21. In late March, overflow from the Sagavanirktok River inundated the thoroughfare with ice and water up to two feet deep. Hundreds of trucks waited in line at one point; many gave up and drove south. Supplies had to be flown in to stranded workers. After roughly one week, crews cleared one lane for high-priority shipments, then operations resumed as normal. Expecting problems to return during breakup, DOT and oil companies stockpiled supplies. Record-breaking temperatures in Barrow and a week of temperatures 10 degrees or more above normal in the Brooks Range accelerated snow and ice melt. The result was more than two feet of water from the Sagavanirktok River rushing over the highway. Worker camps had to be evacuated, water encroached on Deadhorse Airport and a private bridge to Kurparuk oil field washed out. The trans-Alaska oil pipeline, which is buried adjacent to a large stretch of the Sagavanirktok River, hasn't been affected so far.

http://dot.alaska.gov/comm/pressbox/arch_2015/PR15-2530.shtml

<http://gov.alaska.gov/Walker/press-room/full-press-release.html?pr=7185>

http://www.newsminer.com/news/local_news/repairs-underway-on-flood-damaged-dalton-highway/article_ff45d1d4-04d8-11e5-ad72-536c3f574c19.html

Devon Energy, Apache Shut-in Oil, Gas Wells Due to Storms in Texas, Oklahoma May 27

Apache Corp. and Devon Energy Corp. said on Wednesday they have been shutting in some oil and gas wells as a precautionary measure because of heavy rains this week in Texas and Oklahoma. Apache said it was temporarily closing wells to prepare for flooding near the Brazos River in the Eagle Ford shale oil field in Texas. It said any production impact would likely be minimal as only a tiny portion of all its wells would be shut. Devon said it has shut in wells in affected areas, but did not specify where the closures were made or how many might be impacted. Reuters, 13:01 May 27, 2015

Imperial Oil Issues All Clear after Small Fire at Its 121,000 b/d Sarnia, Ontario Refinery May 28

Imperial Oil Ltd on Thursday issued an all clear alert for a small onsite fire at its Sarnia, Ontario refinery, according to a notice from the Sarnia-Lambton community alerting system. The notification added that the fire was quickly contained and extinguished within five minutes of identification.

Reuters, 8:52 May 28, 2015

Valero Says Emissions Due to Small Exchanger Leak at Its 330,000 b/d Port Arthur, Texas Refinery

Valero said a small leak in an exchanger led to the emissions report from a cooling tower at its Port Arthur, Texas refinery.

Reuters, 12:04 May 28, 2015

Phillips 66 Reports Process Unit Upset at Its 146,000 b/d Borger, Texas Refinery May 27

Phillips 66 reported a process unit upset at its Borger, Texas refinery. The unit involved in the upset did not shutdown and the equipment was restarted, according to a filing with the Texas Commission on Environmental Quality.

Reuters, 17:59 May 27, 2015

New York's DEC Enhancing Oil Spill Response Capability, Air Monitoring in Albany

New York's Department of Environmental Conservation (DEC) is increasing air monitoring at the Port of Albany and enhancing spill response capabilities along rail corridors as part of efforts to reduce health and environmental risks stemming from crude oil transport through the state. DEC's Commissioner said Wednesday the DEC will develop geographic response plans and deploy specialized spill response equipment along rail corridors used to move crude oil. The agency is working with state and local agencies in 21 counties to complete in-depth reviews of sensitive resources along the crude-by-rail transport corridors to determine where spill response equipment is needed. The response plans for all 21 counties are to be finished by April 2016.

<http://www.dec.ny.gov/press/101893.html>

Natural Gas

Tornado Hits Natural Gas Drilling Rig in Texas May 27

At least three people were injured on Wednesday when a tornado hit a natural gas drilling rig in northern Texas, the Hemphill County sheriff and a hospital official said. The drilling rig is near Canadian, about 100 miles northeast of Amarillo in the Texas panhandle. The Hemphill County Sheriff said there was "extensive damage to the doghouses," the general-purpose rooms adjacent to the rig floor.

Reuters, 21:49 May 27, 2015

ANR Extends Engine Maintenance at Its Woolfolk Compressor Station along Its Michigan Leg North Line May 28

ANR extended the planned and unplanned engine maintenance at its Woolfolk Compressor Station along its Michigan Leg North (MLN) located in the Northern Fuel Segment (ML-7). The company said this will reduce the total MLN northbound capacity by 186 MMcf/d (leaving 1,285 MMcf/d available) May 28–June 30. ANR said based on current nominations, it anticipates that the reduction will have no impact to services.

<http://anrebb.transcanada.com/>

Utilities on Track to Reach Record High Natural Gas Consumption for Power Generation

The amount of natural gas used to generate power in the U.S. was on track to reach the highest on record this year as low gas prices and the shutdown of dozens of coal plants spur utilities to burn more of the fuel. Gas used for power generation averaged 23.4 Bcf/d so far in 2015, up from 19.5 Bcf/d during the same period in 2014 and a 10-year average of 18.5 Bcf/d, according to Thomson Reuters Analytics. Power companies plan to shut 22,000 MW of coal generation in 2015 and 10,300 MW in 2016, according to Reuters and EIA data. Over the 10 years to 2014 they shut a total of about 28,600 MW of coal power. Generators shut older coal plants because relatively cheap gas from booming shale production has made it uneconomical to upgrade them to meet increasingly strict federal environmental rules.

Reuters, 15:05 May 28, 2015

Other News

Copper Theft Knocks Out Power to 1,700 AEP Customers in West Virginia May 26

AEP reported thieves stole copper from its Peyton power station leaving about 1,700 customers without power in Boone County, West Virginia. The outage lasted from 10:30 a.m. EDT until 12:30 p.m. EDT while crews worked to replace the stolen copper.

<http://www.wowktv.com/story/29169987/power-restored-in-boone-county-wv-after-copper-theft>

International News

Nothing to report.

Energy Prices

U.S. Oil and Gas Prices			
May 28, 2015			
	Today	Week Ago	Year Ago
CRUDE OIL West Texas Intermediate U.S. \$/Barrel	57.64	60.15	104.24
NATURAL GAS Henry Hub \$/Million Btu	2.82	2.98	4.43

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

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