



ENERGY ASSURANCE DAILY

Tuesday Evening, May 31, 2016

Electricity

Update: Alberta Oil Sands Cogeneration Capacity Increases to 637 MW May 31 – AESO

Cogeneration electric plants' output around Fort McMurray in Alberta, Canada increased to 637 MW by Tuesday morning from 527 MW on Friday afternoon, the Alberta Electric System Operator (AESO) said. With the restart of Suncor's Base plant generator, all Fort McMurray area generators that were shut since the fires started on May 1 have now returned to service with the exception of Suncor's MacKay River plant, which shut on May 4. There was about 3,200 MW of power cogeneration capacity serving the oil sands industry in Alberta, with about two-thirds located in the Fort McMurray area. Before the wildfires started, the Fort McMurray units were producing about 1,300 MW, according to local media reports.

Reuters, 8:06 May 31, 2016

Update: Exelon's 1,116 MW Peach Bottom Nuclear Unit 2 in Pennsylvania at Full Power by May 31

On the morning of May 30 the unit was operating at 87 percent. The unit was reduced to 80 percent on May 27, from full power, due to an invalid specified system actuation.

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

<http://www.nrc.gov/reading-rm/doc-collections/event-status/event/2016/20160531en.html>

Exelon's 1,022 MW Clinton Nuclear Unit in Illinois Reduced to 73 Percent by May 31

On the morning of May 30 the unit was operating at 99 percent.

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

Update: AES's 175 MW Redondo Gas-fired Unit 6 in California Returns to Service by May 30

The unit returned from an unplanned outage that began on May 28.

<http://content.caiso.com/unitstatus/data/unitstatus201605301515.html>

Calpine's 593 MW Metcalf Gas-fired Unit in California Shut by May 30

The unit entered an unplanned outage.

<http://content.caiso.com/unitstatus/data/unitstatus201605301515.html>

BHE Renewables' 310 MW Solar Star Unit 1 in California Shut by May 29

The unit entered an unplanned outage that began on May 25.

<http://content.caiso.com/unitstatus/data/unitstatus201605291515.html>

Update: PG&E's 407 MW Helms Hydro Unit 2 in California Returns to Service by May 28

The unit returned from an unplanned outage.

<http://content.caiso.com/unitstatus/data/unitstatus201605281515.html>

Update: Suncor Partially Restarts Operations near Fort McMurray as Wildfire Recedes in Northeastern Alberta May 31

Suncor Energy Inc.'s facilities north of Fort McMurray, Alberta were expected to partially restart by the end of the week, the company said on Sunday. The start-up of Suncor's Base Plant and MacKay River sites were under way, with "initial production" expected by the end of the week, the company said in a statement, which noted initial production at its Firebag site began early last week. A Suncor spokeswoman declined to specify the production volume expected as operations resume, but bitumen production capacities at Firebag and MacKay River are 203,000 and 38,000 barrels per day, respectively, and the Base Plant upgrader facility's capacity is 350,000 barrels a day, Suncor said.

Reuters, 17:13 May 29, 2016

<http://www.suncor.com/fort-mcmurray-fires>

Update: Delta's Monroe Energy Restarts FCCU at Its 185,000 b/d Trainer, Pennsylvania Refinery May 27 – Source

Delta Air Lines' Monroe Energy restarted the 50,000 b/d fluid catalytic cracking unit (FCCU) at its Trainer, Pennsylvania refinery late Friday after an upset earlier in the day, according to a person familiar with the plant's operations.

Reuters, 15:56 May 27, 2016

Update: Marathon Reports Leak on FCCU Heat Exchanger at Its 84,000 b/d Texas City, Texas Refinery May 25

Marathon Petroleum reported a tube leak was discovered from a heat exchanger on the fluid catalytic cracking unit (FCCU) at its Texas City, Texas refinery. The company said during inadvertent shutdown due to a lightning strike and subsequent start-up operations, some of the tubes in the identified heat exchangers were damaged. On May 19, one of the electrical sub-stations in the refinery was hit by lightning, which caused a plant wide shutdown, including the FCCU unit, the company said. Marathon said there were indications that there might be a leak into cooling water tower number 7, and a tube leak was discovered on May 25 on the south exchanger bank of the main column overhead in the FCCU.

Reuters, 22:04 May 27, 2016

Diesel HTU at Valero's 335,000 b/d Port Arthur, Texas Refinery Returns to Production May 27 – Sources

Valero Energy Corp returned the 47,000 b/d diesel gulfiner hydrotreater (HTU) to production on Friday at its Port Arthur, Texas refinery, said sources familiar with plant operations. Repairs were continuing on the 30,000 b/d jet fuel hydrotreater, the sources said. The work is expected to finish by early this week.

Reuters, 16:54 May 27, 2016

ExxonMobil Reports Unplanned Flaring, Hydrotreater Restart at Its 149,500 b/d Torrance, California Refinery May 31

ExxonMobil Corp reported unplanned flaring at its Torrance, California refinery, according to a filing with the South Coast Air Quality Management District. A source familiar with the refinery's operations also said the company restarted a hydrotreater and also plans to re-install an fluid catalytic cracking unit compressor on June 10. The source said the company expects to return to full operations by June 15.

Reuters, 21:20 May 30, 2016

Phillips 66 Reports Unplanned Flaring, Breakdown at Its 139,000 b/d Wilmington, California Refinery May 30

Phillips 66 reported unplanned flaring due to a breakdown at its Wilmington, California refinery, according to a filing with the South Coast Air Quality Management District.

Reuters, 21:20 May 30, 2016

Magellan Midstream, LBC Form Joint Venture to Expand Crude Oil and Condensate Infrastructure in Texas May 31

Magellan Midstream Partners and LBC Tank Terminals announced today a letter of intent for Seabrook Logistics, a 50/50 joint venture, to expand its crude oil and condensate storage, marine capacity, and pipeline infrastructure in the Houston Gulf Coast area. Seabrook Logistics proposes to construct up to 4 million barrels of additional storage for a total of nearly 5 million barrels adjacent to LBC's existing terminal in Seabrook, Texas. Further, Seabrook Logistics plans to connect this storage to Magellan's Houston crude oil distribution system with proposed 24-inch diameter pipelines. Seabrook Logistics also intends to construct one ship dock in addition to three new docks that can accommodate one ship and two barges, respectively. Both ship docks will be able to handle industry standard Aframax vessels with up to a 45-foot draft, providing marine access with flexible loading and unloading services at the Seabrook Logistics facility. The proposed expansion, which has been approved by the board of directors of both Magellan and LBC, is subject to receipt of necessary permits, regulatory approvals, and completion of binding agreements. A portion of the additional new storage and pipeline assets could be operational by the end of 2017. <http://www.magellanlp.com/magellannews/lbc.aspx?id=5C7E0933-9AA5-4463-94D8-63AB70FD7198>

Natural Gas

Enbridge Reports Its 150 MMcf/d Tilden Gas Plant in Texas Shut Due to Inclement Weather May 29

Enbridge reported its plant went down due to inclement weather conditions on May 29. All gas was routed to the flare to curtail emissions and the flow and process were adjusted to minimize downtime.

<http://www2.tceq.texas.gov/oce/eer/index.cfm?fuseaction=main.getDetails&target=234051>

Cheniere Announces Substantial Completion of Train 1 at Its Sabine Pass LNG Project in Louisiana May 31

Cheniere Energy Partners and Bechtel today announced on May 27 that substantial completion of Train 1 of the Sabine Pass liquefaction project (SPL project) in Cameron Parish, Louisiana had been achieved. Commissioning has been completed and Bechtel is turning over care, custody, and control of Train 1 to Cheniere Partners. Cheniere Partners, through its subsidiary, Sabine Pass Liquefaction (SPL), is developing and constructing natural gas liquefaction facilities at the Sabine Pass LNG terminal adjacent to the existing regasification facilities. Cheniere Partners, through SPL, plans to construct over time up to six liquefaction trains, which are in various stages of development and construction. Train 1 is complete and has achieved substantial completion, Train 2 is undergoing commissioning and is expected to begin producing LNG in due course, Trains 3 through 5 are under construction and Train 6 is fully permitted. Each liquefaction train is expected to have a nominal production capacity of approximately 4.5 million tonnes per annum (mtpa) of LNG. SPL has entered into six third-party LNG sale and purchase agreements that in the aggregate equate to approximately 19.75 mtpa of LNG and commence with the date of first commercial delivery of Trains 1 through 5 as specified in the respective SPAs.

<http://phx.corporate-ir.net/phoenix.zhtml?c=101667&p=irol-newsArticle&ID=2173453>

Kinder Morgan Withdraws FERC Application to Construct Northeast Energy Direct Pipeline from Pennsylvania to New York, New England May 30

Kinder Morgan has cancelled its application with the Federal Energy Regulatory Commission (FERC) for a federal permit to construct a network of compressor stations and its Northeast Energy Direct natural gas pipeline. The pipeline would have delivered natural gas from Pennsylvania's shale gas fields to upstate New York and New England. The company declared a month ago that it was deferring work on the project, due to loss of contracts with gas distribution firms.

Reuters, 1:03 May 30, 2016

Other News

Nothing to report.

International News

Update: Militants Attack ENI, Shell, Agip Pipelines in Nigeria's Delta May 28 – Officials

Militants attacked and blew up strategic gas and crude pipelines belonging to ENI, Shell, and Agip in Nigeria's southern, oil-producing Niger Delta on Saturday contributing to a 20-year low in oil output. The Niger Delta Avengers militant group reported on social media that they had dynamited the trunkline linking Shell's Bonny terminal and Agip's Brass export terminal and have given the oil companies a May 31 deadline to leave. Shell declared force majeure on Bonny Light loadings after a previous attack on the Nembe creek trunk pipeline, but some exports had been continuing with delays. Nigeria's oil production had already fallen from a projected 2.2 million b/d to 1.4 million b/d before the latest attacks, including three within the past week on Chevron-owned facilities causing several companies to evacuate its workers.

Reuters, 15:31 May 28, 2016

Reuters, 11:58 May 28, 2016

Reuters, 05:23 May 28, 2016

<http://finance.yahoo.com/news/militants-blow-shell-agip-pipelines-191144128.html>

Update: French Oil Port Workers Extend Strike May 30; Managers Take over Operations, Reopen Pipelines at CIM Oil Hub May 27

Workers at the CIM oil terminal that handles about 40 percent of French crude imports have voted to extend their strike at the Le Havre oil port hub until Wednesday, a CGT union official said. Le Havre is France's second-biggest oil port and the action by workers, part of nationwide strikes against a planned labor reform, has disrupted the delivery of crude to refineries and refined products clients. Managers took over operations at the CIM terminal on Friday after the government ordered pipelines to be reopened to allow supplies to flow. CIM, which supplies ExxonMobil's 240,000 b/d Port Jerome-Gravenchon refinery, is central to France's oil sector. The Port Jerome refinery is one of three refineries among the eight in France that has not been halted by the strike. The hub at Le Havre port has 2.4 million cubic meters of crude storage capacity and 1.7 million cubic meters of refined products storage capacity for jet fuel, diesel, petrol and naphtha. It also supplies jet fuel to the three airports in the French capital.

Reuters, 9:56 May 30, 2016

Energy Prices

U.S. Oil and Gas Prices			
May 31, 2016			
	Today	Week Ago	Year Ago
CRUDE OIL West Texas Intermediate U.S. \$/Barrel	49.05	48.02	59.50
NATURAL GAS Henry Hub \$/Million Btu	1.77	1.81	2.77

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>

Please direct comments and questions to: ead@oe.netl.doe.gov