



ENERGY ASSURANCE DAILY

Wednesday Evening, June 15, 2016

Electricity

Strong Storms Knock Out Power to Over 23,000 Customers in Michigan, Wisconsin June 14–15

Strong storms producing heavy rain and high winds knocked out power to at least 23,338 customers in Michigan and Wisconsin on Tuesday night into Wednesday. As of 2:30 p.m. EDT Wednesday, 585 customers remained without power. We Energies, one of the hardest hit utilities with 10,000 customer outages said that downed powerlines were the most common cause of its outages. 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.

| Michigan, Wisconsin Customer Power Outages | | | |
|--|-------|---------------|-----------------|
| June 14–15, 2016 | | | |
| Electric Utility | State | Affected | Latest Reported |
| Indiana and Michigan Power | MI | 1,438 | 53 |
| Consumers Energy | MI | 10,000 | 461 |
| We Energies | WI | 10,000 | 61 |
| Alliant Energy | WI | 1,900 | 10 |
| TOTAL* | | 23,338 | 585 |

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

Sources:

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

<https://www.consumersenergy.com/outagemap>

<http://www.we-energies.com/outagemapext/>

<http://www.alliantenergy.com/Customerservice/StormandOutageCenter/OutageSummary/>

<http://whc.com/news/articles/2016/jun/15/power-outages-in-ottawa-county/>

<http://www.wkow.com/story/32225833/1600-without-power-in-rock-co-because-of-downed-trees>

<http://fox6now.com/2016/06/15/we-energies-thousands-without-power-following-overnight-storms/>

<http://woodtv.com/2016/06/15/more-than-10k-without-power-in-kent-ottawa-counties/>

Update: Exelon’s 1,134 MW Limerick Nuclear Unit 2 in Pennsylvania at Full Power by June 15

On the morning of June 14 the unit was operating at 85 percent, reduced from full power on June 12.

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

Southern’s 839 MW Farley Nuclear Unit 2 in Alabama Reduced to 18 Percent by June 15

On the morning of June 14 the unit was operating at full power.

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

Campo Verde’s 139 MW Solar Unit in California Shut by June 14

The unit entered an unplanned outage.

<http://content.aiso.com/unitstatus/data/unitstatus201606141515.html>

PSE&G Breaks Ground on Its 540 MW Sewaren 7 Combined-Cycle Power Plant in New Jersey June 14

PSE&G on Tuesday broke ground on its Sewaren 7 power plant and commemorated its newly upgraded Sewaren Switching Station. The new Sewaren 7 power plant, which will replace the nearly 65-year-old, less-efficient generating units, will be a highly efficient, clean, dual-fuel, 540 MW combined-cycle plant. Sewaren 7 is targeted to be operational in time for summer of 2018.

<https://www.pseg.com/info/media/newsreleases/2016/2016-06-14.jsp#.V2Fc2rsrKCg>

<http://www.mycentraljersey.com/story/news/local/land-environment/2016/06/14/ground-broken-psegs-new-power-plant-woodbridge/85859868/>

Exelon May Shut Its 640 MW Nine Mile Point-1, 597 MW Ginna Nuclear Reactors in New York in 2017

Exelon Corp told the New York State Public Service Commission (PSC) that it needs to know by September whether the regulator will approve a compensation plan for nuclear generators, otherwise Exelon will shut its Nine Mile Point Unit 1 and Ginna reactors in 2017, according to letter filed Tuesday. New York is working on a plan called the Clean Energy Standard that would provide financial compensation to money-losing nuclear plants to keep them in service in part because they provide carbon free energy. The proposal by the state Department of Public Service stipulates Exelon's 597-MW Ginna reactor in Ontario, New York, and the 640-MW Nine Mile Point-1 and 1,205-MW Nine Mile Point-2 units in Oswego, as well as Entergy's 849-MW FitzPatrick in Oswego, would be eligible to receive payments via a zero-emissions credit, or ZEC, from state electricity retailers. The plants are losing money primarily due to low power and natural gas prices. The company said it needs certainty the state regulator will approve the Clean Energy Standard before it invests millions of dollars in the two reactors. The letter said Ginna operators must notify the PSC by September 30 whether it will continue to operate, noting this is the deadline for such notification under a reliability support services agreement (RSSA). Exelon proposed the PSC receives comments on the Clean Energy Standard no later than July 15 so it can issue an order no later than August 1.

<http://www.platts.com/latest-news/electric-power/washington/exelon-to-shut-nine-mile-point-1-ginna-reactors-21708658>

Reuters, 10:23 June 15, 2016

Petroleum

New York's Governor Announces \$12 Million for Downstate Service Station Resiliency, Storm Hardening June 13

New York's Governor on Tuesday announced the \$12 million Permanent Generator Initiative for the installation of permanent emergency generators at downstate retail service stations in order to ensure back-up power capacity after major storms and energy emergencies like Hurricane Sandy. This funding will advance efforts under the Governor's Fuel NY initiative to ensure strategically-located gas stations are operational and able to provide fuel to first responders and community residents when power is disrupted. It was developed as a direct response to gas shortages that occurred during Superstorm Sandy, and includes the nation's strongest back-up power requirements for gas stations in strategic locations.

<https://www.governor.ny.gov/news/governor-cuomo-announces-12-million-downstate-gas-station-resiliency-and-storm-hardening>

Update: Wolverine Pipe Line Reports Its Ruptured Pipeline in Michigan Fully Operational June 13 after Diesel Fuel Spill June 3

Wolverine Pipe Line Company announced June 13 that its pipeline in Van Buren County, Michigan was fully operational. On June 3, a farmer inadvertently struck the pipeline while doing excavation work, which resulted in a diesel fuel spill of about 190 barrels.

<http://fox17online.com/2016/06/13/ruptured-fuel-pipeline-repaired-in-vanburen-county/>

<http://wwmt.com/news/local/oil-pipeline-spill-in-van-buren-county>

ExxonMobil Reports Bomb Threat at Its 344,600 b/d Beaumont, Texas Refinery June 15

ExxonMobil Corp on Wednesday said its Beaumont, Texas refinery received a bomb threat, according to a community information line. ExxonMobil called for an employee shelter in place for their workforce and added it could not confirm that the threat was credible. There was no additional information available at this time.

Reuters, 13:31 June 15, 2016

Valero Reports Process Unit Upset at Its 335,000 b/d Port Arthur, Texas Refinery June 14

Valero Energy Corp reported a process unit upset that resulted in excess emissions at its Port Arthur, Texas refinery on Tuesday, according to a filing with the Texas Commission on Environmental Quality.
Reuters, 19:11 June 15, 2016

Phillips 66 Reports Wet Gas Compressor Restart at Its 146,000 b/d Borger, Texas Refinery June 14

Phillips 66 restarted the wet gas compressor and reported emissions at its Borger, Texas, refinery on Tuesday, according to a filing with the Texas Commission on Environment Quality.
Reuters, 18:04 June 14, 2016

BP to Pay \$275,000 for Violations at Its 413,500 b/d Whiting, Indiana Refinery – EPA

The U.S. Environmental Protection Agency (EPA) said BP Products North America Inc. has agreed to pay \$275,000 in penalties and reduce pollution at its Whiting, Indiana refinery to resolve water and air pollution violations. The claims stemming from a March 2014 spill of up to 39 barrels of oil into Lake Michigan. The resolution is subject to a 40-day public comment period.

<http://finance.yahoo.com/news/bp-pay-275k-resolve-whiting-refinery-violations-173350114.html>

Senator Murkowski Says Throughput Must Be Boosted on Trans-Alaska Pipeline System, Vital to West Coast Energy Security June 14

U.S. Senator Lisa Murkowski, chairman of the Senate Energy and Natural Resources Committee, in a Tuesday hearing examined U.S. energy infrastructure and highlighted the important role that oil and gas pipelines play in moving energy resources, creating jobs, and growing local economies. Murkowski reiterated that strong infrastructure is essential to keeping energy abundant, affordable, clean, diverse, and secure. Murkowski pointed to her home state of Alaska where the 800-mile Trans-Alaska Pipeline System (TAPS), which transports oil from Prudhoe Bay to the Port of Valdez, has become the gold standard for pipelines across the world. Since pipeline startup in 1977, Alyeska Pipeline, TAPS' operator, has successfully transported more than 16 billion barrels of oil and loaded more than 19,000 tankers at the Valdez Marine Terminal, and throughput in 2012 averaged less than 550,000 b/d with only four active pump stations remaining in the system. Murkowski's comments came during a hearing she chaired that focused on the important but often unrecognized benefits that oil and gas pipelines provide for our nation. Murkowski concluded Tuesday's hearing by pointing to pipelines as the safest and most efficient way to transport energy and called for the pipeline permitting process to be streamlined so that our nation can better benefit from its vast energy resources.

http://www.energy.senate.gov/public/index.cfm/republican-news?ContentRecord_id=9DB4BD6F-BB27-446B-BEE8-1367966B70EA

<http://www.alyeska-pipe.com/TAPS>

Update: Suncor Expects Wildfire to Cost Nearly \$778 Million – Sources

Suncor Energy told employees the massive Fort McMurray wildfire that struck northern Alberta in May will cost the company nearly \$777.91 million, two sources said on Tuesday. The wildfire, which forced the evacuation of the oil sands hub of Fort McMurray, also shuttered operations at facilities owned by Suncor and other producers in the region for weeks, and at one point cut Canada's crude output by more than one million b/d. Husky Energy and Cenovus Energy said on Tuesday wildfire costs would not be substantial, though the companies declined to provide an estimate. Suncor has several oil sands facilities, including the main mining site which has the capacity to produce up to 350,000 b/d. Last week Suncor said it expected to have its base plant operations back to pre-fire production rates within a week and all operations in the region producing at normal, pre-turnaround rates by the end of June. The sources said they were told that the company's thermal operations were not coming back online as quickly as hoped because of blockages, likely stemming from the shutdown of steam injections that melt the tarry bitumen in reservoirs. But they were also told Suncor had as much as 6 months' worth of available inventory at its main mining site, more than the typical amount of roughly 2 months.

Reuters, 18:08 June 14, 2016

U.S. Crude Oil Stockpiles Fall by 933,000 Barrels, Midwest Gasoline Stocks Fall 2.1 Million Barrels June 9 – EIA

U.S. crude oil inventories fell by 933,000 barrels to about 531.5 million barrels in the week ending June 10, the U.S. Energy Information Administration (EIA) reported, less than half the 2.3 million barrel decrease expected by analysts. Overall, crude inventories are down by about 11.9 million barrels since the last week of April. Meanwhile, Midwest gasoline stocks fell by 2.1 million barrels to 51 million barrels last week, the largest draw since March 2014.

Reuters, 11:24 June 15, 2016

Reuters, 10:44 June 15, 2016

North Dakota Oil Production down 70,000 b/d in April vs March to 1.04 Million b/d – Industrial Commission

Oil production in North Dakota fell by 70,000 b/d to 1.04 million b/d in April, monthly data from the state Industrial Commission showed. The 6 percent decrease in April was due to low crude prices forcing producers to cut back the drilling and fracking of new wells, according to state data released on Wednesday. There were only 28 drilling rigs in the state as of Wednesday compared to 77 one year ago. Meanwhile, natural gas production fell from March's all-time high to about 1.6 MMcf/d in April.

Reuters, 10:41 June 15, 2016

Reuters, 11:08 June 15, 2016

Hess Oil Storage Facility Leaks 32,000 Gallons of Saltwater in North Dakota June 14 – DMR

A Hess Corp oil storage facility in North Dakota on Tuesday leaked about 32,000 gallons of saltwater, the North Dakota Department of Mineral Resources (DMR) said. A transfer pump at a tank battery in Mountrail County failed, causing storage tanks to overflow, according to DMR. All liquids have been recovered and contained on site, a Hess spokesman said. A state inspector has been sent to the scene to monitor remediation, DMR said.

Reuters, 12:35 June 15, 2016

Natural Gas

Nothing to report.

Other News

Nothing to report.

International News

Update: Total Says French Protests Not Delaying Refinery Restart Operations June 14

Total said on Tuesday that a nationwide protest by the CGT trade union was not impacting restart operations at three of its five refineries in France, which are resuming production after being halted by strikes. Total said on Friday that it was restarting its Donges, Normandy, and Feyzin refineries after a 27-day strike by CGT against a planned government labor reform bill led to production shut downs. A Total spokesman said full restart operations were ongoing at the refineries as planned.

http://www.downstreamtoday.com/news/article.aspx?a_id=52549

Energy Prices

| U.S. Oil and Gas Prices | | | |
|--|-------|----------|----------|
| June 15, 2016 | | | |
| | Today | Week Ago | Year Ago |
| CRUDE OIL West Texas Intermediate U.S. \$/Barrel | 47.87 | 51.18 | 59.29 |
| NATURAL GAS Henry Hub \$/Million Btu | 2.52 | 2.29 | 2.76 |

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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