



ENERGY ASSURANCE DAILY

Tuesday Evening, June 21, 2016

Major Developments

Storms, Strong Winds Knock Out Power to Over 349,000 Customers in Quebec, Ontario June 20

Severe storms and high winds knocked out power to 290,246 Hydro Quebec customers in Quebec and 58,869 Hydro One customers Ontario on Monday. As of 3:30 p.m. EDT Tuesday, 90,676 Hydro Quebec customers and 4,371 Hydro One customers remain without power. Hydro Quebec said it had 260 crews, as well as teams from New Brunswick, working to restore power. The utility said repair work would likely continue for a few days. Hydro One said trees falling on power lines accounted for the bulk of its customer outages and expects the majority to be restored by late Monday night, although some areas may not be restored until Friday.

<https://twitter.com/hydroquebec>

<http://pannes.hydroquebec.com/pannes/bilan-interruptions-service/#map>

<http://nouvelles.hydroquebec.com/fr/pannes/hq/123/pannes-dans-plusieurs-regions-du-quebec-les-equipes-dhydro-quebec-sont-mobilisees-la-suite-des-nombreuses-pannes-causees-par-les-orages-violents-de-lundi-soir/>

<http://hydroone.mediaroom.com/2016-06-20-High-winds-and-severe-weather-knocks-out-power-to-more-than-36-000-Hydro-One-customers>

<http://www.hydroone.com/StormCenter3/>

https://twitter.com/HydroOne?ref_src=twsrc%5Egoogle%7Ctwcamp%5Eserp%7Ctwgr%5Eauthor

<http://www.cjad.com/cjad-news-quebec-beyond/2016/06/21/strong-winds-and-downed-trees-knockout-power-to-hundreds-of-thousands>

Electricity

Windstorm Knocks Out Power to 32,000 Indiana Michigan Customers in Indiana, Michigan June 20

Thunderstorms producing strong winds, heavy rain, and hail knocked out power to 22,000 Indiana Michigan Power customers in northern Indiana and 11,000 Indiana Michigan Power customers in southwestern Michigan on Monday night. Restoration efforts were being hindered by extensive damage to poles, cross arms, and power lines, an Indiana Michigan Power spokeswoman said. As of 3:30 p.m. EDT Tuesday, 10,914 customers in northern Indiana and 6,426 customers in southwestern Michigan remained without power.

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

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

<http://www.wndu.com/content/news/Over-12000-without-power-as-storms-spread-throughout-Indiana-Michigan-383676651.html>

Storms, High Winds Knock Out Power to Over 17,000 Customers in New York June 20

Thunderstorms producing heavy rain, wind, and lightning knocked out power to at least 17,306 customers in New York on Monday night. As of 3:30 p.m. EDT Tuesday, 1,860 customers remained without power. Saratoga and Fulton county customers lost power when storms stopped four different substations from energizing several northern counties, according to National Grid's communications business partner. Restoration efforts are hindered by the fact that much of the damage was off-road, where fallen trees make it difficult for service vehicles to get to the substations. 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.

New York Customer Power Outages			
June 20–21, 2016			
Electric Utility	State	Affected	Latest Reported
National Grid	NY	11,567	778
NYSEG	NY	3,844	872
Central Hudson Gas and Electric	NY	1,895	210
TOTAL*		17,306	1,860

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

Sources:

<https://www.nationalgridus.com/Upstate-NY-Home/Storms-Outages/Outage-Map>

<http://www.nyseg.com/Outages/outageinformation.html>

<http://stormcentral.cenhud.com/default.aspx>

<http://www.timesunion.com/local/article/Capital-Region-areas-without-power-after-8314724.php>

Greenville Light & Power Reports Brief Power Outage Affecting 14,000 Customers in Tennessee June 18; Cause Under Investigation

Officials at Greenville Light & Power System (GLPS) said they were investigating the cause of a power outage that affected 14,000 customers in Tennessee for about two hours on Saturday evening. Around 6:00 p.m. CDT on Saturday, a main circuit breaker at the utility's Tusculum delivery point opened, interrupting power to the utility's Baileyton, Locust Springs, Shiloh, Tusculum I, Cross Roads, and Snapps Ferry substations, GLPS's General Manager said.

<https://twitter.com/GLPS>

http://www.greenvillesun.com/news/local_news/greenville-light-power-probing-outage-that-left-customers-without-power/article_5086b023-0073-5db1-90b6-02c824ca01fa.html

Substation Fire Knocks Out Power to 10,300 SCE Customers in Southern California June 20

A substation fire knocked out power to approximately 10,300 Southern California Edison (SCE) customers on Monday afternoon. Crews were able to restore the majority of power within 2 hours, an official said.

<https://www.sce.com/wps/portal/home/outage-center/check-outage-status>

<http://www.presstelegram.com/general-news/20160620/sce-power-restored-to-all-by-2600-customers-in-downey>

Update: Entergy's 1,207 MW Grand Gulf Nuclear Unit 1 in Mississippi Ramps Up to 77 Percent by June 21

On the morning of June 20 the unit was operating at 48 percent after restarting and ramping up to 1 percent on June 19. The unit shut from full power on June 17 due to an automatic reactor scram during testing.

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

<http://www.nrc.gov/reading-rm/doc-collections/event-status/event/2016/20160620en.html>

Update: Solar Partners' 133 MW Ivanpah Solar Unit 2 in California Returns to Service by June 20

The unit returned from an unplanned outage that began on June 17.

<http://content.aiso.com/unitstatus/data/unitstatus201606201515.html>

Sempra's 155 MW Copper Mountain Solar Unit 2 in California Shut by June 20

The unit entered an unplanned outage.

<http://content.aiso.com/unitstatus/data/unitstatus201606201515.html>

Inland Empire Energy Center's 376 MW Gas-fired Unit 1 in California Shut by June 20

The unit entered an unplanned outage.

<http://content.caiso.com/unitstatus/data/unitstatus201606201515.html>

Ocotillo Express' 265 MW Wind Unit in California Reduced by June 20

The unit entered an unplanned curtailment of 119 MW.

<http://content.caiso.com/unitstatus/data/unitstatus201606201515.html>

PG&E to Retire Its 2,323 MW Diablo Canyon Nuclear Power Plant in California by 2025

Pacific Gas & Electric (PG&E) today announced a Joint Proposal with labor and leading environmental organizations that would increase investment in energy efficiency, renewables, and storage beyond current state mandates while phasing out PG&E's generation of nuclear power in California by 2025. The Joint Proposal would replace power produced by two nuclear reactors at the Diablo Canyon Power Plant with a cost-effective, greenhouse gas free portfolio of energy efficiency, renewables and energy storage. PG&E intends to operate Diablo Canyon to the end of its current NRC operating licenses, which expire for Units 1 and 2 on November 2, 2024 and August 26, 2025, respectively.

<http://www.pge.com/en/about/newsroom/newsdetails/index.page?title=20160621>

NextEra Energy, AutoGrid to Offer New Demand Response Programs in PJM June 21

NextEra Energy Services and AutoGrid Systems on Tuesday introduced two new demand response programs for commercial and industrial customers located in PJM markets. NextEra Energy Services is offering ControlComm powered by AutoGrid's Demand Response Optimization & Management System. The platform provides business customers opportunities to lower their energy bills by adjusting their energy consumption manually or with an automated solution, during times of peak energy demand or high wholesale electricity prices.

<http://www.businesswire.com/news/home/20160621006080/en/>

Reuters, 11:16 June 21, 2016

Petroleum

California Refineries Face Potential Gas Curtailments This Summer Due to Aliso Canyon Capacity Reduction

California state agencies are working on a plan to prioritize natural gas supply rationing should supplies run short due to limited operations at Southern California Gas Co.'s 86 Bcf Aliso Canyon natural gas storage facility. A curtailment of natural gas supply to California's refineries would force them to stop operations since natural gas is used as a feedstock to produce hydrogen, which is essential for removing sulfur from fuels. Refineries also use natural gas to fuel cogeneration power plants that produce electricity and steam for its process units. The rationing plan is designed to give refiners advanced notice of such an eventuality in order to allow lead time for halting process units in a safe fashion.

Reuters 16:56, June 20, 2016

ExxonMobil Reports Equipment Malfunction at Its 238,600 b/d Joliet, Illinois Refinery June 20

ExxonMobil reported an equipment malfunction at its Joliet, Illinois refinery on June 20, according to a filing with the Illinois Emergency Management Agency.

Reuters, 4:13 June 21, 2016

Shell Shuts FCCU for Repairs at Its 316,000 b/d Deer Park, Texas Refinery June 21 – Sources

Royal Dutch Shell Plc shut the 70,000 b/d fluidic catalytic cracking unit (FCCU) at its joint-venture Deer Park, Texas refinery on Tuesday for unplanned repairs, said sources familiar with plant operations. The FCCU is expected to return to production by early next week after a leak in pipeline on the unit is repaired, the sources said. The Deer Park refinery is 50-50 joint venture between Shell and Pemex.

Reuters, 12:42 June 21, 2016

Phillips 66 Reports Emissions from Coker Flare at Its 247,000 b/d Sweeny, Texas Refinery June 21

Phillips 66 reported emissions from the coker flare at its Sweeny, Texas refinery on June 21, according to a filing with the Texas Commission on Environmental Quality.

Reuters, 1:18 June 21, 2016

Alon Reports Emissions at Its 70,000 b/d Big Spring, Texas Refinery June 20

Alon USA Energy reported emissions from the northeast flare at its Big Spring, Texas refinery on June 20, according to a filing with the Texas Commission on Environmental Quality.

Reuters, 19:38 June 20, 2016

Update: PBF Working with ExxonMobil on Crane Accident at 149,000 b/d Torrance, California Refinery June 20

PBF Energy said it was working with ExxonMobil Corp to understand the impact on refinery operations after a 300-ton crane tipped over and collapsed while working on the fluidic catalytic cracking unit (FCCU) on Monday.

Reuters, 20:04 June 20, 2016

Chevron Reports Flaring, Unit Shutdown at Its 245,271 b/d Richmond, California Refinery June 19

Chevron Corp reported flaring and a unit shutdown at its Richmond, California refinery on June 19, according to a filing with the Contra Costa Health Department. Chevron reported the unit was in the process of being depressurized

Reuters, 19:31 June 20, 2016

Chevron Reports Unplanned Flaring, Breakdown at Its 265,500 b/d El Segundo, California Refinery June 21

Chevron Corp reported unplanned flaring due to a breakdown at its El Segundo, California refinery, according to a filing with the South Coast Air Quality Management District.

Reuters, 5:32 June 21, 2016

Iowa DNR Grants Sovereign Lands Construction Permit Amendment for Dakota Access Crude Oil Pipeline

State officials with the Iowa Department of Natural Resources (DNR) have revoked a stop-work order on the Dakota Access crude oil pipeline project in which tribal officials object to disrupting sacred American Indian land and burial grounds in northwest Iowa. A DNR spokesman told The Des Moines Register that the state department granted Texas-based Dakota Access LLC an amendment to its sovereign lands construction permit. The segment of the system will be located about 85 feet underground in the Big Sioux River Wildlife Management Area and developed using special equipment rather than digging a trench for the route. The 450,000 b/d Dakota Access project is a new 1,168-mile, 30-inch diameter pipeline that will connect the rapidly expanding Bakken and Three Forks production areas in North Dakota to Patoka, Illinois. The pipeline will enable domestically produced light sweet crude oil from North Dakota to reach major refining markets in a more direct, cost-effective, safer and environmentally responsible manner. The pipeline will also reduce the current use of rail and truck transportation to move Bakken crude oil to major U.S. markets to support domestic demand. Shippers will be able to access multiple markets, including Midwest and East Coast markets as well as the Gulf Coast via the Nederland, Texas crude oil terminal facility of Sunoco Logistics Partners. Pending regulatory approvals, the pipeline is projected to be in service by the fourth quarter of 2016.

Reuters, 02:46 June 21, 2016

<http://www.desmoinesregister.com/story/news/politics/2016/06/20/bakken-pipeline-run-under-sacred-tribal-site/86155990/>

<http://www.daplpipelinefacts.com/>

City of Vancouver Launches Judicial Review in Attempt to Block Kinder Morgan's 890,000 b/d Trans Mountain Pipeline Expansion Project June 21

The City of Vancouver has filed with the Federal Court of Appeal an application for a judicial review of the National Energy Board's (NEB) decision to conditionally recommend Kinder Morgan's Trans Mountain pipeline expansion project, citing that it is both invalid and unlawful. The city claims that throughout the NEB's review, it raised significant concerns about the process, which excluded any opportunities for oral cross-examinations of experts and evidence, provided inadequate information sharing, and failed to properly consult affected communities along the pipeline and tanker routes. In a statement, Vancouver's Mayor said the NEB ignored key pieces of scientific evidence showing the potential for real and catastrophic damage to local waters in the event of an oil spill, and the impact of an expanded pipeline on greenhouse gas emissions both locally and abroad. The NEB said last month that it had found the \$5.31 billion project, which would boost the system's capacity from 300,000 b/d to 890,000 b/d and the number of oil tankers in Vancouver waters nearly seven-fold, would not cause significant harm to the environment. The NEB's recommendation on the project must still be reviewed by Prime Minister Justin Trudeau's cabinet, with a final decision expected in December.

<http://vancouver.ca/news-calendar/city-launches-judicial-review-of-kinder-morgans-pipeline-expansion.aspx>
http://www.downstreamtoday.com/news/article.aspx?a_id=52584

DOI to Unveil Tougher Environmental Safeguards for Offshore Drillers

The Department of Interior's (DOI) Bureau of Ocean Energy Management (BOEM) plans in the coming weeks to unveil tougher financial requirements for offshore oil producers aimed at protecting taxpayers from the risk of cleaning up abandoned oil rigs, an agency executive told Reuters. Under the new guidelines, BOEM will demand additional guarantees to cover producers' legal obligation to plug offshore wells and dismantle rigs in the Outer Continental Shelf once they have extracted oil and gas, according to the chief of Strategic Resources at the agency. Currently, companies are exempt from providing supplemental bonds for the decommissioning cleanup-process if the total estimated liability is less than half of their net worth. More than 80 bankruptcy filings by North American oil and gas producers since the beginning of 2015 have triggered concerns at the agency that companies would walk away from clean-ups. BOEM proposed stricter bonding rules in September 2015, which will demand more capital of more companies and are on track to be implemented this year. If a company defaults on its financing obligations, the government will track down previous owners or operators of the wells. Leases on many of the wells were originally owned by oil majors like BP, Royal Dutch Shell, Exxon Mobil, and Chevron.

http://www.rigzone.com/news/oil_gas/a/145178/US_Offshore_Regulator_to_Unveil_Tougher_Environmental_Safeguards

Enbridge to Spend \$7 Million in Preparation for Potential Straits of Mackinac Oil Spill in Michigan

Enbridge said on Monday that it will spend \$7 million over the next two years on additional equipment that could be deployed quickly in the event of a spill. The Canadian company operates twin oil pipelines in the area where Lakes Huron and Michigan converge, known as the Straits of Mackinac. The company said its purchases would include skimming and containment devices that would help crews recover oil quickly in open water and even during icy conditions in the Straits of Mackinac. Enbridge announced the equipment buys as it kicked off a three-day public relations tour in northern Michigan, to include public barbecues in six towns featuring presentations and exhibits designed to convince residents the pipeline known as "Line 5" has never leaked, is structurally and mechanically intact, and poses no risk to the scenic area and its tourism-based economy. Line 5, which carries nearly 23 million gallons of light crude oil and liquefied natural gas daily, runs underground across northern Wisconsin and the southern tier of Michigan's Upper Peninsula before dividing into two sections that extend across the bottom of the Straits of Mackinac, as deep as 270 feet. From there, it continues underground to refineries in Sarnia, Ontario. Numerous elected officials, including some members of Congress and Michigan's attorney general, have raised concerns about the 63-year old pipeline since another Enbridge pipeline ruptured in southern Michigan in 2010, releasing more than 800,000 gallons of oil into the Kalamazoo River and a tributary creek. Enbridge says the underwater section is inspected regularly — from inside and outside — and monitored continuously from its operations center, where staffers who detect a problem could remotely stop the flow within three minutes. The U.S. agency that regulates pipelines recently released a consultant's study that found no corrosion issues with the pipes, but critics noted it relied on Enbridge data. Enbridge's senior manager for emergency response said the company has taken additional steps to prepare for the worst, including basing a permanent crew in the straits-area town of St. Ignace, ordering eight custom-made remediation devices for the straits area, and two "bucket skimmers" that can scrub oil from patches of ice.

Reuters, 01:01 June 21, 2016

Natural Gas

SoCalGas Issues Emergency Curtailment for San Diego Area Due to Compressor Station Outage in California June 19

Southern California Gas Co. (SoCalGas) issued an emergency curtailment for the San Diego area on Sunday night due to an outage at an unspecified gas compressor station. The natural gas curtailment affected certain power plants, but did not cause rotating power outages, according to the local utility, San Diego Gas & Electric.
Reuters 16:56, June 20, 2016

Other News

Nothing to report.

International News

Nigeria's Oil Exports Remain in May Steady despite Militant Attacks

Nigeria kept exporting crude oil at a largely steady pace in May, though below historical levels, despite repeated militant attacks on its infrastructure that drove output down to 30-year lows this spring, Windward and Thomson Reuters data showed. Data showed May exports dropping by just 62,000 b/d from April to 1.89 million b/d. Nigeria's oil industry has been contending with a wave of militant attacks that took out the Forcados crude oil stream in February and affected Bonny Light, Brass River, and Escravos in May mainly by targeting pipelines taking crude to export terminals.
Reuters, 8:30 June 21, 2016

Arab Gulf Crude Oil Exports Rise Above 130 Million Barrels June 18

Crude oil exports from the Arab Gulf rose above 130 million barrels in the week ending June 18, according to Thomson Reuters' Lead Oil Analyst for the Middle East and Africa. The export increase in the week ending June 18 follows gains of 9 million barrels from May 21 to May 28, compared to the week prior, and a total export figure of 121 million barrels in the seven days ending May 28.

http://www.rigzone.com/news/oil_gas/a/145169/Arab_Gulf_Crude_Exports_Rise_Above_130_Million_Barrels

Energy Prices

U.S. Oil and Gas Prices			
June 21, 2016			
	Today	Week Ago	Year Ago
CRUDE OIL			
West Texas Intermediate U.S.	48.90	48.44	60.36
\$/Barrel			
NATURAL GAS			
Henry Hub	2.73	2.52	2.93
\$/Million Btu			

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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