



ENERGY ASSURANCE DAILY

Tuesday Evening, July 12, 2016

Electricity

Strong Storms Knock Out Power to 25,000 Georgia Power Customers July 11–12

Strong storms knocked out power to at least 25,000 Georgia Power customers on Monday night into Tuesday. High winds knocked down trees and powerlines, contributing to the power outages. As of 3:30 p.m. EDT Tuesday, 355 customers remained without power.

<http://outagemap.georgiapower.com/external/default.html>

<https://twitter.com/georgiapower?WT.svl=tw3&hp=rfy> twitter

<http://www.wtoc.com/story/32417927/georgia-power-outage-affecting-almost-4000-customers>

Severe Storms Knock Out Power to Over 18,500 WPS Customers in Wisconsin July 12

Severe winds, heavy rain, and lightning knocked out power to over 18,500 Wisconsin Public Service (WPS) customers in the Rhinelander, Tomahawk, Eagle River, and Minocqua areas early Tuesday morning. As of 3:30 p.m. EDT Tuesday, 3,695 customers remained without power. WPS expects to have power restored to the majority of its customers by Tuesday evening.

<https://accel.wisconsinpublicservice.com/outagesummary/view/outagegrid.aspx>

<https://twitter.com/WIPublicService>

PSEG's 1,170 Salem Nuclear Unit 2 in New Jersey Shut July 11

PSEG's Salem nuclear unit 2 in New Jersey shut on Monday shortly after it came back in service after a generator indicated there might be a problem. The plant began sending electricity to the regional power grid at 6:35 a.m. EDT Monday, but automatically shut down again at 1:50 p.m. EDT, a PSEG spokesman said. The cause of the shutdown was under investigation. Previously, the reactor automatically tripped offline on June 28 after its generator shut on an alarm. It was determined that rainwater had leaked through gaskets on the generator's electrical system.

Reuters, 6:46 July 12, 2016

Exelon's 802 MW Three Mile Island Nuclear Unit 1 in Pennsylvania Reduced to 85 Percent by July 12

On the morning of July 11 the unit was operating at full power.

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

Exelon's 1,161 MW Braidwood Nuclear Unit 1 in Illinois Reduced to 73 Percent by July 12

On the morning of July 11 the unit was operating at full power.

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

Exelon's 1,154 MW Braidwood Nuclear Unit 2 in Illinois at Full Power by July 12

On the morning of July 11 the unit was operating at 90 percent, reduced from full power on June 10.

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

Update: AES's 175 MW Alamitos Gas-fired Unit 2 in California Returns to Service by July 11

The unit returned from an unplanned outage that began on July 10.

<http://content.caiso.com/unitstatus/data/unitstatus201607111515.html>

Update: RRI Energy's 320 MW Etiwanda Gas-fired Unit 3 in California Returns to Service by July 11

The unit returned from an unplanned outage that began on July 9.

<http://content.aiso.com/unitstatus/data/unitstatus201607111515.html>

Campo Verde's 139 MW Solar Unit in California Shut by July 11

The unit entered an unplanned outage.

<http://content.aiso.com/unitstatus/data/unitstatus201607111515.html>

New York Public Service Commission Proposes Nearly \$1 Billion Subsidy for Struggling Nuclear Plants

The New York Public Service Commission (PSC) is proposing to pay upstate nuclear power plants a total of up to \$965 million over two years in order to keep the reactors in service and meet the state's carbon reduction goals, according to a report seen on Tuesday. Several nuclear plants in New York and across the country are in danger of shutting over the next few years because power prices are lower than reactor operating costs due to low natural gas prices, staff at the PSC said in the proposal issued July 8. Reactors eligible for the program are Exelon Corp's 614 MW Ginna and 1,937 MW Nine Mile Point Units 1 and 2, and Entergy Corp's 882 MW FitzPatrick, according to the report. Entergy has already said it would shut FitzPatrick in early 2017. Entergy's 2,069 MW Indian Point Units 2 and 3 were not included in the program, at least for the first two years, because downstate power prices were expected to remain high enough to cover the plant's operating and other costs, the report said. Entergy is seeking to renew the operating licenses for the two Indian Point reactors, while New York Governor Andrew Cuomo has opposed the continued operation of the plant because it is located in the heavily populated New York metropolitan area about 40 miles north of New York City. The nuclear subsidy proposal is also part of the state's Clean Energy Standard, which aims to generate 50 percent of the State's total electricity consumption from clean and renewable energy sources by 2030.

<https://twitter.com/NYSDPS>

Reuters, 11:21 July 12, 2016

Petroleum

WPX Energy Reports Storage Fire at Its Oil Production Site in New Mexico July 11

WPX Energy responded early on Tuesday morning to an oil storage fire that began Monday night at its San Juan County production site, and was burning out naturally due to the intensity of the heat. While there were no reported injuries, the company shut-in all wells at the site and closed piping valves that were permitting the flow of oil to the storage tank area. All 36 temporary storage tanks at the site, which held either oil or produced water, caught fire and burned. The company said the temporary tanks were supporting initial flowback operations from the 6 new oil wells that began producing last week. Additionally, initial media reports of a drilling rig explosion at the site were erroneous as no drilling activity was taking place at the site, WPX said. At this time the cause of the incident is still unknown, but an investigation will commence once the fire has been completely extinguished.

<https://wpxnewmexico.com/2016/07/12/update-3-fire-dwindling-air-quality-monitoring-occurring/>

<https://wpxnewmexico.com/2016/07/12/update-2-fire-weakening/>

Update: Unplanned Work Continues at Tesoro's 120,000 b/d Anacortes, Washington Refinery June 8

Tesoro Corp on June 30 reported unplanned work was underway at its Anacortes, Washington refinery. On July 8, Genscape reported increased heating at a 52,000 b/d fluid catalytic cracking unit beginning on July 7—the first activity from the unit since it was shut in late June.

Reuters, 10:44 July

Update: FCCU, Hydrotreater Shut at PBF Energy's 149,500 b/d Torrance, California Refinery July 10 – Source

A fluid catalytic cracking unit (FCCU) and hydrotreater shut at PBF Energy's newly-acquired Torrance, California refinery following an upset on Monday, a source familiar with the matter said on Tuesday. PBF on Monday said it experienced an unplanned flaring event at the facility. PBF acquired the refinery from ExxonMobil on July 1.

Reuters, 10:50 July 12, 2016

Phillips 66 Reports Process Upset at Its 44,500 b/d Santa Maria Upgrading Facility in California July 12

Phillips 66 reported a process upset that caused a 23 minute flaring event at its Santa Maria upgrading facility in Arroyo Grande, California, according to a filing with the California Emergency Management Agency. Phillips 66 said the facility returned to normal operations.

Reuters, 13:14 July 12, 2016

NEB Suspends Review of Enbridge's Northern Gateway Crude Oil Pipeline Permit Extension July 8

Canada's National Energy Board (NEB) on Friday said it suspended a review of Enbridge Inc.'s request to extend its permit for the proposed Northern Gateway crude oil pipeline project, which would carry oil from the Alberta oil sands to a port in northern British Columbia for export. Enbridge had filed a request with the NEB in May for a three-year extension of the permit as it sought greater legal and regulatory certainty.

<http://news.gc.ca/web/article-en.do?mthd=tp&crtr.page=1&nid=1096439&crtr.tpID=1>

http://www.downstreamtoday.com/news/article.aspx?a_id=52722

Natural Gas

Regency Reports AGI Compressor Shut at Its 290 MMcf/d Waha Gas Plant in Texas July 11

Regency reported the acid gas injector (AGI) shut on high suction temperature. The reflux cooling fan motor was replaced and the amine pressures were lined out. The AGI was restarted multiple times prior to the fan motor being replaced and would run until suction temperature reached the shutdown set point.

<http://www2.tceq.texas.gov/oce/eer/index.cfm?fuseaction=main.getDetails&target=237273>

Enable Midstream Completes Its 200 MMcf/d Bradley II Processing Plant in Oklahoma July 11

Enable Midstream Partners on Monday announced that its Bradley II natural gas processing plant in Grady County, Oklahoma was fully operational. The new Bradley II Plant is a state-of-the-art cryogenic natural gas processing plant and is the ninth processing plant to be connected to Enable's super-header processing system, a large-diameter pipeline system with the capacity to process almost 1.7Bcf/d of natural gas.

<http://enablemidstream.investorhq.businesswire.com/press-release/company-news/enable-midstream-completes-bradley-ii-processing-plant>

FERC Affirms BP Fine for Alleged Natural Gas Market Manipulation in 2008

The U.S. Federal Energy Regulatory Commission (FERC) affirmed an administrative law judge's decision against BP and ordered the company to pay a civil penalty of \$20,160,000 for allegedly manipulating the natural gas market in Texas in 2008. FERC also ordered BP to expel \$207,169 in unjust profits received as a result of its alleged manipulation, according to an order issued late Monday. BP said it will seek a rehearing before the FERC and ultimately appeal to the U.S. Court of Appeals if necessary. FERC issued an order in May 2014 establishing a hearing to determine whether BP violated the Natural Gas Act after FERC's Office of Enforcement said in that BP traders made uneconomic physical gas sales to suppress the Houston Ship Channel Gas Daily index and boost the value of BP's financial position during September and November of 2008.

Reuters, 13:46 July 12, 2016

Other News

RFA Reports PEC to Add Gas Pumps for Higher Ethanol Blends in Illinois July 12

Power Energy Corporation (PEC) will revamp gas pumps to offer fuel blends with higher ethanol content at 20 Illinois service stations with \$1.44 million from the U.S. government, the Renewable Fuels Association (RFA) said in a statement on Tuesday. PEC will use the money to help install underground storage tanks and new dispensers for higher ethanol blends known as E15, E30, and E85 in stations in the Chicago metropolitan area. The funding was through a biofuels infrastructure program from the U.S. Department of Agriculture, part of the government's efforts to boost use of renewable fuels like ethanol in gasoline. Most gasoline in the U.S. contains around 10 percent ethanol.

<http://www.ethanolrfa.org/2016/07/retailer-awarded-1-44-million-grant-to-offer-higher-ethanol-blends-at-20-stations/>

<http://www.publicnow.com/view/8393D0AA3ECD37D581059ACE14B49F1F77FBD84A>

International News

Libya's Government in Talks to Reopen Two Major Oil Ports, Lift Force Majeure July 11

Libya's U.N.-backed government in Tripoli is in negotiations with an armed brigade controlling the Ras Lanuf and Es Sider oil ports, which have a combined export capacity of 600,000 b/d, to reopen the terminals and lift a force majeure on exports, a member of its ruling council said on Monday. The two ports have been closed since 2014 after fighting between armed factions to control them. Together, militant attacks and conflict between the two rival governments have kept Libya's oil production at around 350,000 b/d, equivalent to less than a quarter of its output before the 2011 uprising that ousted Muammar Gaddafi.

http://www.downstreamtoday.com/news/article.aspx?a_id=52736

ExxonMobil Says No Attacks at Its Nigerian Facilities despite Militants' Claim July 11

ExxonMobil Corp said on Tuesday that no attacks had taken place at its facilities after Nigerian militant group, the Niger Delta Avengers, said it had blown up ExxonMobil's 48-inch Qua Iboe crude oil export pipeline. Late on Monday, the group said on its website that it had blown up an ExxonMobil facility. The group has claimed responsibility for a series of attacks in Nigeria's southern oil hub.

Reuters, 20:14 July 11, 2016

Energy Prices

U.S. Oil and Gas Prices			
July 12, 2016			
	Today	Week Ago	Year Ago
CRUDE OIL			
West Texas Intermediate U.S.	46.77	46.68	52.69
\$/Barrel			
NATURAL GAS			
Henry Hub	2.85	2.88	2.68
\$/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>

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