



ENERGY ASSURANCE DAILY

Thursday Evening, July 16, 2015

Electricity

Update: Power Restoration Efforts Continue to Over 21,000 Customers in Midwest, Southeast July 16 after Multiple Storms Hit July 12–14

Severe thunderstorms beginning Sunday night through Monday with a second line of storms on Tuesday knocked out power to 271,400 customers in Minnesota, Indiana, Illinois, Kentucky, West Virginia, and Virginia. Tuesday’s events caused additional outages including 28,000 Kentucky Power and 15,000 Appalachian Power customers. As of 3:30 p.m. EDT Thursday, 21,519 customers remained without power. Indianapolis Power and Light estimates full restoration to be complete by the end of the week. Kentucky Power said most customers can expect service restored by midnight Friday although some customers may not have their power restored until late Saturday evening. Minnesota Power said while restoration efforts continue, it’s evident the extent of damage to infrastructure is worse than originally thought. Depending on the severity of damage in their neighborhoods, electric service may not be restored to some customers until this weekend. Appalachian Power expects most areas to have service restored by tonight, but restoration in harder-hit areas may continue into Friday evening.

Midwest, Southeast Customer Power Outages			
July 12–16, 2015			
Electric Utility	State	Total Affected	Latest Reported
Ameren Illinois	IL	29,000	2,659
Indianapolis Power and Light (IPL)	IN	74,400	3,634
Kentucky Power	KY	60,000	8,495
Minnesota Power	MN	8,000	2,699
Appalachian Power	VA/WV	100,000	4,032
TOTAL*		271,400	21,519

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

Sources:

<https://twitter.com/AmerenIllinois>

<https://www.ameren.com/outage-center/outage-map>

<http://apps.iplpower.com/outages/outagemap.aspx>

https://www.iplpower.com/Our_Company/Newsroom/2015/Restoration_efforts_continue_in_IPL_service_territory/

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

<https://www.kentuckypower.com/outages/details.aspx?stormName=July+13+Thunderstorms>

<http://www.mnpower.com/OutageCenter/OutageMap>

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

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

<https://www.appalachianpower.com/outages/details.aspx?stormName=July+13+Severe+Storm+Squall+Line+-+TN%2c+VA%2c+WV>

Update: 5,000 Alabama Power Customers Remain without Power in Alabama July 16 after Thunderstorms Hit July 14

Alabama Power reported that as of 9 a.m. CDT it had restored power to more than 110,000 customers, down from a peak of 115,000 affected at the height of Tuesday night’s thunderstorms. The hardest hit area was North-Central Alabama, including the metro Birmingham area due to downed trees and power lines.

<https://twitter.com/alabamapower>

<http://alabamanewscenter.com/2015/07/16/restoration-efforts-wind-down/>

Update: AES's 175 MW Alamitos Gas-fired Unit 2 in California Returns to Service by July 15

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

<http://content.caiso.com/unitstatus/data/unitstatus201507151515.html>

Update: Campo Verde Solar's 139 MW Solar Unit in California Returns to Service by July 15

The unit returned from an unplanned outage that began on July 14.

<http://content.caiso.com/unitstatus/data/unitstatus201507151515.html>

DOJ, EPA Reach Settlement with Alliant Energy to Reduce Emissions from Seven Coal-Fired Power Plants in Iowa

In a settlement announced Wednesday by the Department of Justice (DOJ) and the Environmental Protection Agency (EPA), Interstate Power and Light, a subsidiary of Alliant Energy, agreed to install pollution control technology and meet stringent emission rates to reduce harmful air pollution from the company's seven coal-fired power plants in Iowa. The settlement also requires Interstate Power and Light to spend a total of \$6 million on environmental mitigation projects and pay a civil penalty of \$1.1 million to resolve alleged violations of the Clean Air Act. Under the settlement, Interstate Power and Light will install and continuously operate new and existing pollution control technology at its two largest plants in Lansing and Ottumwa, Iowa, and will retire or convert its remaining five plants to cleaner-burning natural gas. Interstate Power and Light will also be required to spend \$6 million on environmental mitigation projects. The company will choose from five potential projects which include installing solar energy and anaerobic digester technology, replacing coal-fired boilers at schools with lower-emissions equipment, launching an alternative fuel vehicle replacement program, and implementing a residential program to phase out wood burning stoves and fireplaces.

<http://www.justice.gov/opa/pr/settlement-interstate-power-and-light-reduce-emissions-iowa-power-plants-fund-projects>

<http://content.sierraclub.org/coal/200>

SunEdison, Advanced Microgrid Solutions to Deliver 50 MW of Energy Storage for Southern California Edison

Advanced Microgrid Solutions (AMS) and SunEdison, Inc. on Wednesday announced they signed a joint development agreement to finance and deliver 50 MW of energy storage for Southern California Edison (SCE) under long-term capacity contracts. SCE will purchase electricity stored in fleets of hybrid-electric buildings to offset the power that was once produced at its decommissioned San Onofre nuclear power plant, and several soon-to-be retired gas-fired plants. This program is part of SCE's plan to modernize the grid by adding 2.2 gigawatts of newer, cleaner resources including energy storage and renewables by 2022. The first fleet of energy storage systems is expected to commence commercial operation in 2016 in Irvine, California.

http://investors.sunedison.com/phoenix.zhtml?c=106680&p=irol-newsArticle_print&ID=2067855

Petroleum

Update: U.S. House Energy and Power Subcommittee Faults PHMSA for Inaction after Plains All American's Oil Spill in California

The U.S. House of Representatives Energy and Power Subcommittee faulted the Pipeline and Hazardous Materials Safety Administration (PHMSA) in a statement on July 14 for failing to complete over a dozen Federal requirements enacted in 2011 in response to an oil spill on the California coast caused by a failure in a heavily corroded section of a pipeline. On May 19, 2015, a pipeline operated by Plains All American Pipeline (PAA) ruptured and spilled an estimated 2,400 barrels of crude oil along the California coastline and into the Pacific Ocean. The subcommittee's announcement came on the same day that PHMSA issued a mandatory shutdown and technical evaluation of a pipe fitting within a PAA Capwood Pipeline booster station which failed on July 10 causing a 100 barrel crude oil leak in Illinois.

<http://energycommerce.house.gov/press-release/subenergypower-examines-pipeline-safety#sthash.aCy0a8b6.dpuf>

<http://www.sfgate.com/nation/article/U-S-agency-faulted-for-inaction-afterSanta-6384579.php>

Valero Reports Excess Emissions at Its 86,000 b/d Ardmore, Oklahoma Refinery July 12

Reuters, 12:47 July 16, 2015

Chevron Reports Chemical Spill at Its 269,000 b/d El Segundo, California Refinery

Chevron Corp reported a line leak caused a sulfuric acid spill at its El Segundo, California refinery, according to a filing with the California Emergency Management Agency. The company said the leak was ongoing and had been diked. A team was preparing to enter and isolate the spill

Reuters, 12:06 July 16, 2015

Tesoro Says Minor Fire at Its 166,000 b/d Martinez, California Refinery Not Related to Ongoing Work July 7

Tesoro said a minor fire on July 7 at its Martinez, California refinery was unrelated to planned, ongoing maintenance and was immediately put out. Tesoro said there were no injuries and no impact on operations.

Refinery Capacity: 166,000 barrels per day

Reuters, 9:44 July 16, 2015

Phillips 66 Reports Unplanned Flaring at Its 139,000 b/d Wilmington, California Refinery July 15

Reuters, 14:54 July 15, 2015

NEB Audit Finds Enbridge Safely Operating Pipelines, Despite Violations

The National Energy Board (NEB) on Wednesday released its audit of Enbridge Pipelines Inc.'s facilities and concluded that the company was operating safely. The fifteen-month audit examined all aspects of the company's operations and included field inspections, company personnel interviews, and a review of safety and environmental protection documentation. The NEB audit found that the company's current systems are working well. The audit's findings of non-compliance relate to the transition of the company's existing management systems to an approach that aligns with recent and explicit requirements specified in the NEB's Onshore Pipeline Regulations. The next step in the NEB's audit process requires the company to submit a corrective action plan to correct all non-compliant areas found during the audit.

<http://news.gc.ca/web/article-en.do?ctr.sj1D=&ctr.mnthndVI=7&mthd>

U.S. Crude Oil Rail Loads See Largest Year-Over-Year Decline since 2009 – AAR

Association of American Railroads data showed there were 12,882 carloads of crude oil and other petroleum products on U.S. railroads last week, a 15.9 percent drop from the same week last year. The year-over-year percentage drop was the largest since the U.S. shale revolution began in 2009. Volumes of crude oil and other petroleum products year-to-date were down 2 percent when compared to last year.

Reuters, 12:30 July 15, 2015

<https://www.aar.org/newsandevents/Press-Releases/Pages/2015-07-15-railtraffic.aspx>

Natural Gas

DCP Midstream Reports Booster Shut Causing Overpressure at Its 160 MMcf/d Goldsmith Gas Plant in Texas July 15

DCP Midstream reported a booster shut causing the system to overpressure. A field operator was called and the unit was put back online.

<http://www2.tceq.texas.gov/oce/eer/index.cfm?fuseaction=main.getDetails&target=217346>

Kinder Morgan to Proceed with Tennessee Gas Pipeline’s Northeast Energy Direct Project from New York to Massachusetts

Kinder Morgan, Inc. (KMI) today announced that its board of directors authorized KMI’s subsidiary, Tennessee Gas Pipeline Company (TGP), to proceed with TGP’s Northeast Energy Direct (NED) project’s “market path” segment from Wright, New York, to Dracut, Massachusetts to serve electricity generation customers and natural gas utilities in New England. NED will be an extension off of KMI’s existing TGP pipeline. According to the independent electric system operator ISO New England, New Englanders paid over \$7 billion more for electricity during the winters of 2013/14 and 2014/15 than what they paid for electricity during the winter of 2011/12, largely as a result of the existing lack of pipeline capacity servicing the region. Independent studies have concluded that the New England region will require 2 Bcf/d of gas capacity over the coming years. Since first proposed in 2014, TGP has said that the NED project could involve a combination of 30-inch and 36-inch diameter mainline, and provide between 1.3–2.2 Bcf/d of incremental capacity for the region’s needs.

<http://www.businesswire.com/news/home/20150716005175/en/Kinder-Morgan-Approves-Proceeding-Tennessee-Gas-Pipeline%E2%80%99s#.Vaf3eflViko>

Other News

Nothing to report.

International News

Update: Libya’s El Feel Oilfield Remains Closed Due to Strike – Field Engineer

Libya’s El Feel oilfield remained closed as there was no end in sight to a strike by security guards, a field engineer said on Thursday. The southwestern field, run by state oil firm NOC and Italy’s ENI, closed in April when the security guards began the protest over payments.

Reuters, 8:26 July 16, 2015

Energy Prices

U.S. Oil and Gas Prices			
July 16, 2015			
	Today	Week Ago	Year Ago
CRUDE OIL West Texas Intermediate U.S. \$/Barrel	50.85	52.71	100.86
NATURAL GAS Henry Hub \$/Million Btu	2.92	2.71	4.11

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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