



ENERGY ASSURANCE DAILY

Wednesday Evening, July 29, 2015

Electricity

Storms Knock Out Power to 30,000 Nashville Electric Service Customers in Tennessee July 28

Storms knocked out power to 30,000 Nashville Electric Service customers in Tennessee around 5:30 p.m. CDT Tuesday, including parts of the Nashville International Airport. A Nashville Electric Service spokesperson said the storms moved through fast, likely knocking down power lines and tripping breakers. He added the outages jumped by about 20,000 in 45 minutes after the storm passed. As of 9:30 a.m. EDT, there were approximately 370 outages affecting 2,700 customers. Crews were working to replace approximately 25 broken poles which will continue throughout tonight and into tomorrow morning.

<http://www.tennessean.com/story/weather/2015/07/28/severe-t-storm-warning-heat-advisory-parts-midstate/30798163/>

<https://twitter.com/nespower>

<https://www.nespower.com/OutageMap/default.aspx>

Heavy Storms Knock Out Power to 20,000 TEP Customers in Arizona July 28

A line of severe storms bringing heavy rain and high winds knocked out power to 20,000 TEP customers in Tucson, Arizona Tuesday night. Nearly all power was restored as of 9:30 a.m. EDT, with only 600 customers remaining without power.

<https://www.tep.com/outage/map/>

<https://twitter.com/TEPEnergy>

http://tucson.com/news/local/tep-customers-without-power-in-tucson/article_a4788d42-3583-11e5-a0ab-77716f614cf9.html

Duke Energy's 1,100 MW McGuire Nuclear Unit 2 in North Carolina Reduced to 65 Percent by July 29

On the morning of July 28 the unit was operating at full power.

<http://www.nrc.gov/reading-rm/doc-collections/event-status/reactor-status/2015/>

Update: Duke Energy's 846 MW Oconee Nuclear Unit 2 in South Carolina at Full Power by July 29

On the morning of July 28 the unit had restarted and ramped up to 42 percent. The unit was shut from 14 percent power on July 27.

<http://www.nrc.gov/reading-rm/doc-collections/event-status/reactor-status/2015/>

AES's 498 MW Alamosa Gas-fired Unit 5 in California Shut by July 28

The unit entered an unplanned outage.

<http://content.caiso.com/unitstatus/data/unitstatus201507281515.html>

Mirant's 530 MW Pittsburg Gas-fired Unit 7 in California Shut by July 28

The unit entered an unplanned outage.

<http://content.caiso.com/unitstatus/data/unitstatus201507281515.html>

CDWR's 374 MW San Luis Hydro Unit in California Reduced by July 28

The unit entered an unplanned curtailment of 182 MW.

<http://content.caiso.com/unitstatus/data/unitstatus201507281515.html>

NRC Alleges Xcel Contractors Falsified Weld Tests at Its 578 MW Monticello Nuclear Power Plant in Minnesota

The Nuclear Regulatory Commission (NRC) charged two former contract employees of Xcel Energy Inc., with willfully violating procedures and falsifying reports about safety-related tests of casks filled with high-level nuclear waste stored at the Monticello, Minnesota nuclear power plant July 27.

<http://www.startribune.com/feds-allege-xcel-contractors-falsified-weld-tests-atmonticello-nuclear-plant/318734611/>

Duke Energy Renewables Acquires 50 MW Seville Solar Projects in Southern California

Duke Energy Renewables on Tuesday announced it acquired the 20 MW Seville I and 30 MW Seville II Solar Power Projects in California from Kruger Energy. The energy generated from Seville I and associated renewable energy credits (RECs) will be sold to San Diego Gas & Electric through a 20-year agreement. Imperial Irrigation District will purchase the power and related RECs from Seville II under a 25-year agreement. Kruger Energy, which oversees the construction of the projects, expects the facilities to be in service by the end of 2015.

<http://www.duke-energy.com/news/releases/2015072801.asp>

Petroleum

Coast Guard Investigates Oil Slick off Santa Barbara Coast in California

The U.S. Coast Guard was investigating a large oil sheen off the California coast west of Santa Barbara on Wednesday, a spokeswoman for the agency said. The slick, which was about 60 feet wide, was spotted about 1,000 yards offshore from Goleta State Beach west of Santa Barbara. In May, as much as 2,400 barrels of crude oil were spilled onto a pristine beach about 15 miles (24 km) west of Goleta when a Plains All American crude oil pipeline ruptured along the coast. Plains All American said the latest oil sheen could not have come from one of their pipelines since they do not operate any underwater pipes in the area, company spokeswoman Meredith Mathews said. A spokesman for the Santa Barbara County Fire Department told Los Angeles television station KABC that his agency has not identified the source of the sheen and as a result was not calling the incident an oil spill.

Reuters, 15:49 July 29, 2015

FRA Sets New Final Rule on Crude Oil, Ethanol Trains July 29

The Federal Railroad Administration (FRA) on Wednesday released a new final rule aimed at preventing explosive rail disasters such as the 2013 oil train derailment that killed 47 people and destroyed part of Lac-Megantic, Quebec. The latest regulation requires a parked train carrying crude oil, ethanol or other dangerous contents to be secured by a trained railroad employee and verified by a qualified second employee. The new rule is directed specifically at trains left parked on main lines, side tracks and in rail yards. On July 6, 2013, an unattended 74-car freight train carrying crude oil from the Bakken field in North Dakota rolled downhill and derailed in the Canadian town of Lac-Megantic. The FRA said a leading cause was that the train had not been properly secured. "Requiring that an additional, trained individual double check that the handbrakes have been set on a train will help stop preventable accidents," said an acting FRA Administrator in a statement.

https://www.fra.dot.gov/eLib/details/L16853#p1_z5_gD

Reuters, 15:05 July 29, 2015

Update: Motiva Resumes Normal Operations after Unplanned Repairs at Its 238,000 b/d Norco, Louisiana Refinery July 28

Motiva Enterprises said its Norco, Louisiana refinery resumed normal operations on Tuesday after completing unplanned repairs. Sources familiar with refinery operations said the plant's 25,000 b/d delayed coking unit was shut by a leak last week. Motiva never identified the unit involved in the unplanned repairs.

Reuters, 17:23 July 28, 2015

Update: FCCU at Motiva's 235,000 b/d Convent, Louisiana Refinery Resumes Production at Reduced Rates – Sources

The 93,000 b/d fluidic catalytic cracking unit (FCCU) at Motiva Enterprises' Convent, Louisiana, refinery resumed production on Wednesday, but at reduced output, sources familiar with plant operations said. Motiva was also restarting the 45,000 b/d hydrocracker, that has been shut since July 20, on Wednesday, the sources said. The hydrocracker was expected back in production on Friday. The FCCU's production is reduced because a leak has developed in the related alkylation unit, according to the sources.

Reuters, 12:19 July 29, 2015

Shell Resumes Normal Operations at Its 145,000 b/d Anacortes, Washington Refinery July 28

Reuters, 16:59 July 28, 2015

Tesoro Says Operations Unhurt by Unit Upset, Flaring at Its 166,000 b/d Martinez, California Refinery July 28

Reuters, 20:15 July 28, 2015

U.S. Crude Oil Stockpiles Fall 4.2 Million Barrels – EIA

U.S. crude oil stocks declined far more than expected last week, data from the Energy Information Administration (EIA) showed on Wednesday. Crude oil inventories fell by 4.2 million barrels in the last week, more than twenty times analysts' expectations for a decrease of 184,000 barrels. Crude oil stocks at the Cushing, Oklahoma delivery hub fell by 212,000 barrels, EIA said.

<http://www.eia.gov/petroleum/supply/weekly/>

Reuters, 10:38 July 29, 2015

MTA to Pay California \$525,000 for Underground Fuel Tank Violations in San Francisco

State regulators announced July 27 a \$525,000 settlement with the Municipal Transportation Agency (MTA) after a 2012 investigation revealed the agency violated leak-protection requirements for underground fuel storage tanks at 4 MTA yards in San Francisco. The MTA will be required by the Water Resources Control Board to develop and follow a leak prevention program for five years or face further penalties.

<http://www.sfgate.com/bayarea/article/S-F-Muni-to-pay-525K-over-latestunderground-6408739.php>

Update: Operators Shut Two Injection Wells in Oklahoma after Earthquakes July 28

Oil and gas operators shut down two wastewater injection wells in northern Oklahoma on Tuesday and reduced operations at a third after several earthquakes centered in the town of Crescent hit the state. Stephens Production and Devon Energy each voluntarily closed one well, and Stephens reduced operations at another well by 50 percent, the Oklahoma Corporation Commissioner said. Earthquakes in the area recorded by the U.S. Geological Survey include a magnitude 4.5 quake on Monday that is the strongest reported in the state so far this year. In all, more than 15 temblors of magnitude 2.0 or stronger were reported Monday by the Oklahoma Geological Survey. An additional nine quakes ranging from 2.2 to 4.1 were recorded through early Tuesday evening. The Oklahoma Corporation Commission recently announced plans to place more than 200 disposal wells under scrutiny as it investigates whether injecting wastewater deep underground is triggering earthquakes. An Oklahoma Geological Survey report in April said it was "very likely" the practice caused most of the state's recent earthquakes.

<http://www.star-telegram.com/news/nation-world/national/article29147782.html>

Natural Gas

Update: TSB Reports Pre-existing Defect Led to January 2014 TransCanada Gas Pipeline Rupture in Manitoba

The Transportation Safety Board of Canada (TSB) on Tuesday released its investigative report into the January 25, 2014 rupture of a TransCanada gas pipeline. A 30-inch natural gas pipeline, Line 400-1, ruptured and ignited at the site of Mainline Valve 402 near Otterburne, Manitoba. The escaping gas burned for approximately 12 hours, and 5 residences in the immediate vicinity were evacuated until the fire was extinguished. The investigation determined that Line 400-1 failed due to a fracture that occurred at a pre-existing crack which had remained stable for over 50 years prior to the occurrence. This crack had formed at the time of the pipeline's construction likely due to an inadequate welding procedure and poor welding quality. There was no requirement for inspections of every weld by radiography at the time of the pipeline's original construction. Following the occurrence, the National Energy Board required TransCanada to perform several engineering assessments along Line 400-1. TransCanada performed numerous excavations, inspections and repairs along Line 400-1 before returning it to service. Following the pipeline's return to service, TransCanada performed in-line inspections to rule out other threats to the pipeline's integrity.

<http://www.bst-tsb.gc.ca/eng/medias-media/communiqués/pipeline/2015/p14h0011-20150728.asp>

Atlas Pipeline Reports Equipment Failure at Its 195 MMcf/d Midkiff Gas Plant in Texas July 27

Atlas reported the consolidator cryogenic plant amine contactor was foaming and not stripping due to a combination of coalescing filters causing low lean/rich exchanger production and saturation of the dust filters from foam carryover. The residue outlets were shut in on high hydrogen sulfide (H₂S) concentrations due to lack of stripping. The excess gas was flared until amine and all filtration units were changed and the plant was put back online.

<http://www2.tceq.texas.gov/oce/ee/index.cfm?fuseaction=main.getDetails&target=217901>

Other News

Independent Oil Refiners Ask EPA to Tweak Biofuels Program

Independent oil refiners and a former White House official have urged the Environmental Protection Agency (EPA) to tweak the U.S. biofuels program to shift responsibility for complying from refiners to fuel blenders, according to public comments on a government proposal for renewable fuel use. Delta Airlines' Monroe Energy LLC, Carlyle Group's Philadelphia Energy Solutions, Valero Energy, and Ronald E. Minsk, who recently served as a special assistant President Barack Obama, are among those pressing the EPA to make the change. The arguments center on which companies should be obligated to show use of biofuels under the Renewable Fuel Standard (RFS) program that requires oil companies to blend renewable fuels with gasoline and diesel. Refiners are currently "obligated parties" under RFS, required to blend biofuels or to buy compliance credits from companies that have done so. Not all oil refiners have blending capacity. The comments were filed in response to a May proposal for renewable fuel volume requirements. EPA is reviewing thousands of comments on the proposal and plans to finalize it by November 30.

Reuters, 18:25 July 29, 2015

International News

'Terrorist' Attack Damages Iraq-Turkey 400,000 b/d Oil Pipeline – Turkish Energy Minister

A "terrorist" attack Wednesday morning on the Iraq-Turkey oil pipeline in Turkey's Kurdish Sirnak area halted oil exports from Kirkuk oilfields to the port of Ceyhan, according to a local news report. Turkey's Energy Minister said in a statement that the pipeline was damaged and the flow was halted due to sabotage by terrorists. The Kirkuk-Ceyhan pipeline has a maximum operational capacity of 400,000 b/d, but actual flows are around 300,000 b/d due to attacks on the pipeline, which frequently disrupt the operation, according to the Office of the Special Inspector General for Iraq's reconstruction. The report said that the attack came following a "similar" attack on the Turkey-Iran gas pipeline in Turkey's Kurdish Agri area on July 28.

Reuters, 9:12 July 29, 2015

<http://www.hurriyetdailynews.com/oil-pipeline-attacked-in-eastern-turkey----.aspx?pageID=238&nID=86101&NewsCatID=348>

Colombia's Ecopetrol Finds Hydrocarbons at Kronos-1 Well in Caribbean July 28

Colombia's state oil company Ecopetrol reported late on Tuesday the presence of hydrocarbons at its Kronos-1 well in ultra-deep waters of the Caribbean Sea. The discovery was made at a depth of 12,200 feet at the well in the Fuerte Sur block about 33 miles offshore, Ecopetrol said in a filing with the financial regulator. Ecopetrol jointly owns the Kronos-1 with Texas-based Anadarko. Colombia had output above 1 million b/d so far this year and reserves of around 2.3 billion barrels in 2014.

Reuters, 11:11 July 29, 2015

Energy Prices

U.S. Oil and Gas Prices			
July 29, 2015			
	Today	Week Ago	Year Ago
CRUDE OIL West Texas Intermediate U.S. \$/Barrel	48.72	49.22	104.62
NATURAL GAS Henry Hub \$/Million Btu	2.88	2.88	3.82

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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