



ENERGY ASSURANCE DAILY

Thursday Evening, August 06, 2015

Major Development

OE/ISER Situation Report: Super Typhoon Soudelor

http://www.oe.netl.doe.gov/named_event.aspx?ID=76

Electricity

Update: Over 3,600 Customers Remain Without Power August 6 after Strong Storms Hit Michigan August 2

Power restoration continued Thursday after strong storms moved across Michigan on Sunday, knocking out power to 284,000 customers. As of 3:30 p.m. EDT Thursday, 3,656 customers remained without power. Consumers Energy said additional out-of-state and contractor crews joined crews who have been working around the clock to restore power. Great Lakes Energy said due to the severity of the damage, some areas may not have power restored until at least Saturday.

Michigan and Ontario Customer Power Outages			
August 2–6, 2015			
Electric Utility	State	Peak	Latest Reported
Consumers Energy	MI	170,000	2,730
DTE	MI	75,000	162
Great Lakes Energy Cooperative	MI	39,000	764
TOTAL*		284,000	3,656

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

Sources:

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

<https://www.consumersenergy.com/News.aspx?id=8116&year=2015>

<http://www.dteenergy.com/map/outage.html>

<http://www.gtlakes.com/storm-central/>

<http://www.gtlakes.com/outages-persist-for-some-great-lakes-energy-members/>

Update: Over 7,000 Customers Remain Without Power August 6 after Thunderstorms Hit Rhode Island, New York August 4

A line of powerful thunderstorms with strong winds knocked out power to 121,427 National Grid customers in Rhode Island and 80,000 PSEG Long Island customers in New York on Tuesday morning. As of 3:30 p.m. EDT Thursday, 4,380 National Grid and 2,979 PSEG Long Island customers remained without power. National Grid said 90 percent of its customers had power restored by Wednesday, but small clusters and single outages remained through Thursday.

<https://www.psegliny.com/c.cfm/Outage>

<https://www.psegliny.com/page.cfm/AboutUs/PressReleases/2015/080615-stormupdate9>

<https://twitter.com/nationalgridus?lang=en>

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

Storms Knock Out Power to Over 43,000 MLGW Customers in Tennessee August 5

Severe thunderstorms moved through the Mid-South Wednesday afternoon knocking out power to 43,738 MLGW customers. Many of the outages were due to tree limbs falling on power lines, according to the utility. MLGW said all outages should be restored by midnight on Saturday. As of 3:30 p.m. EDT Thursday, 18,215 customers remained without power.

http://www.mlgw.com/news/news_augustsevere012015

<http://azimuth.mlgw.org/OutageSummary.php>

Transmission Circuit Issue Knocks Out Power to 16,000 BC Hydro Customers in British Columbia August 5

A transmission circuit issue knocked out power to over 16,000 BC Hydro customers in the eastern Fraser Valley on Wednesday morning. Crews believe a crow interfered with the equipment which resulted in the outage. As of 3:30 EDT Thursday, 709 customers remained without power.

https://www.bchydro.com/outages/orsMapView.jsp?WT.ac=hp_mh_outmap

<http://www.missioncityrecord.com/news/320771011.html>

Power Restored to 14,000 NV Energy Customers in Nevada August 5

According to NV Energy, most of the 14,000 northeast Las Vegas customers had power restored within an hour on Wednesday morning. The company said the cause of the outage was under investigation.

<https://www.nvenergy.com/outage/#>

<http://www.fox5vegas.com/story/29715982/thousands-without-power-in-northeast-las-vegas>

PSE&G's 1,092 MW Salem Nuclear Unit 2 in New Jersey Shut August 5

The unit shut from full power due to low reactor coolant flow.

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

<http://www.nrc.gov/reading-rm/doc-collections/event-status/event/2015/20150806en.html>

Texas Power Demand on August 5 Breaks 2011 Record during Heat Wave – ERCOT

The Electric Reliability Council of Texas (ERCOT) system on Wednesday set an all-time record for hourly demand, with peak demand for electricity reaching 68,459 MW between 4 and 5 p.m. CDT. The previous all-time record, set on August 3, 2011, was 68,305 MW, during an extended period of record high temperatures. ERCOT's meteorologist predicts temperatures throughout the region will remain in the triple digits through early next week.

http://www.ercot.com/news/press_releases/show/72890

Panda Power Funds Breaks Ground on 778 MW Stonewall Natural Gas-Fired Power Plant in Virginia August 6

Panda Power Funds on Thursday broke ground on its Stonewall generating station located in Loudoun County, Virginia. The company said the combined-cycle power plant will be one of the newest, cleanest, and most efficient natural gas-fueled power facilities in the U.S. The plant is expected to enter commercial service on June 1, 2017.

<http://pandafunds.newshq.businesswire.com/press-release/virginia-officials-join-panda-power-funds-break-ground>

PPL Electric Reports Nearly 200,000 Power Outages Prevented in 2015 Due to System Upgrades

PPL Electric Utilities reported nearly 200,000 power outages were prevented during the first six months of 2015 due to work the utility is doing to make its delivery system more reliable. PPL Electric Utilities has been installing smart grid technology, working harder to keep trees away from lines, putting in stronger poles and wires, and investing more than \$1 billion per year in these efforts. On average, customers are having 20 percent fewer power outages than they did in 2007 and with additional work planned, reliability is expected to improve by at least another 20 percent in the next five years.

<http://pplweb.mediaroom.com/index.php?s=12270&item=137179>

U.S. Geothermal Inc. Completes Flow Test Program at 30 MW WGP Geysers Steam Project in California August 6

U.S. Geothermal Inc. on Thursday announced it successfully completed a flow test program on the three largest steam production wells at the WGP Geysers project in northern San Francisco, which confirms the existence of approximately 30 MW of steam. All three wells produced superheated steam with flow rates at or above the initial levels that were measured during borehole drilling in 2008 and 2009. The reservoir report is expected by the end of August, and will be used to guide final development of the project.

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

SunEdison, Rialto Unified School District to Install 8 MW of Solar Power in California

SunEdison, Inc. today announced it signed a 20-year power purchase agreement with the Rialto Unified School District in California for 8.4 MW of solar power. As part of the agreement, SunEdison will install solar canopies above the parking lots of all 28 schools in the district. The school district expects the solar systems to generate a 20 percent savings on their electricity bill, which equates to \$1 million saved in the first year alone. Over the course of the 20-year contract, the school district expects to generate an estimated \$30 million dollars savings on energy costs. The canopy mounted solar systems are expected to be completed in the second half of 2016.

<http://investors.sunedison.com/phoenix.zhtml?c=106680&p=irol-newsArticle&ID=2076537>

Petroleum

Update: Plains All American Says California Oil Spill Could Be 41 Percent Larger Than Estimated

Plains All American Pipeline LP's ruptured California oil pipeline may have spilled 41 percent more crude oil than currently estimated, the company said on Wednesday. The company said the May rupture, near Santa Barbara, may have released up to 3,400 barrels of crude, about 1,000 barrels more than current estimates. The line, which can move up to 48,000 b/d of offshore California crude oil to onshore refineries, has been shut for nearly three months. Plains expects the line to remain shut through the end of 2015 as regulators investigate the cause of the breach. Plains said its initial worst-case estimate stemmed from calculating how much oil flowed in the pipeline from the time of the rupture to the time the line was shut down. Plains also estimated how much crude drained because of gravity at the rupture point.

<http://www.plainsline901response.com/go/doc/7266/2547486/>

Reuters, 15:37 August 5, 2015

Update: Marathon Close to Providing Back Up Power at Its 240,000 b/d Catlettsburg, Kentucky Refinery August 6 – Source

Four days after a substation fire forced Marathon Petroleum to shut all units down at its Catlettsburg, Kentucky refinery, the company has almost restored power to the plant. The company hopes to begin the process of restarting the units over the next 24 hours, with all units restarted by Monday, a few days later than they hoped, the source said. The units are expected to run at reduced rates initially, and could be up to full speed later next week, the source said.

Reuters, 12:00 August 6, 2015

Update: BP Puts Alkylation Unit Back in Production at Its 413,500 b/d Whiting, Indiana Refinery August 5 – Sources

The 30,000 b/d alkylation unit was back in production on Wednesday at BP Plc's Whiting, Indiana refinery after restarting on Tuesday afternoon, sources familiar with plant operations said. The unit was knocked out of production earlier on Tuesday morning.

Reuters, 11:41 August 5, 2015

HollyFrontier Reports FCCU Emissions at Its 70,000 b/d Wynnewood, Oklahoma Refinery July 30

Reuters, 17:27 August 5, 2015

Valero Reports Process Unit Upset at Its 335,000 b/d Port Arthur, Texas Refinery August 6

Reuters, 10:24 August 6, 2015

Total Repairing Hydrotreater at Its 225,500 b/d Port Arthur, Texas Refinery August 5 – Sources

Total SA was repairing a hydrotreater at its Port Arthur, Texas refinery, sources familiar with plant operations said on Wednesday. The hydrotreater shut down on July 31, when energy industry intelligence service Genscape reported flaring at the refinery. Repairs are being done to a charge pump and compressor on the unit, the sources said.

Reuters, 16:46 August 5, 2015

Shell Reports Restarting Units at Its Scotford, Alberta Facility August 6

Royal Dutch Shell Plc reported restarting units at its Scotford, Alberta facility and warned of intermittent flaring for next 48 hours, according to a community phone line. The Scotford facility houses a 100,000 b/d refinery and a 255,000 b/d oil sands upgrader
Reuters, 9:06 August 6, 2015

Shell Reports Units Started Up at Its 145,000 b/d Puget Sound, Washington Refinery on July 27

Reuters, 19:40 August 5, 2015

Tesoro Will Run Refineries at Top Rates for Remainder of 2015

Tesoro Corp expects to run its refineries between 95 percent and 100 percent rates for the rest of the year, the company's Chief Financial Officer said on Thursday. The company said with the bulk of its planned turnarounds behind it, it was looking forward to running its refineries at high utilization rates in the second half of the year and capturing attractive market conditions driven by strong consumer demand.

Reuters, 8:46 August 6, 2015

PBF Shipping Oil Cargo from Western Canada to Its 190,000 b/d Delaware City, Delaware Refinery

PBF Energy Inc is shipping a cargo of crude from Western Canada to supply its Delaware City, Delaware refinery, which points to steep discounts for oil sands and the upending of age-old trade routes. Two traders said PBF picked up a massively discounted cargo coming from the Kearn oil sands projects operated by Imperial Oil in northern Alberta, sending the cargo by tanker on a 7,000-mile trek through the Panama Canal to the company's plant in Delaware. East Coast refiners usually receive crude by rail from domestic shale plays or by oil tanker from locations including West Africa, eastern Canada and Mexico. Western Canadian crude comes into the U.S. by train or pipeline, rarely by boat, and even more unusually to the East Coast. While it's not clear if it may mark the start of a series of buys, traders said the purchase illustrates how the deepening discounts for Canadian crude compared to U.S. and global material is drawing unusual buyers and overhauling buying strategies by refiners as the oil price rout shows no sign of ending.

Reuters, 10:27 August 6, 2015

Magellan Expects BridgeTex Pipeline to Average 200,000 b/d in 2015

Magellan Midstream Partners LP said on Thursday it expects its 300,000 b/d BridgeTex crude oil pipeline to run at an average of 200,000 b/d in 2015 due to the current pricing environment. On its second earnings call, the company said second quarter volumes were around 260,000 b/d, particularly on strong economics on pipelines that go from Midland, Texas to Houston. The company's chief financial officer does not expect second quarter volumes to sustain for the rest of the year.

Reuters, 14:35 August 6, 2015

Oklahoma Corporation Commission Announces Oil, Gas Disposal Well Volume Reduction Plan in Response to Seismic Activity

The Oklahoma Corporation Commission's Oil and Gas Conservation Division (OGCD) on August 3 announced a plan to reduce the volume of oil and gas wastewater disposed into a proscribed area of northern Oklahoma County and southern Logan County. Under the plan, operators will have a 60 day period during which volume will be reduced by 38 percent, or about 3.4 million barrels under the 2014 total. Such a reduction will bring total volume for the area to a level under the 2012 total by about 2.4 million barrels. The area saw its sharpest rise in seismic activity in late 2012 which has been attributed to wastewater injection into disposal wells.

<http://www.occeweb.com/News/08-03-15VOLUME%20ADVISORY%20RELEASE.pdf>

Williams' Transco to Run Its Leidy Pipeline Segments at Reduced Pressure

Williams Companies Inc's Transcontinental Gas Pipeline Co (Transco) said it will operate various segments of its Leidy system at reduced pressure due to restoration work along one of its natural gas lines in Pennsylvania between its western terminus and the Delaware River. Transco said it expected the restoration work to continue through the summer and into this fall. As the work progresses, restrictions at additional locations may be required, the pipeline operator added. In June, Transco declared a force majeure on its Leidy natural gas Line B in Lycoming County, Pennsylvania, on which the current restoration activities are under way. The 10,200-mile Transco pipeline system from South Texas to New York City, with seasonal storage capacity of 197 Bcf, moves gas from the U.S. Gulf Coast and Appalachia to customers in the Southeast, Mid-Atlantic and Northeast.

<http://www.1line.williams.com/1Line/wgp/download?delvid=6667165&hfNoticeFlag=Y&hfDownloadFlag=false&hfFileName=download.html>

Other News

Nothing to report.

International News

Update: Turkey to Increase Security for Energy Infrastructure Attacks Rise – Energy Officials

In a bid to safeguard energy supplies, officials said Turkey will deploy thermal cameras and horse-back patrols to heighten security around key oil and gas pipelines as Kurdish militant attacks increase. Tighter security around energy infrastructure would be welcomed by Iraqi Kurdistan, whose oil exports to the world are piped through Turkey. A recent attack on the line has cost it more than \$250 million by halting oil pumping operations. Kurdistan Workers Party (PKK) said in mid-July it was stepping up attacks over ceasefire violations by the Turkish state. Other energy infrastructure has also become a target. The Azeri Shah Deniz pipeline and the Iranian pipeline, which carry a total of 16 billion cubic meters of gas annually, came under attack within the last 10 days. Oil flow in the Iraq-Turkey pipeline, carrying Kurdish and Kirkuk oil to Turkey's southern port of Ceyhan, resumed on Thursday after a week-long shutdown following a PKK attack, a Turkish energy official said.

http://www.rigzone.com/news/oil_gas/a/140008/Turkey_to_Boost_Security_for_Energy_Infrastructure_as_PKK_Attacks_Rise#sthash.ZshfcLkF.dpuf

Shell Declares Force Majeure on Nigerian LNG Export Supply Due to Pipeline Leak August 4

Shell declared force majeure on gas supplies to Nigeria's LNG (NLNG) export terminal on Bonny Island in Rivers State due to a pipeline leak, a spokesman for the company said on Thursday. The company said it was investigating the cause of the leak. A spokesman for NLNG said that exports had so far been unaffected but that the company was discussing potentially rescheduling some shipments with its customers.

Reuters, 8:51 August 6, 2015

Libya's New NOC Chief Considers Resuming Exports at Es Sider, Ras Lanuf

The new chairman of the National Oil Corp. for eastern Libya said on Tuesday he is considering lifting force majeure at Es Sider and Ras Lanuf ports and restarting exports to boost crude oil output.

http://www.rigzone.com/news/oil_gas/a/139974/New_Libya_Oil_Chief_Mulls_Resuming_Exports_at_Eastern_Port#sthash.JVp6y8BN.dpuf

Energy Prices

U.S. Oil and Gas Prices			
August 6, 2015			
	Today	Week Ago	Year Ago
CRUDE OIL West Texas Intermediate U.S. \$/Barrel	44.64	48.48	97.06
NATURAL GAS Henry Hub \$/Million Btu	2.86	2.90	3.85

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