



ENERGY ASSURANCE DAILY

Thursday Evening, August 11, 2016

Electricity

Update: AES's 336 MW Alamitos Gas-fired Unit 4 in California Returns to Service by August 10

The unit returned from an unplanned curtailment of 196 MW that began on August 3.

<http://content.caiso.com/unitstatus/data/unitstatus201608101515.html>

Petroleum

Motiva's 235,000 b/d Convent, Louisiana Refinery Evacuated after Explosion, Fire August 11

Motiva Enterprises' Convent, Louisiana refinery was evacuated on Thursday due to an explosion and fire that occurred around midday, according to local emergency responders. Two sources familiar with the refinery said the blaze started in the 45,000 b/d heavy oil hydrocracker (H-Oil Unit), which was later confirmed by company officials, adding that other units were not impacted and remained operational after the fire was contained. The company said that all employees were accounted for and there were no injuries, nor impacts to the community. While Motiva said the cause of the incident would be investigated, a spokeswoman for the U.S. Chemical Safety Board said the agency will follow up on the incident. In addition to halting production of diesel from the refinery, the fire further disrupts an already delayed project to combine the Convent refinery with Motiva's 237,700 b/d Norco, Louisiana refinery located 50 miles away—a plan had already been pushed back nine months for completion before the blaze. The H-Oil Unit was scheduled to be revamped to diversify the feeds it could process by February 2017, a project which was to take place ahead of plans to idle the refinery's 92,000 b/d fluidic catalytic cracking unit around June 2017 and construct a pipeline between the two refineries. Motiva is also scheduled to divide its three refineries—which have a total refining capacity of more than 1 million b/d of crude—between co-owners Royal Dutch Shell Plc and Saudi Aramco as early as October. Saudi Aramco will retain ownership of the 603,000 b/d Port Arthur, Texas refinery, while Shell would control the Convent and Norco refineries.

<http://www.reuters.com/article/us-usa-oil-refinery-motiva-idUSKCN10M26Q>

Reuters, 15:01 August 11, 2016

Reuters, 13:51 August 11, 2016

Update: BP's 413,500 b/d Whiting, Indiana Refinery Running at 75 Percent Capacity August 10 – Sources

BP Plc's Whiting, Indiana refinery was operating at about 75 percent of its capacity on Wednesday due to reduced production at the refinery's wastewater treatment plant, sources familiar with plant operations said. BP is carefully restoring the wastewater treatment plant's production in order to avoid a malfunction like one last week, which led to greater than permitted releases of sediments into Lake Michigan, the sources said. The wastewater plant utilizes microbes to consume hydrocarbons before the wastewater is discharged into Lake Michigan. Those microbes grew out of control over the weekend of July 30–31, overwhelming the plant's system for controlling the solids like the sediment, the sources said. The careful increase in wastewater plant production is to make sure the microbes grow in a controlled manner, the sources said.

Reuters, 12:22 August 10, 2016

Shell Says All Clear Issued after Dumpster Fire at Its 316,600 b/d Deer Park, Texas Refinery August 11

Royal Dutch Shell said there was no impact on its Deer Park, Texas refinery after a dumpster fire and the all clear was given. Shell said the incident was being handled within the boundaries of the refinery and there was no risk to the community.

Reuters, 10:08 August 11, 2016

Valero Reports Upset at Its 293,000 b/d Corpus Christi, Texas Refinery August 10

Valero reported an upset from complex 7 in the East plant of its Corpus Christi, Texas refinery, according to a filing with the Texas Commission on Environmental Quality.

Reuters, 16:42 August 10, 2016

Update: LyondellBasell's 263,776 b/d Houston, Texas Refinery Returns to Normal Operations August 10 – Sources

LyondellBasell Industries returned its Houston, Texas refinery to normal operations on Wednesday, one day after a power interruption on a unit cut production in half, sources familiar with plant operations said. The sources said the refinery's output had been at full capacity when the sulfur recovery unit (SRU) lost power on Tuesday afternoon, but production was cut to about half capacity amid worker evacuations and orders to shelter in place following the power interruption. Due to the quick restart of the SRU, the refinery's production is expected to return to full capacity within a few days, the sources added. Last month, the company said the refinery's production averaged 73 percent of capacity during the second quarter as Lyondell performed extensive repairs to a coking unit damaged in an April 8 fire. It also said the refinery was not able to run at full production until the coker restarted on July 15.

Reuters, 18:09 August 10, 2016

Update: Motiva Returns HCU to Normal Operations at Its 237,700 b/d Norco, Louisiana Refinery August 11

Motiva Enterprises returned the 40,000 b/d hydrocracking unit (HCU) to normal operation at its Norco, Louisiana refinery by Thursday morning following an upset on Wednesday, sources familiar with plant operations said. The HCU's compressor was knocked out of operation late on Wednesday morning, triggering flaring at the refinery, according to the sources.

Reuters, 10:24 August 11, 2016

Update: Total's 225,500 b/d Port Arthur, Texas Refinery Returns to Normal Operations August 10 after Flaring Due to Storms August 9 – Sources

Operations were normal on Wednesday morning at Total SA's Port Arthur, Texas refinery after a Tuesday night thunderstorm triggered flaring at the refinery, sources familiar with plant operations said, although no production units were shut by the storm. In a notice filed with the Texas Commission on Environmental Quality on Wednesday, Total said a cogeneration plant used by the refinery and the neighboring chemical plant tripped out of production, which triggered upsets at several units. To maintain steam supply needed both for power and fuel production, the refinery boosted the steam output at the 76,000 b/d fluidic catalytic cracking unit and several other units, according to the filing.

Reuters, 18:02 August 10, 2016

Whatcom County Council Passes Moratorium on New Unrefined Fossil Fuel Exports in Washington August 9

The Whatcom County Council on Tuesday passed an emergency moratorium stating no new applications to ship unrefined fossil fuel through Cherry Point can be approved for at least the next two months. The council unanimously passed the moratorium to address concerns about potential public health and safety risks that could come with the increased transportation of unrefined fossil fuels, such as crude oil traveling by rail through the county to two refineries at Cherry Point. The moratorium does not impact the current refining and shipment of products through BP's 227,000 b/d Cherry Point refinery or Phillips 66's 101,000 b/d Ferndale refineries. The council must hold a public hearing on the emergency moratorium within 60 days. After that, an interim emergency moratorium could be put in place for up to six months, which would allow enough time for the Planning Commission to make its recommendation in January, according to a council member.

<http://www.bellinghamherald.com/news/local/article94774637.html#storylink=cpy>

Natural Gas

Possible Gas Leak Causes Deadly Fire Explosion in Maryland August 10–11

Two people were killed and several remained missing after an explosion and fire tore through a Silver Spring, Maryland apartment complex just before midnight, authorities said on Thursday. Residents reported smelling gas just before the blast, a Montgomery County Executive said. Washington Gas, which provides gas distribution service to the complex, said in a statement it was helping in the investigation, but did not include any details about the incident. The Montgomery County Assistant Police Chief said some people are still believed to be unaccounted for and said the cause of the blast was still being investigated. About 160 firefighters battled the blaze, which was brought under control after about two hours. Agents from the Bureau of Alcohol, Tobacco, Firearms and Explosives (ATF) were helping local fire investigators.

<http://newsroom.washingtongas.com/press-release/community/washington-gas-statement-silver-spring-maryland-incident>

<http://www.reuters.com/article/us-maryland-fire-idUSKCN10M1BR>

FortisBC Receives Environmental Assessment Approval for Its 228 MMcf/d Eagle Mountain–Woodfibre Gas Pipeline Project in British Columbia August 10

FortisBC energy on August 9 received provincial government approval of its proposed 29-mile Eagle Mountain–Woodfibre Gas Pipeline (EGP) Project to deliver sweet natural gas to the Woodfibre LNG facility southwest of Squamish, British Columbia. The Environmental Assessment (EA) certificate includes several design parameters and 30 conditions including consultation with Aboriginal groups and mitigation work to reduce impact on grizzly bear populations, among others.

<https://www.fortisbc.com/MediaCentre/NewsReleases/2016/Pages/Project-Update-FortisBC-receives-environmental-assessment-approval-for-the-Eagle-Mountain-Woodfibre-Gas-Pipeline-Project.aspx>

http://a100.gov.bc.ca/appsdata/epic/html/deploy/epic_project_doc_list_406_a_waa.html

ExxonMobil Reports Unit Shut at Its 65 MMcf/d Dollarhide Gas Plant in Texas August 9

ExxonMobil reported the Wauk-3 unit shut on low compressor/engine oil pressure. The wells were shut in to mitigate flaring while technicians were waiting on part to make repairs.

<http://www2.tceq.texas.gov/oce/eer/index.cfm?fuseaction=main.getDetails&target=241191>

Other News

Nothing to report.

International News

Update: ExxonMobil Plans to Export Nigeria’s Qua Iboe Crude via Alternate Pipeline

ExxonMobil was working on a plan to export Qua Iboe crude oil via an alternate pipeline while it repairs damage to the main export line sustained in July, sources told Reuters. The crude oil grade, Nigeria’s largest export stream, has been under force majeure since mid-July, when the company said it detected a “system anomaly” on the subsea pipeline. Sources said the company later found substantial damage that would take at least one to two months to repair. An ExxonMobil spokesman progress was continuing but would not speculate on a timeline for repairs. Exxon has said there was no militant involvement in the problem on the Qua Iboe line, though the Niger Delta Reuters, 7:58 August 11, 2016

Militants Blow Up NNPC Oil Pipeline; Protests Continue at Chevron Facility in Nigeria August 10

Militants claiming to be the Delta Greenland Justice Mandate said on Wednesday that the group had attacked a crude pipeline belonging to state oil firm NNPC and local firm Shoreline Natural Resources in Urhobo in Delta state. Additionally, protesters continued to block the entrance to a Chevron oil depot in the restive southern region for a third day. Chevron confirmed a protest had taken place but did not say whether oil production had been affected. The Niger Delta region has been hit by a wave of militant attacks on oil and gas pipelines, reducing Nigeria's crude output by 700,000 b/d, according to state oil company NNPC. The militants, which are splintered in many groups, say they want a greater share of Nigeria's oil wealth—which accounts for around 70 percent of national income—to be passed on to communities in the impoverished region and for areas blighted by oil spills to be cleaned up.

<http://www.reuters.com/article/us-nigeria-oil-idUSKCN10M10Y>

Peru Detects Oil Spill from Its Amazon Pipeline, Forth Incident in 2016

A fresh oil spill in the Peruvian Amazon was detected from the country's four-decades-old pipeline on Thursday, operator Petroperu said, bringing the number of leaks this year to four. Petroperu, the country's state-owned energy company, did not provide an estimate for how much oil was released and said emergency workers were implementing a contingency plan. The 687-mile pipeline was shuttered for repairs in February after two spills leaked 3,000 barrels that polluted rivers. The new energy and mines minister said this week that the pipeline would likely remain shuttered for at least a year. Peru's oil production has dropped to about 37,000 b/d since the pipeline closed, as output from oil blocks 192 and 67 has stopped completely.

<http://www.reuters.com/article/us-peru-oil-spill-idUSKCN10L2Q3>

Energy Prices

U.S. Oil and Gas Prices			
August 11, 2016			
	Today	Week Ago	Year Ago
CRUDE OIL			
West Texas Intermediate U.S.	43.46	41.87	43.06
\$/Barrel			
NATURAL GAS			
Henry Hub	2.73	2.88	2.85
\$/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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