



ENERGY ASSURANCE DAILY

Friday Evening, August 14, 2015

Major Development

OE/ISER Situation Report: Super Typhoon Soudelor

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

Electricity

Update: Southern's 870 MW Hatch Nuclear Unit 2 in Georgia at Full Power by August 14

On the morning of August 13 the unit was operating at 70 percent, reduced from full power on August 9.

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

Update: Ameren's 1,125 MW Callaway Nuclear Unit in Missouri at Full Power by August 14

On the morning of August 13 the unit had restarted and ramped up to 90 percent. The unit shut from full power on August 11 due to an offsite electrical fault.

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

<http://www.nrc.gov/reading-rm/doc-collections/event-status/event/2015/20150811en.html>

High Desert Power's 830 MW Gas-fired Unit in California Reduced by August 13

The unit entered an unplanned curtailment of 105 MW.

<http://content.caiso.com/unitstatus/data/unitstatus201508131515.html>

Watson Cogeneration Company's 417 MW Gas-fired Unit in California Reduced by August 13

The unit entered an unplanned curtailment of 235 MW.

<http://content.caiso.com/unitstatus/data/unitstatus201508131515.html>

ERCOT Asks Consumers to Reduce Power during Heat Wave in Texas August 13

Electric Reliability Council of Texas (ERCOT) on Thursday asked consumers to reduce electricity use during the afternoon hours as power plant outages and heavy air conditioning usage has strained the electric system during a brutal heat wave. ERCOT said its reserves on Thursday dropped below 2,500 MW due to the high demand and plant outages, prompting the grid operator to call on consumers to conserve power. Peak demand in ERCOT, which operates the power grid in most of the state, hit an all-time high of 69,783 MW on Monday after setting several new records in recent weeks. Temperatures in Houston have reached near 100 degrees Fahrenheit since August 5 and are expected to remain around that level through Friday, according to weather forecaster AccuWeather. According to ERCOT's website, there is more than 73,000 MW of generation capacity in the grid.

http://www.ercot.com/news/press_releases/show/73261

Reuters, 19:00 August 13, 2015

U.S. Approves Landmark Crude Oil Export Swaps with Mexico – Official

The Obama administration will allow limited sales of U.S. crude oil to Mexico for the first time, a senior administration official told Reuters, marking another milestone in loosening a contentious ban on exporting domestic oil. The Commerce Department is acting favorably on a number of applications to export U.S. crude in exchange for imported Mexican oil, the official said. Such oil swaps are one of several possible exemptions allowed in the four-decade-old law that otherwise bans most overseas shipments. The approvals come eight months after Mexico formally sought permission for a swap. The shipments, likely to be lighter, high-quality shale oil, will help Mexico's aging refineries produce more premium fuels. U.S. refiners will continue to get Mexican heavy oil, a better match for them than the deluge of light oil coming from Texas and North Dakota. The licenses, good for one year, will be formally issued by the end of August, the official said. He declined to offer further details on volumes, saying only that the number of approvals was only a handful. Pemex said in January it was seeking an exchange of about 100,000 b/d.

Reuters, 12:00 August 14, 2015

Update: Enbridge Says Restart Date Still Unknown for Its 193,000 b/d Spearhead Oil Pipeline from Illinois to Oklahoma

Enbridge Inc said on Thursday that the restart date for its Line 55 Spearhead crude oil pipeline remained unknown. The company confirmed that the adjacent 600,000 b/d Line 59 Flanagan South pipeline was put back into service and Canadian cash crude prices strengthened by Wednesday evening. The company said in a letter to shippers that it did not expect any long-term impacts to the Flanagan South delivery schedule.

Reuters, 17:13 August 13, 2015

Update: PES Begins FCCU Restart at Its 335,000 b/d Philadelphia, Pennsylvania Refinery August 14 – Source

Philadelphia Energy Solutions (PES) began restarting an 88,000 b/d fluid catalytic cracking unit (FCCU) on Friday morning at the Girard Point section of its Philadelphia refinery complex, a source familiar with the plant's operations said. The company had shut the FCCU on Wednesday when it was trying to bring the unit up to full production rates following a leak.

Reuters. 9:57 August 14, 2015

Shell Restarting Unit at Its Scotford, Alberta Facility August 13

Royal Dutch Shell Plc Shell restarted a unit at its Scotford, Alberta facility, and warned of intermittent flaring for next 48 hours, according to a community line. The Scotford facility houses a 100,000 b/d refinery and a 255,000 b/d oil sands upgrader.

Reuters, 3:10 August 14, 2015

Update: Valero Plans to Restart Hydroplex at Its 180,000 b/d Memphis, Tennessee Refinery August 14 – Sources

Valero Energy Corp plans to restart the hydroplex at its Memphis, Tennessee refinery early on Friday after completing repairs on Thursday, said sources familiar with plant operations. The hydroplex was knocked out of production on August 2 and refinery production has been cut back as a result.

Reuters, 16:05 August 13, 2015

Spectra Energy's 164,000 b/d Platte Pipeline in Wyoming Returns to Service after Brief Outage August 13

Spectra Energy said that its Platte pipeline was shut down for about four hours on Thursday afternoon due to a communications system snag. The Platte Pipeline transports up to 164,000 b/d of crude oil from Casper to Guernsey, Wyoming, and 145,000 b/d from Guernsey to Wood River, Illinois.

Reuters, 21:03 August 13, 2015

North Dakota Oil Production Up 10,000 b/d in June versus May – Industrial Commission

Oil production in North Dakota rose 10,000 b/d to 1,210,000 b/d in June, monthly data from the state Industrial Commission showed.

Reuters, 10:36 August 14, 2015

Ontario Energy Board Report Sees More Risk than Gain in TransCanada's 1.1 Million b/d Energy East Pipeline

TransCanada Corp.'s proposed Energy East pipeline will create more risk than gain for Ontario and only modest economic benefits, according to the Ontario Energy Board's (OEB) impact assessment. The conversion of a natural gas line to carry oil will cause the price of gas in eastern Ontario to rise an average of 12 percent in winter months from 2016 to 2035, according to the regulator. Winning political support is important for TransCanada to avoid further delays for a line proposed to cross six provinces and transport as much as 1.1 million b/d of oil from Alberta to Canada's Atlantic Coast. The company said it would examine the Ontario regulator's report and ensure its project is safe and provides economic gains. The Ontario regulator also raised concerns about the line's impact to environmentally sensitive lands, climate change and the risk of spills. The report was commissioned to inform the provincial government as it prepares to weigh in on a national review of the project. The National Energy Board is assessing Energy East to make a recommendation to the federal government, which has the authority to approve or reject the line.

http://www.ontarioenergyboard.ca/oeb/Documents/Press%20Releases/news_release_energyeast_20150813.pdf
http://www.downstreamtoday.com/news/article.aspx?a_id=48774

Natural Gas

Long Run Exploration Reports Temporary Production Reduction Due to Alliance Pipeline Shutdown in Alberta

Long Run Exploration Ltd. was directed by Alliance Pipeline to suspend natural gas injections into the Alliance Pipeline system starting from 9:00 am MDT on August 7 after notification of an operational event on its system which was declared a force majeure event. Long Run was able to restart at 8:00 am MDT on August 13, but the suspension resulted in a deferral of approximately 21.5 MMcf/d of natural gas production and approximately 2,500 b/d of oil and NGLs over the six days. The outage primarily affected Long Run's Deep Basin Edson field and the associated natural gas and liquids volumes being produced from the area. Long Run expects this downtime will result in a reduction of 2015 third quarter production of approximately 400 boe/d.

<http://longrun.mwnewsroom.com/press-releases/long-run-exploration-ltd-announces-temporary-production-reduction-as-a-result-of-tsx-lre-201508141021386001>

Southern Union Reports Flaring at Its Keystone Gas Plant in Texas August 13

Southern Union reported low pressure gas was being flared due to problems with the expander and liquids from the field. Operations was working to get the liquids out of the plant and repair the equipment.

<http://www2.tceq.texas.gov/oce/eer/index.cfm?fuseaction=main.getDetails&target=218778>

PG&E pays California \$300 Million toward Penalty for 2010 Pipeline Blast in San Bruno

Pacific Gas & Electric (PG&E) said it paid a \$300 million penalty to California's general fund for a 2010 gas pipeline explosion that killed eight people and destroyed more than three dozen homes in suburban San Francisco. The payment announced Thursday is part of a larger \$1.6 billion penalty levied against PG&E earlier this year for the blast in San Bruno. In addition to the now-paid \$300 million to California's general fund, the penalty requires PG&E shareholders to pay \$850 million toward gas transmission safety improvements, mandates the utility pay \$400 million in bill credits, and directs about \$50 million toward other remedies.

Reuters, 21:32 August 13, 2015

Other News

Nothing to report.

China Port Blast Hits Iron Ore Deliveries, Tanker Operations

According to the Tianjin Maritime Safety Administration, the two massive explosions at the Chinese port of Tianjin have disrupted oil tanker arrivals and departures, but oil and gas facilities at the port had not been affected. Industry officials said CNOOC's 2 million tonne per year, floating liquefied natural gas (LNG) terminal run was operating normally, and a Sinopec Corp media official confirmed that its 270,000 b/d Tianjin refinery, which is located about 28 miles from the affected zone, was running normally. The refinery, one of the largest in northern China, handles crude oil and fuel vessels at Nanjiang port, a separate part of the Tianjin port.

Reuters, 19:10 August 13, 2015

Energy Prices

U.S. Oil and Gas Prices			
August 14, 2015			
	Today	Week Ago	Year Ago
CRUDE OIL West Texas Intermediate U.S. \$/Barrel	42.40	43.82	96.18
NATURAL GAS Henry Hub \$/Million Btu	2.92	2.76	3.87

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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