



ENERGY ASSURANCE DAILY

Wednesday Evening, September 09, 2015

Electricity

Wildfire Threatens, Shuts Trinity Public Utility District's 115-kV Transmission Line Near Douglas City and Hayfork, California September 9

The Trinity Public Utility District said Douglas City and Hayfork, California are without power due to the Browns Fire. The Trinity PUD is a small utility district in Northern California serving approximately 16,000 consumers in a 2,200-mi area. The Trinity PUD is directly connected to the California Independent System Operator-controlled electrical grid by 60-kV transmission facilities and a 115-kV transmission line. A transmission line that provides power to Hayfork and Douglas City is in the direct path of the fire and was de-energized to ensure the safety of fire personnel working underneath the power lines. Officials added that reports have been received indicating that some of their utility poles are burning. Trinity does not yet have a timeline in place for re-energizing the line and restoring power to affected areas. CAL FIRE said the blaze has grown to 35 acres and had been 75-percent contained as of this morning.

<http://www.krcrtv.com/highway-299-closed-evacuations-ordered-for-fire/35166442>

http://cdfdata.fire.ca.gov/incidents/incidents_details_info?incident_id=1217

<http://energy.gov/sites/prod/files/EIS-0389-FEIS-01-2007.pdf>

Duke Energy Renewables to Add 160 MW of Solar-Generated Capacity in North Carolina by Year-End; Projects Will More Than Double Utility's Solar Portfolio

Duke Energy Renewables today announced it has completed four solar power projects in Eastern North Carolina, adding 30 MW of solar power in the state. Energy generated from the projects, which are located in Creswell, Everetts, Battleboro, and Sunbury, will be sold to Dominion NC Power. Duke has an additional 132 MW of solar energy under construction that is expected to be complete by year-end. Capital Partners Solar Project Phase II, underway in Kelford and Whitakers, NC, will add 32 MW. Output from those projects will be supplied to George Washington University, American University, and George Washington University Hospital. Work also has begun on Duke's 80 MW site in Conetoe. (Conetoe's customer is under negotiation.) In addition, a 20 MW solar site announced in July in Shawboro is under construction in Currituck County and slated for completion by the end of the year, bringing the 2015 projects to a total of 160 MW. Shawboro will also sell its output to Dominion NC Power.

<http://www.duke-energy.com/news/releases/2015090901.asp>

<http://www.duke-energy.com/news/releases/2015072101.asp>

<https://sustainability.gwu.edu/capital-partners-solar-project>

Update: Constellation's 565 MW Nine Mile Point Nuclear Unit 1 in New York Ramps Up to 98 Percent by September 9

On the morning of September 8 the unit was operating at 75 percent. The unit had shut from full power on September 4 due to specified system actuations caused by a main steam isolation valve closure, and was restarted on September 7.

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

<http://www.nrc.gov/reading-rm/doc-collections/event-status/event/2015/20150908en.html>

AES's 496 MW Redondo Gas-fired Unit 8 in California Reduced by September 8

The unit entered an unplanned curtailment of 246 MW.

<http://content.caiso.com/unitstatus/data/unitstatus201509081515.html>

Inland Empire Energy Center's 366 MW Gas-fired Unit 2 in California Reduced by September 8

The unit entered an unplanned curtailment of 104 MW.

<http://content.caiso.com/unitstatus/data/unitstatus201509081515.html>

Update: AES's 226 MW Huntington Beach Gas-fired Unit 1 and 226 MW Unit 2 in California Return to Service by September 8

The units returned from an unplanned outage that began September 6.
<http://content.aiso.com/unitstatus/data/unitstatus201509081515.html>

Update: Calpine's 135 MW American I Gas-fired Unit in California Returns to Service by September 8

The unit returned from an unplanned outage that began September 7
<http://content.aiso.com/unitstatus/data/unitstatus201509081515.html>

Luminant to Buy 116 MW from SunEdison's 485,000-Panel Castle Gap Solar Power Plant Project in Texas

Luminant announced yesterday that it will buy 116 MW from SunEdison's new Castle Gap facility in Upton County, TX, just south of Midland. The complex will have 485,000 solar panels when it is completed next year.
<https://www.luminant.com/category/news-release/#.VfBXf31gLg8>
<http://fuelfix.com/blog/2015/09/08/luminant-inks-deal-with-sunedison-to-bring-more-solar-power-to-texas-grid/>

Petroleum

Two Workers Hurt After Heath Oil Company 2 Million Gallon Gasoline Tank Explodes in Pennsylvania August 27

Two oil refinery workers were hurt after a Heath Oil Company gasoline storage tank exploded on the morning of August 27 in Barkeyville, PA. The workers were preparing the tank for cleaning, which contained roughly 1,700 gallons of gasoline at the time of the explosion. The cause of the ignition remains under investigation.
http://www.alliednews.com/news/heath-gas-tank-explodes-two-hurt/article_c02d1c8a-566a-11e5-8673-870c1fe190e5.html

Update: Judge Issues Restraining Orders to Preserve Evidence at Total's 225,000 b/d Port Arthur, Texas Refinery While Production Remains at 50 Percent September 8

A Texas district judge issued temporary restraining orders on Tuesday to preserve evidence in the death of a bulldozer operator at Total SA's Port Arthur refinery on Saturday, according to court documents. A Kinder Morgan Inc. employee drowned when the bulldozer he was operating in a coker pit overturned early on Saturday, according to law enforcement officials. Sources told Reuters that bulldozers were operating in the coke pit because a giant crane normally used to remove coke and coke dust has been out of service for several months. The restraining orders require Total and Kinder Morgan, which operates a petroleum coke terminal in Port Arthur, and the refinery's manager to preserve the scene and all records relating to the accident until a hearing in the Jefferson County District Court. Total is running operations at about 50 percent while it works with Kinder Morgan to implement a plan to return to full service, according to a spokeswoman.

<http://www.hydrocarbonprocessing.com/Article/3486714/Latest-News/Total-limits-Texas-refinery-operations-after-worker-dies-in-bulldozer-accident.html>

Reuters, 21:16 September 8, 2015

Update: Valero Restarts Hydrotreater at Its 335,000 b/d Port Arthur, Texas Refinery September 9; CDU and Hydrocracking Unit Remain Shut Due to Leaks

Valero Energy Corp. on Wednesday was restarting an 18,500 b/d kerosene gulfiner hydrotreating unit at its Port Arthur refinery, according to sources familiar with plant operations. The hydrotreater was one of three units that shut down on Sunday at the refinery, while two others restarted by Monday morning. The smaller of two crude distillation units (CDUs) remains shut because of a leak in an overhead line found on Sunday night. The CDU has a capacity of 75,000 b/d. The smaller of two hydrocracking units at the refinery is still out of production following a shutdown on Tuesday. Valero reported a hydrocracker unit upset caused flaring at the refinery on Tuesday, according to a report with the Texas Commission on Environmental Quality. Valero was attempting to re-light the heater on the 45,000 b/d hydrocracker on Tuesday afternoon ahead of restarting production, according to the sources.

<http://www2.tceq.texas.gov/oc/eer/index.cfm?fuseaction=main.getDetails&target=219883>

Reuters, 11:13 September 9, 2015

Reuters, 15:16 September 8, 2015

Flint Hills Responds to Small Fire at Its 288,468 b/d Corpus Christi, Texas Refinery September 8 – Community Alert Message

Flint Hills Resources was responding to a small fire on Tuesday at the West plant of its Corpus Christi refinery, according to a message on a local community alert system. The message did not identify any units involved in the incident.

Reuters, 17:45 September 8, 2015

Spectra Energy's 164,000 b/d Platte Crude Oil Pipeline Shuts Briefly September 8

Spectra Energy Corp says its Platte pipeline was shut down for a few hours on Tuesday to allow for supply to catch up as it was ahead of schedule. The shutdown did not impact nominations and the Platte pipeline is now back up and running. The 932-mile Platte Pipeline transports up to 164,000 b/d of crude oil from Casper, WY, to Guernsey, WY, and 145,000 b/d from Guernsey to Wood River, IL, according to the company website.

Reuters, 19:47 September 8, 2015

Update: Shell Cancels Its 300,000 b/d Louisiana-to-Texas Westward Ho Pipeline Project

Royal Dutch Shell Plc has canceled the project after years of delays, reductions in scope, and after other new pipelines began flowing, a spokeswoman confirmed September 8. The line had been slated to start up in the third quarter of 2015, but later the company estimated construction would wrap up in 2017. Shell has twice cut the proposed capacity of the line, from an initial 900,000 b/d to 600,000 b/d in 2011, and again to 300,000 b/d in mid-2012, after shippers submitted fewer binding commitments. Westward Ho was proposed to move light sweet crude oil from the St. James, Louisiana crude terminal to markets and pipeline connections just across the Texas state line in Port Arthur and Nederland.

<http://www.reuters.com/article/2015/09/08/us-shell-pipeline-westwardho-idUSKCN0R82RF20150908>

Phillips 66 Resumes Hauling North Dakota Bakken Crude by Rail to Its New Jersey and Washington State Refineries

Phillips 66 has mobilized some crude oil railcars that were parked earlier this year when cheap imports eroded the profitability of moving domestic crude by rail, the president said. The company has pulled some railcars out of storage to haul Bakken crude to its New Jersey and Washington state refineries, company president Tim Taylor told Reuters. The company declined to say how many cars it took out of circulation or how many are back, but the move provides context to how quickly rail movements can be mobilized or halted depending on price discounts between inland and imported crude oil.

Reuters, 08:00 September 9, 2015

Plains' 250,000 b/d Cactus Pipeline in Texas Begins Moving 80,000 b/d of Crude Oil September 9

Plains All American Pipeline LP's 250,000 b/d Cactus Pipeline in West Texas is moving about 80,000 b/d of crude, a company executive said today. Plains started up the pipeline in April 2015 and has plans to expand its capacity to handle up to 330,000 b/d. The line feeds into Plains' recently expanded 600,000 b/d joint-venture Eagle Ford pipeline to Corpus Christi.

Reuters, 10:31 September 9, 2015

Update: Nexen Energy Allowed to Resume 75-percent Production at Its Long Lake, Alberta Oil Sands Facility

Nexen Energy ULC on Sunday reported it had received an Amendment Order from the Alberta Energy Regulator (AER) that lifts the application of a previous suspension order to a portion of the pipelines at its Long Lake facility. As a result, Nexen is now able to maintain approximately 75 percent of its Long Lake oil sands production and upgrader operations. The AER had ordered Nexen to shut in 95 pipelines at the facility on August 28 as part of an investigation into one of the largest-ever oil-related pipeline spills on North American soil, discovered in July. Nexen said on Sunday that it would continue to comply with the suspension order to address the remaining pipelines in a safe and timely manner.

www.nexencnoocld.com/en/AboutUs/MediaCentre/NewsReleases/News/Release.aspx?year=2015&release_id=0054150E5B094B95A078C8982EFAB376

www.wsj.com/articles/alberta-regulator-allows-cnooc-oil-sands-plant-to-partially-resume-production-1441588253

www.downstreamtoday.com/news/article.aspx?a_id=49047

Marathon Petroleum Sees No Slowdown in Diesel Export Demand – CEO

Marathon Petroleum Corp has been exporting about 300,000 b/d of refined products so far this year and sees no slowdown in export demand for diesel, an executive said today. He also said gasoline export demand has “risen substantially” in 2015.

Reuters, 09:11 September 9, 2015

CIG Logistics Opens New Rail Terminal in Jal, New Mexico to Serve Delaware Basin Operators

CIG Logistics, an oil and gas logistics provider, has opened a new rail terminal in Jal, New Mexico, to reduce transportation, transloading, and storage costs for oil producers operating in the Delaware Basin. The terminal includes more than 550 rail car spots and 12,000 tons of silo storage capacity. A phase two expansion of an additional 160 rail car spots and 6,000 tons of silo storage is being planned for early 2016. CIG Logistics now operates six transloading and storage facilities in locations throughout Texas, including Lubbock, Slaton, San Antonio, Big Lake, and Hugh Springs.

<http://www.prnewswire.com/news-releases/new-rail-terminal-to-bolster-delaware-basin-oil-industry-local-jobs-300138552.html>

ConocoPhillips, Husky Energy Announce Start-up Activities at New Oil Sands Projects in Alberta

ConocoPhillips and Husky Energy Inc recently announced key milestones in bringing two new oil sands projects online. The two projects will add around 178,000 b/d to the 2.3 million b/d already being produced from the oil sands in Alberta. Husky said it has started steam operations at the second of two processing plants at its Sunrise project, a joint venture with BP Plc that will reach full capacity of 60,000 b/d by the end of 2016. Conoco announced first oil at its Surmont 2 thermal project in northern Alberta three months after it began injecting steam into the reservoir. The project is a joint venture with Total E&P Canada and will ramp up to 118,000 b/d by the end of 2017.

<http://www.surmontphase2.ca/about.cfm>

http://www.huskyenergy.com/news/release.asp?release_id=1984930

<http://www.reuters.com/article/2015/09/01/canada-oil-sands-idUSL1N1171BX20150901>

Natural Gas

Nothing to report.

Other News

Update: Noble Group Restarts 100 MMGal/Yr Sound Bend, Indiana Ethanol Plant September 1

Noble Group Ltd has restarted Indiana’s oldest ethanol plant after a major reconstruction project. The plant has been idle since 2012. Noble purchased the plant in July 2013 and converted it from one that burns coal to one that burns natural gas, upgrading the fermentation process, installing new regenerative thermal oxidizers, and improving the evaporation equipment, including ethanol and steam generation.

<http://www.ethanolproducer.com/articles/12578/south-bend-indiana-ethanol-plant-on-line-again>

Vireol Bio Energy Suspends Production at Its 48 MMGal/Yr Hopewell, Virginia Ethanol Plant Due to Poor Economics September 1

Vireol Bio Energy said it has suspended production indefinitely and would like to sell the site, according to local news sources. Owners say low gas prices are contributing to the plant’s struggles. The plant, which officially began operations in April 2014, had produced nearly 4 million gallons of ethanol for local markets each month.

<http://www.vireolbioenergy.com/who-we-are/history>

<http://www.nbc12.com/story/29936433/hopewells-ethanol-plant-suspends-production-looking-for-new-owners>

International News

Update: Syrian Army, Islamic State Continue to Battle for Jazal Oilfield September 8

Islamic State fighters battled government forces on Tuesday at central Syria's Jazal oilfield, the last such facility still partly under state control, a group monitoring the conflict reported. Clashes broke out at dawn at the site, which has been shut down by several days of fighting. On Monday the militants had seized all of the facility—a report denied by the government. Other sources reported on Tuesday that the army had managed to keep Islamic State out of parts of the complex.

http://www.rigzone.com/news/oil_gas/a/140499/Syrian_Army_Islamic_State_Battle_for_Central_Oilfield#sthash.n6VqzWGM.dpuf

Nigeria's State Oil Company to Receive Military Help to Curb Oil Theft

Nigerian troops will provide security for the state oil company's pipelines in a bid to prevent the theft of oil, the president said on Tuesday. Nigerian President Muhammadu Buhari has said about 250,000 b/d of crude is stolen in Nigeria, which produces more than 2 million b/d and is Africa's biggest producer of crude. The head of the National Nigerian Petroleum Corporation, Emmanuel Ibe Kachikwu, met armed forces chief General Gabriel Olonishakin on Tuesday to discuss a proposal for soldiers to provide security for the corporation's equipment and assets.

Olonishakin assured him of military support. The Nigerian navy already conducts patrols to fight vandalism but Kachikwu also wants to secure the use of more boats and the air force.

http://www.downstreamtoday.com/news/article.aspx?a_id=49067

Energy Prices

U.S. Oil and Gas Prices			
September 9, 2015			
	Today	Week Ago	Year Ago
CRUDE OIL West Texas Intermediate U.S. \$/Barrel	44.08	46.25	92.94
NATURAL GAS Henry Hub \$/Million Btu	2.73	2.75	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>

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