



ENERGY ASSURANCE DAILY

Thursday Evening, September 10, 2015

Electricity

Butte Wildfire Knocks Out Power to 17,000 PG&E Customers in California September 9

The Butte Wildfire burning in Amador and Calaveras counties, near Sacramento, California, knocked out power to approximately 17,000 Pacific Gas & Electric customers on Wednesday. The utility reported that several of its facilities and pole lines were damaged by the fire, but that it hoped to fully restore power by Thursday evening. As of 4:10 p.m. ET, PG&E was reporting 11,296 customers remained without power in Jackson, Pine Grove, and Pioneer. The 1,200-acre fire sparked by lightning on July 31 has charred about 160 square miles and is 30 percent contained, officials said.

<http://www.pge.com/myhome/outages/outage/>

<http://www.therepublic.com/view/story/052db68795714aebbcee4dffe1fc1780/CA--California-Wildfires>

Entergy's 966 MW River Bend Nuclear Unit 1 in Louisiana Reduced to 89 Percent by September 10

On the morning of September 9 the unit was operating at full power.

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

AES's 498 MW Alamosa Gas-fired Unit 5 in California Reduced by September 9

The unit entered an unplanned curtailment of 168 MW.

<http://content.caiso.com/unitstatus/data/unitstatus201509091515.html>

Mirant's 317 MW Pittsburg Gas-fired Unit 6 in California Shut by September 9

The unit entered an unplanned outage.

<http://content.caiso.com/unitstatus/data/unitstatus201509091515.html>

PECO Conducts Annual Electrical Equipment Inspections to Ensure Reliable Service

PECO has recently inspected 1,932 circuits and more than 10,000 miles of aerial electric lines to ensure reliability for its customers across the region. Based in Philadelphia, PECO is an electric and natural gas utility subsidiary of Exelon Corporation, and serves 1.6 million electric and more than 506,000 natural gas customers in southeastern Pennsylvania. The utility's overall preventive maintenance program also includes regular inspection of electric and natural gas equipment, including manholes, underground cables, transformers, substations, and pipelines.

<https://www.peco.com/News/NewsReleases/Pages/AnnualElectricalEquipmentInspectionsEnsureReliableServiceforPECOCustomers.aspx>

Long Island Launches Community Microgrid Project to Establish Renewable Backup Power System for Critical Loads During Outages

PSEG Long Island, in partnership with the Clean Coalition and other stakeholders, is implementing the Long Island Community Microgrid Project, which aims to serve nearly 50 percent of its grid demand with distributed solar generation. The result will be a local energy system combining up to 15 MW of solar power with a 25-MWh energy storage system. The system also will provide backup power to critical loads during outages, including two Suffolk County Water Authority pumping and filtration plants and the Springs Fire District facility. The project is on track to complete several project milestones by the end of the year.

<http://www.clean-coalition.org/long-island-community-microgrid-project-kicks-off-receives-ny-prize-funding/>

Marathon Reports Processing Unit Leak at Its 212,000 b/d Robinson, Illinois Refinery September 9

Marathon Petroleum Corp said on Wednesday night that its 212,000 b/d Robinson, Illinois refinery experienced a small leak in one of its processing units. Marathon says there were no injuries and no impact to the community. Reuters, 10:32 September 10, 2015

HollyFrontier Reports Emissions at Its 70,300 b/d Tulsa East, and 85,300 b/d West Refineries in Oklahoma September 4

HollyFrontier reported excess hydrogen sulfide emissions at its East and West Tulsa Oklahoma Refineries on September 4. The Oklahoma Department of Environmental Quality filing was made public on Wednesday. Reuters, 15:39 September 9, 2015

Update: Exxon Says Its 502,000 b/d Baton Rouge, Louisiana Refinery is Returning to Normal Operations After Power Loss, Flaring on September 8

Exxon Mobil Corp says its 502,000 b/d Baton Rouge, Louisiana refinery is in the process of returning to normal operations. On September 5, the company reported that a power loss at the chemical plant caused a flaring event, which led to a release of nitrous oxide. The filing with the U.S. National Response Center was made public on Tuesday.

Reuters, 12:33 September 10, 2015

Reuters, 10:31 September 8, 2015

Update: Flint Hills Extinguishes Flare Line Fire at Its 293,000 b/d Corpus Christi, Texas Refinery September 8

Flint Hills Resources reported that it extinguished a fire on a flare line on Tuesday at the West plant of its Corpus Christi refinery, according to a filing with state pollution regulators. The incident occurred during a maintenance activity, the filing with Texas Commission on Environmental Quality said on Wednesday. The company did not respond to calls seeking additional details about the incident.

Reuters, 17:32 September 9, 2015

Update: Out-of-Service Crane Repairs Reduce Coker Production at Total's 225,000 b/d Port Arthur, Texas Refinery – Sources

Total SA plans to operate its 60,000 b/d delayed coking unit at reduced production levels until an out-of-service crane can be repaired, which may take up to four weeks, sources familiar with plant operations said on Wednesday. The out-of-service crane was a contributing factor to the death of a Kinder Morgan employee last Saturday. Under normal operations, the crane moves coke dust from below the unit to the adjacent Kinder Morgan terminal. An employee drowned when the bulldozer he was operating overturned in the pit, which contained scalding water and petroleum coke. The delayed coking unit's four giant drums heat highly viscous crude oil residue into petroleum coke, which can be used as a coal substitute. High-pressure, hot-water jets cut the coke from drums where it falls, along with the water, into the pit. Total plans to operate only one of the coker's four drums until the crane's repairs are complete, and has relied on bulldozers and loaders to remove coke from the pit. A spokesman said that an investigation is still ongoing, and sources have told Reuters the refinery's production has been cut back by almost 50 percent, though the company was looking at ways to boost fuel output.

Reuters, 13:29 September 9, 2015

Western Refining to Replace Sweet Crude Slate with Local Production at Its 128,000 b/d El Paso, Texas Refinery

Western Refining said on Wednesday it will replace 100 percent of the sweet crude slate at its El Paso refinery with cost-advantaged local crudes. The company's chief executive officer said the refinery is currently running between 80,000–85,000 b/d of local crude. Western will also run the refinery on Delaware Basin crude from New Mexico and West Texas, and West Texas Sour crude, which is largely produced in the Permian Basin. The firm is also evaluating a 10,000–15,000 b/d expansion of the refinery, slated for completion in 2017–18. Western expects the switch in feedslates to add between \$20 million and \$25 million in profit generated from the El Paso refinery by the first quarter of 2017.

Reuters, 16:30 September 9, 2015

U.S. Crude Stocks Rise More Than Expected as Refinery Runs Fall – EIA

U.S. crude stocks rose last week as refinery runs and imports fell, data from the Energy Information Administration showed on Thursday. Crude inventories rose by 2.6 million barrels in the last week, compared with analysts' expectations for an increase of 933,000 barrels. Crude stocks at the Cushing, Oklahoma, delivery hub fell by 897,000 barrels, EIA said. Refinery crude runs fell by 279,000 b/d and utilization rates fell by 1.9 percentage points, EIA data showed.

Reuters, 11:05 September 10, 2015

Five Valero Refineries Will Process 100-Percent North American Crude by Year-End

Valero Energy Corp reported earlier this week that its Jean Gaulin Refinery in Quebec will be processing 100 percent North American crude oil by the end of the year, making it the fifth of Valero's refineries to have that capability. Production from Canadian tar sands and U.S. shale plays have helped eliminate the need for foreign oil. Valero's Ardmore, McKee, Memphis, and Three Rivers refineries can already process 100 percent North American crude oil.

<http://www.bizjournals.com/sanantonio/blog/eagle-ford-shale-insight/2015/09/valero-refineries-processing-north-american-crude.html>

Flint Hills Resources Modifying Its 293,000 b/d Corpus Christi, Texas Refinery to Process More Domestic Crude

Flint Hills Resources is modifying its Corpus Christi West refinery in South Texas to process more domestic crude, primarily from the Eagle Ford shale region, into transportation fuels. In late 2014, FHR began the construction phase of the project, named Project Eagle Ford, and expected the work to be completed in 36 months.

http://www.downstreamtoday.com/news/article.aspx?a_id=49072

<http://www.fhr.com/refining/texas.aspx>

Construction on Energy Transfer's 450,000 b/d Dakota Access Pipeline to Start in January

Matrix Service Inc. plans to begin construction on six North Dakota gathering terminals for the Dakota Access Pipeline in January. The above-ground storage tanks at the gathering terminals are planned for the North Dakota cities of Stanley, Epping, Ramberg, Watford City, Trenton, and Johnson Corner. Energy Transfer Partners is building a 1,134-mile, 30-inch diameter pipeline from the Bakken region into Illinois to supply Midwest and Gulf coast refiners with North Dakota light, sweet crude oil by the end of 2016. The pipeline will transport about 450,000 b/d, with a capacity of more than 570,000 barrels. Construction on the gathering terminals is expected to be completed by the end of 2016.

<http://www.thebakken.com/articles/1281/matrix-service-starting-bakkenundefineds-dakota-access-pipeline-in-winter>

<http://bakken.com/news/id/244488/construction-on-bakken-pipeline-gathering-terminals-to-begin-this-winter/>

Maryland Releases Records Showing Rail Shipments of Bakken Crude Oil Through the State Despite Private Efforts to Block the Information

The Maryland Department of the Environment on Wednesday released records showing rail shipments of crude oil through the state, despite efforts by CSX Transportation and Norfolk Southern Railway to block the information. The federal government requires companies that ship large quantities of Bakken crude oil to notify state emergency officials about their movements. The records released Wednesday show that CSX Transportation moves up to five trains, each carrying 1 million gallons or more of Bakken crude, through Baltimore weekly, and that Norfolk Southern Railway runs as many as 16 trains carrying 1 million gallons or more of crude oil each week through Cecil County. Several local media outlets filed public information requests for the documents submitted in the state by CSX and Norfolk Southern, which claimed the filings contained confidential commercial information. Earlier in August of this year, a Baltimore City Circuit Court judge ruled that the information railroads submit to the state is public.

<http://www.baltimoresun.com/business/bs-bz-crude-shipments-20150909-story.html>

<http://www.baltimoresun.com/business/bs-bz-train-oil-disclosure-20150817-story.html>

<http://www.baltimoresun.com/business/bs-bz-crude-study-bill-20150219-story.html>

California Enacts Rail Safety Law to Help Prevent Accidents Involving Bakken Crude and Other Hazardous Materials

California Governor Jerry Brown on Tuesday signed a rail safety bill into law that will require trains and light engines carrying freight within the state to be operated by at least two people. Senator Lois Wolk introduced Senate Bill 730 in response to concerns from the public and local advocacy groups opposed to rail shipments of Bakken crude oil and other materials that may pose significant health and safety risks to communities and our environment in the case of an accident.

<http://www.timesheraldonline.com/general-news/20150909/gov-brown-signs-rail-safety-bill-into-law>

<http://sd03.senate.ca.gov/news/2015-04-23-rail-safety-bill-passes-out-senate-committee>

Natural Gas

Update: Spectra Energy Faces Local Criticism for Its Access Northeast Project in Massachusetts

Opponents are criticizing Spectra Energy's plans to expand a natural gas pipeline through Braintree and Weymouth, Massachusetts, and build a compressor station near the Fore River in North Weymouth. The work is planned as part of Spectra's Access Northeast project to expand its Algonquin and Maritimes & Northeast systems. These pipelines are directly connected to about 60 percent of New England's natural gas-fired electric generation. The pipeline expansions will be available in increments of 200 MMcf/d, up to 1 Bcf/d, and could be in service as early as November 2018.

<http://plymouth.wickedlocal.com/article/20150909/NEWS/150906664>

<http://www.spectraenergy.com/Operations/New-Projects-and-Our-Process/New-Projects-in-US/Access-Northeast/>

Other News

Nothing to report.

International News

Colombia's Second Largest Pipeline Shut for Repairs After Bomb Attack, Production Not Affected

Colombia's Cano Limon pipeline has been halted for repairs after an alleged bomb attack from the National Liberation Army. Colombian rebel groups have intensified attacks on oil infrastructure in recent months, bombing pipelines and trucks carrying crude oil. A source from the Ecopetrol said on Wednesday that crews were working to repair damage in the tubing and that the pipeline should be back online within hours. Ecopetrol operates the 780-km (485-mile) pipeline, which has the capacity to transport 220,000 b/d of crude oil from the northeastern province of Arauca to the Caribbean coast. Production had not been affected at the Cano Limon and Caricare oil fields, which produce an average of 67,000 b/d.

Reuters, 13:29 September 9, 2015

Nigeria Lifts Extended Ban on Foreign Oil, Gas Vessels September 8

Nigeria canceled a near two-month ban on 113 foreign-flagged vessels from loading crude or gas from Africa's top producer, according to a letter from the state oil company. The vessels were banned on July 15 to prevent oil theft.

www.bloomberg.com/news/articles/2015-09-10/nigeria-lifts-near-two-month-ban-on-113-foreign-oil-gas-vessels

Energy Prices

U.S. Oil and Gas Prices September 10, 2015			
	Today	Week Ago	Year Ago
CRUDE OIL West Texas Intermediate U.S. \$/Barrel	45.80	46.70	91.74
NATURAL GAS Henry Hub \$/Million Btu	2.73	2.72	3.94

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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