



ENERGY ASSURANCE DAILY

Friday Evening, September 11, 2015

Electricity

Update: Butte Fire Threat Mounts; More Than 11,000 PG&E Customers Remain Without Power in California September 11

The Butte Fire that continued to burn in Amador and Calaveras counties, near Sacramento, California, on Friday led to mandatory evacuations in some areas. The fire had advanced to almost 15,000 acres by Thursday night, when Cal Fire announced containment had dropped to 10 percent, from a high earlier in the day of 30 percent. Approximately 17,000 Pacific Gas & Electric customers lost power on Wednesday, when the utility reported that several of its facilities and pole lines were damaged by the fire. As of 1:35 p.m. ET on Friday, 11,478 customers remained without power in Jackson, Pine Grove, and Pioneer. PG&E also shut two 102 MW hydropower units (an unplanned outage) at its Electra Hydroelectric Power House in Amador County by September 10, according to a filing with the California Independent System Operator.

www.uniondemocrat.com/News/Local-News/Butte-Fire-threat-mounts-Calaveras-Unified-closes-schools-12000-people-without-electricity#

www.pge.com/myhome/outages/outage/

<http://content.caiso.com/unitstatus/data/unitstatus201509101515.html>

Exelon Delays Closure Decision on Nuclear Power Plants in Quad Cities and Byron, Illinois for One Year

Exelon Corporation on Thursday announced that it will defer any decisions about the future operations of its Quad Cities and Byron nuclear plants for one year, after analysis of the present and future economics of the plants. As a result, the company plans to continue operating its 855 MW Quad Cities Nuclear Unit 1 and 855 MW Nuclear Unit 2 through at least May 2018. The 1,163 MW Byron Nuclear Unit 1 and 1,131 MW Nuclear Unit 2 are already obligated to operate through May 2019.

http://www.exeloncorp.com/newsroom/pr_20151010_EXC_PJMAuction.aspx

Update: Entergy's 966 MW River Bend Nuclear Unit 1 in Louisiana at Full Power by September 11

On the morning of September 10 the unit was operating at 89 percent.

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

Cabrillo Power's 110 MW Encina Gas-Fired Unit 3 in California Shut by September 10

The unit entered an unplanned outage.

<http://content.caiso.com/unitstatus/data/unitstatus201509101515.html>

Georgia Power Begins Construction of 30 MW Solar Generation Facility at SUBASE Kings Bay

Georgia Power on Thursday reported construction of a 30 MW solar generation facility has begun at the Naval Submarine Base (SUBASE) Kings Bay near St. Marys, Georgia. The SUBASE Kings Bay facility is expected to come online by the end of 2016. The facility is the fourth solar project Georgia Power has begun with the military this year, joining three other 30 MW facilities currently under construction at U.S. Army bases Fort Gordon, Fort Stewart, and Fort Benning. Georgia Power is also working with the Navy to finalize details for a potential fifth solar project at the Marine Corps Logistics Base Albany. In total, Georgia Power's on-base solar projects are expected to add more than 150 MW of solar generation by the end of 2016.

<http://www.georgiapower.com/about-us/media-resources/newsroom.cshtml>

Federal Government, Duke Energy Settle on Clean Air Act Violations; Makes Recent Shutdown of 11 Coal-Fired Units in North Carolina Permanent

The U.S. Environmental Protection Agency and the U.S. Department of Justice on Thursday announced a settlement with Duke Energy Corporation to resolve Clean Air Act violations at five coal-fired power plants across North Carolina. The settlement resolves long-standing claims that Duke violated the federal Clean Air Act by unlawfully modifying 13 coal-fired electricity generating units located at the Allen, Buck, Cliffside, Dan River, and Riverbend plants without obtaining air permits and installing and operating the required air pollution control technologies. Duke recently shut down 11 of the 13 units, and under Thursday's settlement those shutdowns also become a permanent and enforceable obligation under the consent decree. At the remaining two units, Duke must continuously operate pollution controls and meet interim emission limits before permanently retiring them.

<http://www2.epa.gov/enforcement/duke-energy-corporation-clean-air-act-caa-settlement>

<http://yosemite.epa.gov/opa/admpress.nsf/21b8983ffa5d0e4685257dd4006b85e2/02a425eb4c60f2ce85257ebc0055b41b!OpenDocument>

<http://www.duke-energy.com/news/releases/2015091002.asp>

JCP&L Completes Thermovision Inspections to Ensure Service Reliability

Jersey Central Power & Light (JCP&L) has completed thermovision inspections on 300 circuits on its distribution system across northern and central New Jersey. The inspections feature thermographic cameras and serve to detect potential problems on wires and other equipment that cannot be observed during regular visual inspections. As a result of the inspections, JCP&L identified and corrected nearly 100 potential problems. JCP&L conducts the thermovision inspections on all of its circuits on a four-year cycle.

https://www.firstenergycorp.com/newsroom/news_releases/jcp-l-completes-thermovision-inspections-to-help-enhance-and-mai.html

Strong G3 Geomagnetic Storm Hits Earth September 11

The National Oceanic and Atmospheric Administration's (NOAA) Space Weather Prediction Center reported a strong (G3) geomagnetic storms began impacting the Earth early Friday morning, between 2:00 and 5:00 a.m. EDT. Moderate (G2) geomagnetic storm levels have been observed since that time and G3 storms remain possible Friday afternoon.

<http://www.swpc.noaa.gov/news/strong-g3-geomagnetic-storm-observed-11-september-2015>

Petroleum

Phillips 66 Delays Restart of FCCU at Its 306,000 b/d Wood River, Illinois Refinery September 10 – Source

Phillips 66 has delayed the restart of a 42,000 b/d fluid catalytic cracking unit (FCCU) at its Wood River, Illinois, refinery until Monday, about four days later than initially expected, according to a person familiar with the plant's operations. The FCCU was shut on Tuesday after a leak was discovered. The unit was initially expected to restart within 48 hours but was delayed due to technical problems, the source said on Thursday.

Reuters, 13:27 September 10, 2015

Marathon Shuts Alkylation Unit Due to a Leak at Its 212,000 b/d Robinson, Illinois Refinery September 9 – Source

Marathon Petroleum shut a 11,500 b/d alkylation unit at its Robinson, Illinois, refinery Wednesday night due to a leak, according to a source familiar with the plant's operations. The company has brought in extra workers to fix the alkylation unit, but a restart time has not been determined, the source said on Thursday.

Reuters, 13:07 September 10, 2015

Shell Reports Unit Fire at Its Deer Park, Texas Plant September 11

Royal Dutch Shell Plc on Thursday reported its Deer Park, Texas, facility experienced a fire involving one unit, according to a community information phone line message. The facility houses a refinery and a chemical plant. It was not immediately clear whether the incident took place at the chemical plant or the refinery.

Reuters, 08:18 September 11, 2015

Shell Reports Unit Shutdown at Its Scotford, Alberta Facility September 10

Royal Dutch Shell Plc reported a unit shutdown at its Scotford facility, according to a post from a community information line. The Scotford facility houses a 100,000 b/d refinery and a 255,000 b/d oil sands upgrader.

Reuters, 14:42 September 10, 2015

NST Express Planning New Storage Facility, Pipeline to Deliver 100,000 b/d to a Rail-Loading Facility in Western North Dakota

The North Dakota Public Service Commission is considering a proposal from NST Express to build a 23-mile, 12-inch pipeline to transport 100,000 b/d of crude oil from a proposed storage facility to a rail-loading facility in East Fairview, ND. The county has approved three 50,000-barrel storage tanks that will be constructed north of Alexander, ND. If the pipeline is approved, some construction on the project could begin this fall at the Alexander site, but the pipeline installation would not begin until next spring. The pipeline would be owned by NST Express. Buckeye Partners is in negotiations to construct and operate the pipeline. The pipeline needs some additional permits, including approval from the U.S. Army Corps of Engineers and McKenzie County.

<http://www.grandforksherald.com/news/region/3836625-oil-pipeline-proposal-adds-safety-measures-yellowstone-river-crossing>

U.S. House Panel Passes Bill to Repeal Oil Export Ban

The House Energy and Power Subcommittee on Thursday passed a bill to repeal the U.S. ban on oil exports, an initial step to overturn the 40-year-old trade restriction in the full chamber. The legislation is expected to go to a vote by the full Energy and Commerce Committee next week.

http://www.downstreamtoday.com/news/article.aspx?a_id=49080

OSHA Cites Mason Well Services for Violations Resulting in the Death of Three Employees at West Texas Oil Rig in March

https://www.osha.gov/pls/oshaweb/owadisp.show_document?p_table=NEWS_RELEASES&p_id=28677

Natural Gas

Boardwalk Shuts Part of Texas Gas Transmission Natural Gas Pipeline After Rupture September 9

Boardwalk Pipeline Partners said a portion of the Texas Gas Transmission natural gas pipeline was shut following a rupture on Wednesday. The impacted line transports natural gas from East Texas to Bastrop, Louisiana, and has a capacity of about 350–400 MMcf/d, a company spokeswoman said on Thursday. There were no fires or injuries associated with the incident, the spokeswoman said, adding that there has been minimal impact to customers. The line will be returned to service once the repairs are completed and the U.S. Pipeline and Hazardous Materials Safety Administration approves of it, she added.

Reuters, 15:50 September 10, 2015

Sunoco Logistics Announces Binding Open Season for Mariner East 2 Expansion Project

Sunoco Logistics Partners L.P. on Thursday announced the commencement of a binding open season for its Mariner East 2 Expansion Project. This open season is for expanded capacity on the Mariner East 2 system, which will be able to transport additional volumes of petroleum products, including natural gas liquids and condensate from processing facilities built in the liquid-rich Marcellus and Utica Shale areas in Western Pennsylvania, West Virginia and Eastern Ohio to Sunoco Logistics' Marcus Hook Industrial Complex on the Delaware River. The open season offers service for ethane, propane, butane, C3+, natural gasoline and condensate depending upon customer interest. The Mariner East 2 Expansion Project is expected to commence operations as early as 2017.

<http://www.sunocologistics.com/SiteData/docs/SXLOpenSea/8355bf4553a688c7/SXL%20Open%20Season%20for%20ME2%20Expansion%20Sept%2010%202015.pdf>

Pennsylvania PUC Manager Reports Pipeline Explosions Down 70 Percent in 10 Years

From 2004 through 2014 the number of pipeline explosions in Pennsylvania has gone from 19 to 5, according to a manager of gas safety at the Pennsylvania Public Utility Commission, citing data from the U.S. Department of Transportation's Pipeline and Hazardous Materials Safety Administration. The manager's report focused specifically on natural gas pipelines, hazardous liquid pipelines, and liquefied natural gas plants in Pennsylvania.

<http://www.bizjournals.com/pittsburgh/blog/energy/2015/09/pennsylvania-pipeline-explosions-down-70-percent.html?ana=yahoo>

Southern Union's 140 MMcf/d Keystone Gas Plant in Texas Shuts Due to Power Outage September 10

Southern Union reported a power outage resulted in an entire plant shutdown Thursday morning, according to a filing with the Texas Commission on Environmental Quality. The power utility shut-in the substation that supplies the plant due to an accident, the filing says. Operators shut-in gas from inlet producers and were flaring all incoming gas in a controlled manner.

<http://www2.tceq.texas.gov/oce/eeer/index.cfm?fuseaction=main.getDetails&target=219983>

NGPL to Provide Cheniere with Capacity on Gulf Coast Mainline Undergoing Expansion in Texas

Natural Gas Pipeline Company of America LLC (NGPL) on Thursday announced an agreement with Corpus Christi Liquefaction, LLC, a subsidiary of Cheniere Energy, Inc., to provide the Corpus Christi Liquefaction Project with 385,000 dekatherms per day of southbound natural gas transportation capacity on NGPL's expanded Gulf Coast mainline system for a 20-year term. NGPL expects to complete the first phase of its Gulf Coast Market Expansion Project, which will increase NGPL's total southbound capacity from multiple receipt points, including the Rockies Express Pipeline interconnection at Moultrie, Illinois, to existing and growing markets along Texas and the Louisiana Gulf Coast. The Gulf Coast Market Expansion project will include the reversal of four compressor stations in Victoria, Wharton, Montgomery, and Angelina counties, Texas, the addition of a new compressor station in Cass County, Texas, and minor pipe replacement and upgrades along the NGPL system in Texas. Pending regulatory approvals, the project is expected to be placed fully into service by July 2019.

http://www.downstreamtoday.com/news/article.aspx?a_id=49092

Canadian Regulator Approves Repsol LNG Export Plan in New Brunswick

Repsol has received approval from Canadian regulators to begin exporting liquefied natural gas (LNG) from its Canaport import facility in Saint John, New Brunswick. The National Energy Board of Canada granted the company a 25-year permit to import as much as 312 billion cubic feet of natural gas per year by pipeline from the United States and western Canada, then convert it to 6 million metric tons of LNG at a new onsite facility, according to an approval letter from the National Energy Board of Canada dated September 3.

http://www.downstreamtoday.com/news/article.aspx?a_id=49088

Other News

USDA Awards Grants to Expand Infrastructure for Renewable Fuels

Agriculture Secretary Tom Vilsack on Thursday announced that 21 states will receive grants through the Biofuel Infrastructure Partnership (BIP) to add infrastructure needed to supply more renewable fuel to America's drivers. Through BIP, USDA will award competitive grants, matched by states, to expand the infrastructure for distribution of higher blends of ethanol. BIP funds must be used to pay a portion of the costs related to the installation of fuel pumps and related infrastructure dedicated to the distribution of higher ethanol blends, for example E15 and E85, at vehicle fueling locations. The matching contributions may be used for these items or for related costs such as additional infrastructure to support pumps, marketing, education, data collection, program evaluation and administrative costs.

http://www.usda.gov/wps/portal/usda/usdahome?contentid=2015/09/0249.xml&navid=NEWS_RELEASE&navtype=RT&parentnav=LATEST_RELEASES&edeployment_action=retrievecontent

Energy Department Releases Second Quadrennial Technology Review

The U.S. Department of Energy on Thursday released its second Quadrennial Technology Review, which examines the current status of clean energy technologies and identifies hundreds of clean energy research opportunities that could support the effort to modernize the power sector as a whole, while also helping Americans to power their homes, businesses, cars, and trucks more efficiently.

<http://www.energy.gov/articles/energy-department-releases-second-quadrennial-technology-review>

International News

Nothing to report.

Energy Prices

U.S. Oil and Gas Prices			
September 11, 2015			
	Today	Week Ago	Year Ago
CRUDE OIL West Texas Intermediate U.S. \$/Barrel	44.70	46.44	91.88
NATURAL GAS Henry Hub \$/Million Btu	2.71	2.67	3.96

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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