



ENERGY ASSURANCE DAILY

Tuesday Evening, September 13, 2016

Major Developments

Update: Colonial Plans to Resume Flow at Reduced Rates on Unaffected Portions of Its 1.37 Million b/d Line 1 September 14 as Remediation Continues on Gasoline Leak in Alabama; Plans to Ship Gasoline on Its 1.16 Million b/d Line 2

Colonial Pipeline Co. on Monday said its main gasoline pipeline, the 1.37 million b/d Line 1, would resume flows at reduced rates on Wednesday, later adding that it projects a full restart this weekend as crews continue remediation efforts at the spill site near Helena, Alabama. Starting Wednesday, Colonial will operate the unaffected segments of Line 1 upstream and downstream of the impacted segment, and also begin shipping gasoline on the 1.16 million b/d Line 2, which is normally dedicated to shipping distillate only. As the company transitions to batch shipments on Line 2, customers were notified that various gasoline grades would be comingled in order to increase system efficiency, but were assured that no comingled gasoline deliveries were expected to be made prior to Friday, September 16 and would not pose any vapor compliance issues – September 16 is when the Reid Vapor Pressure (RVP) limit for gasoline increases. The Colonial pipeline system connects Gulf Coast refineries with markets across the southern and eastern United States through more than 5,500 miles of pipeline, delivering gasoline, diesel, jet fuel, and other refined products. Lines 1 and 2 run from Houston, Texas to Greensboro, North Carolina, supplying markets in Mississippi, Alabama, Tennessee, South Carolina and North Carolina. Colonial's Lines 3 and 4 move fuels north from Greensboro to markets in Virginia, Maryland, Pennsylvania, and New Jersey before terminating in the New York Harbor area. Colonial shut down Lines 1 and 2 on Friday in order to investigate a potential system integrity issue in Alabama, which was later confirmed as a gasoline leak from Line 1. Colonial on Saturday said Line 2 had returned to normal operations.

<https://helena.colonialresponse.com/>

Reuters, 18:29 September 12, 2016

Reuters, 13:52 September 13, 2016

Electricity

PNM Reports Transmission Problems Briefly Knocks Out Power to Over 50,000 Customers in New Mexico September 12

Public Service of New Mexico (PNM) reported 50,444 customers were without power on Monday afternoon in the Albuquerque area. Power was fully restored within about one hour. An initial investigation indicated lightning played a role in the disruption of a high-voltage transmission line in northwestern New Mexico, according to a PNM spokesperson. The National Weather Service issued a severe thunderstorm warning Monday afternoon as storms crossed over the region.

<https://www.facebook.com/PNMelectric>

<https://www.pnm.com/search-an-outage>

<http://www.koat.com/news/hundreds-affected-by-pnm-power-outage/41633452>

Update: Southern's 856 MW Hatch Nuclear Unit 1 in Georgia Ramps Up to 95 Percent by September 13

On the morning of September 12 the unit was operating at 50 percent, reduced from 96 percent on September 10.

<http://www.nrc.gov/reading-rm/doc-collections/event-status/reactor-status/2016/>

Update: FPL's 565 MW Duane Arnold Nuclear Unit in Iowa Ramps Up to 94 Percent by September 13

On the morning of September 12 the unit was operating at 76 percent, reduced from 93 percent on September 11.
<http://www.nrc.gov/reading-rm/doc-collections/event-status/reactor-status/2016/>

Update: APS's 1,243 MW Palo Verde Nuclear Unit 1 in Arizona Restarts, Ramps Up to 12 Percent by September 13

The unit shut from full power due to a pressurizer main spray valve that was stuck open.

<http://www.nrc.gov/reading-rm/doc-collections/event-status/reactor-status/2016/>

<http://www.nrc.gov/reading-rm/doc-collections/event-status/event/2016/20160908en.html>

SCE's 820 MW Big Creek Hydro Unit in California Reduced by September 12

The unit entered an unplanned curtailment of 374 MW.

<http://content.caiso.com/unitstatus/data/unitstatus201609121515.html>

AES's 175 MW Redondo Gas-fired Unit 6 in California Shut by September 12

The unit entered an unplanned outage.

<http://content.caiso.com/unitstatus/data/unitstatus201609121515.html>

MidAmerican's 550 MW Topaz Solar Unit in California Shut by September 12

The unit entered an unplanned outage.

<http://content.caiso.com/unitstatus/data/unitstatus201609121515.html>

Talen Energy Reports Transformer Fire at Its 538 MW Lower Mount Bethel Natural Gas-Fired Power Plant in Pennsylvania September 11; No Power Outages Reported

Talen Energy on Sunday night reported a transformer fire at its Lower Mount Bethel power plant in Martins Creek, Pennsylvania. The fire was contained within about two hours with no injuries or evacuations reported. Talen's spokesperson on Monday said the plant was functioning normally and the company was working with state regulators to investigate the incident. The plant's shutdown did not cause any power outages

<https://twitter.com/talenenergy>

<http://www.nbcphiladelphia.com/news/local/Fire-Burns-After-Explosion-at-Lehigh-Valley-Natural-Gas-Power-Plant-393053821.html>

http://www.lehighvalleylive.com/slate-belt/index.ssf/2016/09/firefighters_summoned_to_talen.html

Petroleum

Sunoco Shuts Its Permian Express Line 2 after 800 Barrel Crude Oil Spill in Texas September 10

Sunoco Logistics on Saturday identified a crude oil release from its Permian Express Line 2 pipeline near Sweetwater, Texas. Sunoco said it shut the line and expects it to remain shut for several days before a repair is made. The release was initially estimated to be about 800 barrels.

Reuters, 19:35 September 12, 2016

ExxonMobil Reports Flaring, Minimal Impact from Compressor Shutdown at Its 560,500 b/d Baytown, Texas Refinery September 13

ExxonMobil said there was minimal impact to production at its Baytown, Texas refinery after unplanned compressor shutdown occurred on Monday, causing the refinery to utilize its flare system. ExxonMobil added that the event had since ended and the compressor was returned to service.

Reuters, 11:31 September 13, 2016

Reuters, 11:10 September 13, 2016

Tesoro Reports Major Unit Startup at Its 166,000 b/d Martinez, California Refinery September 11; Normal Operations September 12

Tesoro Corp reported a major unit startup at its Martinez, California refinery on Sunday, according to a filing with Contra Costa County Health Services. On Monday, Tesoro reported operations were normal at the refinery.

Reuters, 17:45 September 12, 2016

Shell Reports Unit Shutdown at Its Scotford, Alberta Facility September 13

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

Reuters, 9:07 September 13, 2016

Energy Transfer Committed to Building Dakota Access Pipeline in North Dakota – Letter

In a letter to employees on Tuesday, chairman and chief executive officer of Energy Transfer Partners said the company is committed to completing construction and safely operating the Dakota Access Pipeline within the confines of the law, a statement following the U.S. Justice Department's move last Friday to block construction on federal land shortly after a U.S. District Court judge rejected a request from Native Americans for a court order to block the project. The 1,100-mile, \$3.7 billion pipeline was originally expected to start up later this year, but the Standing Rock Sioux, whose tribal lands are located just south of the proposed route, have said the pipeline could pollute the tribe's drinking water, as well as desecrate sacred burial and prayer sites. The letter also stated the project is nearly 60 percent complete, and that Energy Transfer had spent \$1.6 billion so far on equipment, materials and the workforce. The company plans to meet with officials in Washington in order to understand their position and reiterate its commitment to bring the Dakota Access Pipeline into operation. When fully connected to existing lines, the Dakota Access would be the first pipeline to ship crude oil from the Bakken shale directly to the U.S. Gulf Coast refining centers.

Reuters, 12:58 September 13, 2016

Natural Gas

Regency Reports AGC Shut at Its 290 MMcf/d Waha Gas Plant in Texas August 11

Regency reported the acid gas compressor (AGC) shutdown on high fourth stage discharge pressure causing a flared acid gas stream from the amine treater. Two suction valves were replaced on the fourth stage cylinder and the AGC was reset and put it back in service.

<http://www2.tceq.texas.gov/oce/ee/index.cfm?fuseaction=main.getDetails&target=243635>

Other News

Nothing to report.

International News

ExxonMobil Offers First Qua Iboe Crude Cargo in Nigeria since July Force Majeure Declaration – Sources

ExxonMobil is offering an October 8–16 loading cargo of Nigeria's Qua Iboe crude oil, the first offer since the company declared force majeure on the grade in July, sources said on Tuesday. The force majeure was declared on the crude oil stream after a leak was discovered on the pipeline, which supplies the export terminal. It was not immediately clear if the pipeline was already repaired, or if the company simply expected it to be back online in time to load the oil in October.

Reuters, 7:44 September 13, 2016

Update: Western Countries Call on Libyan Forces to Withdraw from Seized Ports September 12

The United States, France, Germany, Italy, Spain, and Britain called on Monday on forces loyal to eastern Libyan commander Khalifa Haftar to withdraw from several key oil ports, which were seized from a rival force over the weekend. Forces loyal to Haftar took control of the Ports of Ras Lanuf, Es Sider, Zueitina, and Brega, displacing a force allied to the U.N.-backed government in Tripoli.

Reuters, 18:44 September 12, 2016

Energy Prices

U.S. Oil and Gas Prices			
September 13, 2016			
	Today	Week Ago	Year Ago
CRUDE OIL West Texas Intermediate U.S. \$/Barrel	44.86	4.80	44.70
NATURAL GAS Henry Hub \$/Million Btu	2.99	2.85	2.71

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>

Please direct comments and questions to: ead@oe.netl.doe.gov