



ENERGY ASSURANCE DAILY

Monday Evening, September 21, 2015

Electricity

CAISO Orders SDG&E to Reduce Power by 150 MW, Leaving 115,000 Customers in California Without Power Due to Failed Generator Putting Stress on Grid September 20

About 115,000 San Diego Gas & Electric (SDG&E) customers were without power Sunday afternoon after a failed generator put stress on the power grid that was already under heavy demand due to high temperatures. The California Independent System Operator (CAISO) ordered SDG&E to drop 150 MW of load in order to avoid overloading other lines. The company was investigating the cause of the generator outage but a CAISO spokesperson said it was "exacerbated by increased demand in the area." As of 3:30 p.m. EDT Monday, 257 SDG&E customers remained without power.

<http://www.sdge.com/safety/outages/outage-map>

<https://twitter.com/SDGE>

<http://www.sandiegouniontribune.com/news/2015/sep/20/outage-sdge-thousands-no-power/>

Exelon's 1,093 MW Peach Bottom Nuclear Unit 3 in Pennsylvania Shut by September 21

On the morning of September 20 the unit was operating at 78 percent.

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

Update: TVA's 1,125 MW Sequoyah Nuclear Unit 1 in Tennessee Restarts by September 20, Ramps Up to Full Power by September 21

TVA shut unit 1 on September 14 from full power when the Vital Instrument Power Board (VIPB) de-energized.

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

<http://www.nrc.gov/reading-rm/doc-collections/event-status/event/2015/20150915en.html>

TVA's 1,125 MW Watts Bar Nuclear Unit 1 in Tennessee Shut by September 21

On the morning of September 20 the unit was operating at 89 percent.

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

Update: AES's 336 MW Alamos Gas-fired Unit 4 in California Returns to Service by September 20

The unit returned from an unplanned outage that began by September 19.

<http://content.aiso.com/unitstatus/data/unitstatus201509201515.html>

AES's 179 MW Redondo Gas-fired Unit 5 in California Shut by September 19

The unit entered an unplanned outage.

<http://content.aiso.com/unitstatus/data/unitstatus201509191515.html>

AES's 175 MW Redondo Gas-fired Unit 6 in California Shut by September 20

The unit entered an unplanned outage.

<http://content.aiso.com/unitstatus/data/unitstatus201509201515.html>

Update: Cabrillo Power's 300 MW Encina Gas-fired Unit 4 in California Returns to Service by September 19

The unit returned from an unplanned outage that began by September 17.

<http://content.aiso.com/unitstatus/data/unitstatus201509191515.html>

NOAA Reports G3 Geomagnetic Disturbance Weakening September 20

The National Oceanic and Atmospheric Administration (NOAA) on Sunday reported an isolated period of G3 (strong) geomagnetic storms were observed due to the influence of a coronal hole high speed stream and the arrival of a coronal mass ejection from September 18. The effects of the coronal mass ejection subsided although weak coronal hole influence was still being observed. G1 (minor) geomagnetic storms were expected until around 2 p.m. EDT as this event continues to wane.

<http://www.swpc.noaa.gov/news/update-geomagnetic-disturbance-weakening-20-sep-2015>

<http://www.swpc.noaa.gov/news/update-g3-strong-or-greater-warning-issued-until-1200-utc-20-september>

Petroleum

MDM Energy Oil Well Explosion Contained in Watson, Illinois September 20 – Fire Official

An explosion in an MDM Energy-owned crude oil well was contained in Effingham County, Illinois, on Sunday evening, a fire department official said on Monday. There were no injuries or crude oil leaks from the incident, the Watson Township Fire Department Chief said. Earlier, the explosion was reported by the fire department in a filing with Illinois Emergency Management Agency, noting that the fire had been put out.

Reuters, 9:31 September 21, 2015

Husky Says Its 155,000 b/d Lima, Ohio Refinery Operating at Reduced Rates September 21 after Fire September 19

Husky Energy experienced a fire in a coker unit at its Lima, Ohio refinery on Saturday, a source familiar with plants operations said Monday. The unit was being restarted following a planned maintenance and was operating at reduced rates on Monday. Earlier, Husky Energy said it extinguished a fire at one of its processing units Saturday evening.

Reuters, 11:44 September 21, 2015

Citgo Reports Unit Upset, Flaring at Its 172,045 b/d Lemont, Illinois Refinery September 18

Citgo Petroleum Corp reported a unit upset that led to flaring at its refinery at Lemont, Illinois, on Friday, according to a filing with the Illinois Emergency Management Agency.

Reuters, 22:47 September 20, 2015

Motiva Reports Operational Upset at Its 603,000 b/d Port Arthur, Texas Refinery September 19

Reuters, 22:17 September 20, 2015

Valero Reports Unit Upset at Its 335,000 b/d Port Arthur, Texas Refinery September 19

Valero Energy Corp reported a process unit upset that led to flaring at its Port Arthur, Texas, refinery on Saturday, according to a filing with state pollution regulators. The filing did not specify the unit involved or say whether there had been any impact on production.

Reuters, 21:59 September 20, 2015

U.S. Oil Drillers Cut Rigs for Third Week on Weak Crude Prices September 18 – Baker Hughes

U.S. energy firms cut oil rigs for a third week in a row this week, Baker Hughes Inc data showed on Friday. Drillers removed eight rigs in the week ending September 18, bringing the total rig count down to 644, after cutting 23 rigs over the prior two weeks. In response to falling oil prices, U.S. oil production has declined over the past several weeks, with output down to about 9.1 million b/d last week from an average 9.6 million b/d from late May to mid-July, the highest since the early 1970s, according to government data.

Reuters, 13:26 September 18, 2015

Velocity Midstream, CVR Energy to Construct Crude Oil Pipeline through SCOOP, STACK Plays in Oklahoma

Velocity Midstream Partners, LLC announced that Velocity Central Oklahoma Pipeline LLC, a wholly owned subsidiary of Velocity, entered into a Letter of Intent with CVR Energy, Inc. related to Velocity's construction of a crude oil gathering and transportation system through the fairways of the SCOOP and STACK plays in Oklahoma. SCOOP, which is the South-Central Oklahoma Oil Province, targets the Springer and Woodford shale across parts of a multiple-county area located south and southwest of Oklahoma City. STACK, which stands for Sooner Trend Anadarko Canadian and Kingfisher, includes a multiple-county area in northern Oklahoma with oil and gas-rich shale formations, such as the Meramac and Woodford shale. The new pipeline will enable producers in the SCOOP to segregate their heavier crude barrels produced from the Springer and Woodford oil formation from the lighter, condensate barrels being produced from the Woodford condensate window. This crude oil project also includes a pipeline extension into the STACK play.

<http://www.cvrenergy.com/NewsRoom/pdfs/2015-09-15%20VMP%20CVR%20Press%20Release%20-%20F.pdf>

Natural Gas

Regency Reports Its 290 MMcf/d Waha Gas Plant in Texas Shut Due to Amine System Fluctuation September 18

Regency reported its Waha gas plant shut on amine system process fluctuation/foaming and process issues. The plant was restarted, process lined out, and amine system and acid gas injector restarted.

<http://www2.tceq.texas.gov/oce/eei/index.cfm?fuseaction=main.getDetails&target=220327>

Columbia Pipeline Group Announces FERC Approval for Its Cameron Access Project in Louisiana September 21

Columbia Pipeline Group, Inc. and Columbia Pipeline Partners LP announced today that the Federal Energy Regulatory Commission (FERC) approved construction of the Cameron Access Project in Southwest Louisiana by its subsidiary Columbia Gulf Transmission, LLC. The Cameron Access Project includes improvements to Columbia Gulf's existing pipeline system, as well as ancillary facilities, a new compressor station near Lake Arthur, Louisiana, and the installation of an approximately 26-mile Greenfield pipeline lateral in Cameron Parish that provides direct access to the Cameron LNG export facility. The project includes binding precedent agreements for more than 90 percent of the 800 million cubic feet of new firm transportation capacity. The project is anticipated to begin construction activity in the spring of 2016 and be placed in service during the first quarter of 2018.

<http://www.prnewswire.com/news-releases/columbia-pipeline-group-announces-federal-approval-for-cameron-access-project-300146184.html>

Other News

BNSF Train Carrying Ethanol Derails in South Dakota September 19

Ten cars of a BNSF Railway train carrying ethanol derailed in rural South Dakota early Saturday, starting a fire and forcing detours on the company's main track, according to local news reports and Bloomberg News. A BNSF spokeswoman on Saturday said that portion of the track remained out of service and didn't have an estimate yet for when it would reopen. The company has other routes it can use, the spokeswoman added. The 98-car train derailed at about 6:15 a.m. CDT near the town of Lesterville. Two of the cars were involved in the fire, and BNSF and local emergency officials responded to the scene.

Reuters, 14:11 September 20, 2015

International News

Nothing to report.

Energy Prices

| U.S. Oil and Gas Prices September 21, 2015 | | | |
|--|-------|----------|----------|
| | Today | Week Ago | Year Ago |
| CRUDE OIL West Texas Intermediate U.S. \$/Barrel | 46.62 | 44.02 | 93.07 |
| NATURAL GAS Henry Hub \$/Million Btu | 2.63 | 2.66 | 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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