



# ENERGY ASSURANCE DAILY

Thursday Evening, September 22, 2016

## ***Major Developments***

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### **Update: Colonial Pipeline's 1.37 Million b/d Line 1 Safely Restarts, Returns to Service September 21**

Colonial Pipeline on Wednesday evening safely restarted and returned to service its Line 1 pipeline after a leak of 6,000–8,000 barrels was discovered in Shelby County, Alabama on September 9. Colonial said it removed the inline plugging devices that were installed at points on both sides of the impacted pipeline segment during the initial incident response operations and completed all other preparatory work necessary to initiate restart procedures. It is expected to take several days for the fuel delivery supply chain to return to normal and some markets served by Colonial Pipeline may experience, or continue to experience, intermittent service interruptions. Colonial said it was continuing to move as much gasoline, diesel, and jet fuel as possible and will continue to do so as markets return to normal. Colonial said environmental protection efforts have successfully contained the release to the immediate site and there have been no impacts to the safety of the general public. The company said it will continue to excavate and remove the impacted segment of the pipeline so that a full and complete investigation can be conducted to determine the cause of this incident. It added that it would be premature to speculate on the cause of the September 9 release until the pipe has been excavated, inspected, and investigations are complete.

<https://helena.colonialresponse.com/helena-alabama-incident-update-september-21-540-p-m-cdt-update-22/>

### **Update: PREPA Slowly Restoring Power in Puerto Rico September 22 after Substation Fire Knocked Out Power to Nearly 1.5 Million Customers September 21**

The Puerto Rico Electric Power Authority (PREPA) on Thursday was slowly restoring power to 1.47 million customers after a fire at the Aguirre power plant caused a near total blackout of the island on Wednesday. Some 200,000 customers had electricity back by early Thursday afternoon, and officials said that approximately 50 percent of PREPA's customers would be restored by Thursday evening. Governor Alejandro Garcia Padilla, who declared a state of emergency, said power would not be fully restored before Friday. Crews were connecting gas turbines at larger power plants to help restore power, but the process had to be often repeated due to demand overpowering the system, officials said. Utility officials said they were trying to determine what caused the fire Wednesday afternoon at the Aguirre power plant in the southern town of Salinas and triggered the larger outage. The fire apparently knocked out two transmission lines that serve the broader grid, which tripped circuit breakers that automatically shut down the flow of power as a preventive measure, a PREPA spokesperson said. The Governor added that a switch where the fire occurred had been properly maintained, rejecting suggestions the outage stemmed from maintenance problems. He warned that restoring power would be a slow process, given that the system is so old and numerous setbacks could occur.

<http://www.prepa.com/spanish.asp?url=http://www.aeepr.com/Noticias/avisos.asp>

[https://twitter.com/aeonline?utm\\_source=aepr&utm\\_medium=tweetlogo&utm\\_campaign=AeprTweetLogo](https://twitter.com/aeonline?utm_source=aepr&utm_medium=tweetlogo&utm_campaign=AeprTweetLogo)

Reuters, 14:17 September 22, 2016

## ***Electricity***

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### **'Transmission Issue' Briefly Knocks Out Power to 17,000 MidAmerican Energy Customers in Iowa September 22**

MidAmerican Energy on Thursday morning reported 17,000 customers had their power knocked out due to a "transmission issue at a substation" in Waterloo. Power was fully restored within about one hour, the utility said.

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

<https://www.midamericanenergy.com/outagewatch/dsk.html>

## **Update: Entergy's 813 MW FitzPatrick Nuclear Unit in New York Ramps Up to 88 Percent by September 22**

On the morning of September 21 the unit was operating at 54 percent, reduced from 84 percent on September 15.  
<http://www.nrc.gov/reading-rm/doc-collections/event-status/reactor-status/2016/>

## **BHE Renewables' 310 MW Solar Star Unit 1 in California Shut by September 21**

The unit entered an unplanned outage.

<http://content.aiso.com/unitstatus/data/unitstatus201609211515.html>

## **Potomac Edison Substation Enhancement Project Underway in Howard and Frederick Counties, Maryland**

Potomac Edison, a subsidiary of FirstEnergy Corp., on Wednesday said it was upgrading equipment at a substation near Mt. Airy to help enhance service reliability for about 3,400 customers and meet increased electrical demand in the high-growth, eastern edge of its Maryland service area. The centerpiece of the \$2.5 million substation project is replacing two distribution transformers with larger units that will increase the system's capacity and help power the new residential and commercial development planned for eastern Frederick and Howard counties. The substation upgrade includes the installation of two new breakers, a new substation control building, and the installation of automated and remote control devices designed to help reduce the number and duration of service interruptions. The project is expected to be completed by early 2017

[https://www.firstenergycorp.com/newsroom/news\\_releases/potomac-edison-substation-project-underway-to-accommodate-fast-g.html](https://www.firstenergycorp.com/newsroom/news_releases/potomac-edison-substation-project-underway-to-accommodate-fast-g.html)

## ***Petroleum***

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### **Update: Phillips 66's 120,200 b/d Rodeo, California Refinery Marine Terminal Remains Shut September 22 after Two Sheens Discovered; USCG Investigating**

Phillips 66 on Thursday said the marine terminal at its Rodeo refinery near San Francisco remained shut for an investigation of a second sheen that was identified during a U.S. Coast Guard (USCG) overflight near the marine terminal. On Wednesday morning, a USCG overflight of the northern San Pablo Bay area identified an initial sheen just over a mile long by 40 yards wide on the water. The causes of the sheens have not yet been determined, the USCG said on Thursday, although pollution investigators took samples to assist in determining the source. Several vessels and skimmers were on scene conducting containment and cleanup operations and 1,000-feet of boom has been placed on the water surrounding the refinery, the USCG said. No oiled wildlife has been observed, the USCG added.

<http://www.uscgnews.com/go/doc/4007/2885682/>

Reuters, 10:22 September 22, 2016

### **Update: Sunoco Logistics Expects Its 200,000 b/d Permian Express II Pipeline in Texas to Restart September 23 – Sources**

Sunoco Logistics Partners LP is expected to restart its Permian Express II pipeline by Friday, according to three sources familiar with the matter. The pipeline, which moves crude from the Permian Basin to the U.S. Gulf Coast, was shut on September 10 after a leak of some 800 barrels of oil near Sweetwater, Texas. On Wednesday, the company said that it would be in a position to restart its pipeline in the "next several days."

Reuters, 12:51 September 22, 2016

### **Valero Reports Excess Emissions at Its 86,000 b/d Ardmore, Oklahoma Refinery September 18**

Valero Energy Corp reported an unspecified shutdown and excess hydrogen sulfide from a crude unit, fluid catalytic cracking unit, and sulfur recovery unit at its Ardmore refinery on September 16, according to a filing with the Oklahoma Department of Environmental Quality.

Reuters, 11:48 September 22, 2016

### **CVR Energy Reports Malfunction at Its 70,000 b/d Wynnewood, Oklahoma Refinery September 19**

CVR Energy reported a malfunction and excess hydrogen sulfide emissions at its Wynnewood refinery on September 19, according to a filing with the Oklahoma Department of Environmental Quality.

Reuters, 11:48 September 22, 2016

### **Update: Output at Motiva's 603,000 b/d Port Arthur, Texas Refinery Unaffected by Leak**

Production at Motiva Enterprises' Port Arthur, Texas, refinery was unaffected by a leak of hydrogen sulfide from sulfur recovery unit 2 over the weekend, said sources familiar with plant operations on Wednesday. Motiva filed a notice with the Texas Commission on Environmental Quality on Wednesday that said an estimated 301 pounds of hydrogen sulfide were released in the leak, which lasted 5.5 hours from Saturday night into Sunday morning. Reuters, 17:12 September 21, 2016

### **Phillips 66 Reports Coker Unit Shut at Its 247,000 b/d Sweeny, Texas Refinery September 21**

Phillips 66 reported the coker unit at its Sweeny refinery was shut due to emissions from a coker flare, according to a filing with the Texas Commission for Environmental Quality. Reuters, 17:12 September 21, 2016

### **Update: PBF Energy's 151,300 b/d Torrance, California Refinery to Resume Operations by Weekend – Source**

PBF Energy's Torrance refinery near Los Angeles is expected to resume operations by this weekend following operational issues on September 19, a source familiar with the matter said on Thursday. The refinery experienced an operational upset early Monday morning following problems with a local utility's electrical system. Reuters, 11:10 September 22, 2016

### **ExxonMobil to Pay \$12 Million Settlement for 2011 Yellowstone River Spill from Its 40,000 b/d Silvertip Crude Oil Pipeline**

The Departments of Justice (DOJ) and the Interior joined with the state of Montana on Wednesday to announce a proposed settlement with ExxonMobil Pipeline Company to resolve claims stemming from the July 2011 oil spill into the Yellowstone River. On July 1, 2011, a 12-inch diameter Silvertip pipeline owned by ExxonMobil ruptured near Laurel, Montana, resulting in the discharge of about 1,500 barrels of crude oil into the Yellowstone River and floodplain. The discharge occurred during a high-flow event, affecting approximately 85 miles of river and associated floodplain. ExxonMobil has agreed to pay \$12 million in natural resource damages to the federal government and the state of Montana as trustees for the natural resources injured by the spill. The state and federal government have also issued a draft restoration plan, which sets forth proposed actions to restore the river and wildlife habitat, and improve public lands and recreational resources. Oil from the spill, along with the cleanup activities, harmed natural resources including fish and other aquatic life, birds (including migratory birds), wildlife, large woody debris piles, aquatic habitat, terrestrial habitat, recreational use, and the services provided by these natural resources.

<https://www.justice.gov/opa/pr/public-and-environment-benefit-proposed-12-million-settlement-exxonmobil-natural-resource>

[http://www.downstreamtoday.com/news/article.aspx?a\\_id=53611](http://www.downstreamtoday.com/news/article.aspx?a_id=53611)

## ***Natural Gas***

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Nothing to report.

## Other News

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### **FERC Finalizes New Reliability Standard on Geomagnetic Disturbances September 22**

The Federal Energy Regulatory Commission (FERC) on Thursday voted to support continued reliable operation of the nation's Bulk-Power System by approving a new reliability standard addressing the vulnerability of electric transmission systems to geomagnetic disturbances (GMD). The final GMD rule closely follows the proposal that was issued in May 2015 and discussed in multiple rounds of filings, and a technical conference that took place in March 2016. The final rule addresses the second of a two-stage process under which the North American Electric Reliability Corporation (NERC), the Commission-approved Electric Reliability Organization, developed new GMD standards. GMDs are caused by solar events that distort, with varying intensities, the Earth's magnetic field. These events are considered to be "high impact, low frequency" events. When they occur, GMD events can have potentially severe, widespread effects on reliable grid operation, including blackouts and damage to critical or vulnerable equipment. The new rule approves NERC's proposed standard, but also directs NERC to develop changes to the reliability standard consistent with those that were set out in last year's proposed rule. Under the approved standard, certain transmission and generator owners, planning coordinators, and transmission planners must assess the vulnerability of their systems to a "benchmark GMD event," described as a "one-in-100-year" event. If an assessment indicates that a system does not meet the performance requirements, the responsible entity would have to develop a corrective action plan addressing how it will meet the requirements. The standard will require entities to have system models needed to complete vulnerability assessments, to have criteria for acceptable steady state voltage performance during a benchmark GMD event, and to complete vulnerability assessments once every 60 calendar months. Given the limited historical geomagnetic data and because scientific understanding of such disturbances is still evolving, FERC directed NERC to conduct further research on specific GMD issues. NERC is to submit a work plan and, subsequently, one or more informational filings that address specific GMD-related research areas.

<http://www.ferc.gov/media/news-releases/2016/2016-3/09-22-16-E-4.asp#.V-P9GfkrKCg>

## International News

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### **Eni Upgrades Egypt's Baltim South West Gas Find to 1 Tcf**

Eni has upgraded the potential of its Baltim South West field in Egypt to 1 trillion cubic feet (Tcf). The total gas potential of the Great Nooros Area has now reached 3 Tcf of gas in place, of which about 2 Tcf are in the Nooros field with the remainder in Baltim South West.

Reuters, 5:58 September 22, 2016

## Energy Prices

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<b>U.S. Oil and Gas Prices</b>			
September 22, 2016			
	<b>Today</b>	<b>Week Ago</b>	<b>Year Ago</b>
<b>CRUDE OIL</b>			
<b>West Texas Intermediate U.S.</b>	46.07	43.80	46.12
\$/Barrel			
<b>NATURAL GAS</b>			
<b>Henry Hub</b>	3.14	3.04	2.59
\$/Million Btu			

Source: Reuters

## Links

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***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](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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