



ENERGY ASSURANCE DAILY

Thursday Evening, September 29, 2016

Electricity

Storms Knock Out Power to 11,000 Dominion Power Customers in Virginia September 29

Storms producing heavy rain knocked out power to at least 11,000 Dominion Power customers in Virginia early Thursday morning. The majority of the outages occurred in the Richmond metropolitan area. As of 3:30 p.m. EDT Thursday, 1,496 customers remained without power.

<https://twitter.com/DomVAPower>

<https://www.dom.com/residential/dominion-virginia-power/outage-center/outages-by-region-and-maps>

http://www.richmond.com/news/local/article_ebe448d0-b48f-5da4-b7b3-baae40dfd7da.html

Transmission Circuit Failure Knocks Out Power to Over 50,000 BC Hydro Customers in British Columbia September 28

A transmission circuit failure left over 50,000 BC Hydro customers without power around 4:30 p.m. EDT on Wednesday in the Fraser Valley east region. Power was nearly fully restored by 7:00 p.m. EDT, Wednesday.

<https://www.bchydro.com/power-outages/app/outage-list.html>

<https://twitter.com/bchydro>

<http://www.abbynews.com/news/395180991.html>

Entergy's 858 MW Arkansas Nuclear Unit 2 in Arkansas Shut by September 28

The unit shut from full power due to an inoperable diesel generator.

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

<http://www.nrc.gov/reading-rm/doc-collections/event-status/event/2016/20160929en.html>

Update: Ameren's 1,125 MW Callaway Nuclear Unit in Missouri Ramps Up to 99 Percent by September 29

On the morning of September 28 the unit was operating at 65 percent, reduced from full power on September 27.

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

Abengoa's 280 MW Solana Solar Plant in Arizona to Pay \$1.5 Million in Air Quality Fines

The Maricopa County Air Quality Department (MCAQD) on September 22 announced a \$1.5 million agreement with Arizona Solar One LLC (ASO), a subsidiary of Abengoa, to resolve violations of air quality rules and regulations that occurred at the Solana Generating Station in Gila Bend, Arizona. From June 2014 to January 2016, MCAQD cited ASO for 21 violations including failure to conduct performance tests as required by their permit, removal of emissions control systems without approval, and exceeding permitted emissions limits. In addition to a multimillion dollar investment to make repairs and upgrade its facility, the settlement requires Arizona Solar One LLC to pay a fine of \$1.5 million.

http://www.maricopa.gov/pr_detail.aspx?releaseID=3362

DTE Energy to Build New 1,000 MW Electric Generation Capacity in Michigan

DTE Energy on Thursday announced it will build new energy generation to replace a portion of its coal-fired capacity that is scheduled to retire by 2023. DTE has plans to build 1,000 MW of gas-fired turbine generation, which are scheduled to be completed between 2021 and 2023. In June, DTE announced plans to retire three of its five coal plants in Michigan—944 MW River Rouge, 1,571 MW St. Clair, and 776 MW Trenton Channel—by 2023 and replace that capacity with a mix of cleaner energy, including natural gas, wind, and solar power. The age of these plants, as well as additional coal plants planned for retirement statewide by other energy companies, demonstrates a need for new energy sources in Michigan, DTE said.

<http://newsroom.dteenergy.com/2016-09-29-DTE-Energy-to-build-new-electric-generation-capacity#sthash.nZA3qMW2.dpbs>

Update: Motiva Reports HCU Steam Explosion at Its 235,000 b/d Convent, Louisiana Refinery September 18; Further Delays HCU Partial Restart by 1 Week – Sources

Motiva Enterprises reported no injuries were sustained from a September 18 explosion that occurred as repairs were underway to a fire-damaged heavy oil hydrocracking unit (HCU) at its Convent, Louisiana refinery, sources familiar with plant operations said on Monday. During the repairs, workers were steaming out the drum on the idled 45,000 b/d HCU when an explosion along the seam of the drum occurred due to over pressurization. The sources said that steam outlets on the drum were left open to prevent over pressurization of the vessel, but one or more became clogged causing the steam pressure to build up in the vessel. Steaming of the drum is a rarely performed procedure on the HCU, the sources added. The HCU was shut by a fire on August 11 that heavily damaged the two production trains on the unit. Repairs to one production train are expected to be completed by the end of the year, which restores about half the unit's production capacity, while repairs to the second train are expected to take up to one year to complete. Damage from the September 18 steam explosion is expected to add a week to the repairs needed to return the unit to partial production by year end, the sources said.

Reuters, 20:04 September 28, 2016

Phillips 66 Reports Excess Carbon Monoxide at Its 200,000 b/d Ponca City, Oklahoma Refinery September 23

Phillips 66 reported excess carbon monoxide from the fluid catalytic cracking unit regenerator at its Ponca City, Oklahoma refinery on September 23, according to a filing with the Oklahoma Department of Environmental Quality.

Reuters, 16:23 September 28, 2016

CVR Reports Malfunction at Its 70,000 b/d Wynnewood, Oklahoma Refinery September 21, Emissions September 25, 26

CVR Energy reported an unspecified malfunction and excess emissions from the hydrocracker flare at its Wynnewood refinery on September 21, according to a filing with the Oklahoma Department of Environmental Quality. Additionally, CVR reported excess emissions from the SRU tail gas incinerator on September 25 and excess emissions from the south recovery flare on September 26.

Reuters, 16:31 September 28, 2016

Update: Phillips 66's 120,000 b/d Rodeo, California Refinery Reopens Marine Terminal as Oil Spill Investigation Continues September 27

Phillips 66 on Tuesday night reported the marine terminal that oil tankers use to unload crude at its refinery in Rodeo had reopened, a week after an investigation into an oil spill prompted the company to shut it down. On September 21, a light oil sheen was discovered in the San Francisco Bay area prompting Phillips 66 to shut the marine terminal. Contra Costa County's chief environmental health and hazardous materials officer said that Phillips 66 waited 10 hours before notifying his agency of the spill, a delay that could have impacted the investigation. The Coast Guard and the state Office of Spill Prevention and Response (OSPR) have been testing the liquid found in the sheens to determine what the substance was and where it came from. Results of those tests are pending and the investigation is ongoing, the OSPR spokeswoman said.

<https://ww2.kqed.org/news/2016/09/28/phillips-66-refinery-in-rodeo-reopens-marine-terminal-as-oil-spill-investigation-continues/>

<http://www.reuters.com/article/us-refinery-operations-phillips-66-bayar-idUSKCN11R2QD>

Update: PBF Energy's 151,300 b/d Torrance, California Refinery at 75 Percent Capacity September 28 – Source

PBF Energy's Torrance refinery near Los Angeles was running at 75 percent capacity on Wednesday, according to a source familiar with the matter. The facility experienced a breakdown last week following problems with a local utility's electrical system.

Reuters, 15:51 September 28, 2016

Natural Gas

American Midstream Emerald to Succeed BP Pipelines as Destin Pipeline System Operator November 1

Destin Pipeline on Wednesday said American Midstream Emerald LLC has been selected to succeed BP Pipelines North America Inc. as the operator of its offshore natural gas pipeline system, effective November 1, 2016. Destin Pipeline, which is majority owned by BP Plc with Enbridge Inc. a minority partner, said a transition process was underway.

Reuters, 18:43 September 28, 2016

Crestwood, SWEPI Sign Long-Term Agreement for New 250 MMcf/d Natural Gas Gathering System in Delaware Basin September 27

Crestwood Equity Partners LP announced today that it entered into a long-term agreement with SWEPI LP, a subsidiary of Royal Dutch Shell, to construct, own, and operate a natural gas gathering system in Shell's operated position in the Permian-Delaware Basin. SWEPI will provide Crestwood with a dedication of approximately 100,000 acres and gathering rights for SWEPI gas production across a large acreage position in Loving, Reeves, and Ward counties, Texas. The initial gathering system is designed for gas production of approximately 250 MMcf/d and will include 194 miles of low pressure gathering lines, 36 miles of high pressure trunklines, and centralized compression facilities that are expandable over time as production increases. Crestwood will provide gathering, dehydration, compression and liquids handling services on a fixed fee basis. Additionally, Shell has the option to purchase up to a 50 percent equity interest in the system prior to September 1, 2017. Project development activities are underway with a targeted initial in-service date on or before July 1, 2017.

<http://www.crestwoodlp.com/investors/news/news-details/2016/Crestwood-and-SWEPI-Enter-into-Long-Term-Gas-Gathering-Agreement-in-the-Permian---Delaware-Basin/default.aspx>

Other News

Nothing to report.

International News

Update: Power Restored to 1.7 Million People in South Australia after Severe Storms Cause Statewide Blackout September 28

Power was restored on Thursday to the entire state of South Australia and its 1.7 million inhabitants after storms a day earlier caused an unprecedented statewide blackout that disrupted operations at mining majors like BHP Billiton, closed ports, and halted public transport. Authorities said power had been restored to 90 percent of the state by Thursday morning, but further disruption was possible with gale force winds and heavy rain forecast. The blackout happened after strong winds destroyed major powerlines north of the state capital Adelaide and lightning struck a power plant, causing a surge across the grid. A highly utilized interconnection to the neighboring state of Victoria was also shut down to prevent damage to infrastructure, causing a state-wide outage. The blackout of the country's fifth most populous state, with 1.7 million people, prompted calls on Thursday for an inquiry into the power sector and questions over whether the state's reliance on renewable energy exacerbated the situation. Coal-fired power plants dominate the country's power sector resulting in Australia being one of the world's biggest carbon emitters on a per capita basis. Renewable energy has struggled to increase its footprint in recent years due to skepticism over climate change amongst some the country's leading politicians. South Australia, a major wine producer and traditional manufacturing hub, is one of the few states with a heavy reliance on renewable energy. Wind power provides roughly 40 percent of the state's electricity supply. Australia wants to double its large-scale renewable energy generation to 33,000 gigawatt hours by 2020, which means solar, wind and hydro-electricity would have to make up nearly a quarter of power generation by then.

Reuters, 22:50 September 28, 2016

Nigerian Militant Group Claims Attack on Oil Pipeline in Niger Delta

A Nigerian militant group on Thursday claimed an attack on a crude pipeline operated by state oil firm NNPC in the Niger Delta. The Niger Delta Greenland Justice Mandate said it bombed the Unenurhie-Evwreni delivery line in Ughelli, Delta state, which is operated by NPDC, a subsidiary of NNPC. Attacks on Nigeria's energy facilities by groups calling for the Delta region to receive a greater share of the OPEC member's oil wealth have cut crude production, which stood at 2.1 million b/d at the start of the year, by a third.

Reuters, 5:37 September 29, 2016

Oil Consortium Begins Test Pumping at Kashagan Oilfield in Caspian Sea September 29

A consortium of major oil companies began test pumping crude oil as the \$50 billion Kashagan project prepares for commercial startup in October. Production from the Kashagan field, which is located in the Caspian Sea offshore of Kazakhstan, initially started in 2013 but was suspended shortly after its launch due to technical problems with pipes. Current plans call for a restart with initial production of 75,000 b/d in October, rising to 150,000–180,000 b/d in November and December. Exports from Kashagan via the CPC pipeline from the Black Sea outlet of Yuzhnaya Ozereevka are also due to begin in October. The Kashagan consortium comprises China National Petroleum Corp., Exxon Mobil, Eni, Royal Dutch Shell, Total, Inpex, and Kazakh state firm KazMunaiGas.

<http://finance.yahoo.com/news/official-kazakh-energy-ministry-withdraws-100633965.html>

Reuters, 8:26 September 29, 2016

Energy Prices

U.S. Oil and Gas Prices			
September 29, 2016			
	Today	Week Ago	Year Ago
CRUDE OIL West Texas Intermediate U.S. \$/Barrel	47.67	46.07	45.19
NATURAL GAS Henry Hub \$/Million Btu	2.98	3.14	2.63

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

Energy Assurance Daily provides a summary of public information concerning current energy issues. Published Monday through Friday to inform stakeholders of developments affecting energy systems, flows, and markets, it provides highlights of energy issues rather than a comprehensive coverage. *Energy Assurance Daily* is updated online Monday through Friday after 5:00 p.m. ET. For more information, visit the Infrastructure Security and Energy Restoration (ISER) website at:

<http://www.oe.netl.doe.gov/ead.aspx>

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