



ENERGY ASSURANCE DAILY

Wednesday Evening, September 30, 2015

Electricity

Avista Utilities Reports 30,000 Customers without Power in Washington after Car Hits Transmission Line Pole September 30

Avista Utilities reported a car hit a transmission pole around 4 a.m. PDT Wednesday, causing a power outage that affected more than 30,000 customers in the Spokane, Washington area. As of 7:45 a.m. PDT, that number had been cut down to about 380 customers.

<https://twitter.com/avistautilities>

<https://www.avistautilities.com/safety/outages/layouts/avista/transactions/ViewOutages.aspx>

<http://www.spokesman.com/stories/2015/sep/30/majority-of-spokane-residents-power-restored-follo/>

Storms, High Winds Knock Out Power to 10,000 PPL Customers in Pennsylvania September 30

Either straight-line winds or a small tornado caused widespread damage and knocked out power to about 10,000 PPL customers in Lancaster County, Pennsylvania overnight, authorities reported. The National Weather Service was sending a crew to conduct a storm survey in the area to check if damage was caused by straight-line winds or a tornado. PPL said it was bringing in work crews from outside of the area to help repair the damage. As of 3:30 p.m. EDT Wednesday, 378 PPL customers remained without power.

<https://omap.prod.pplweb.com/omap>

<https://twitter.com/ppllectric>

http://lancasteronline.com/news/local/storm-cuts-power-to-in-county-wind-rips-apart-warehouse/article_6b406d18-675d-11e5-ac16-bbc4f71088d8.html

Update: PG&E's 154 MW Kerkhoff Hydro Unit 1 in California Returns to Service by September 29

The unit returned from an unplanned outage that began on September 28.

<http://content.caiso.com/unitstatus/data/unitstatus201509291515.html>

NRC Grants 20 Year Operating License Extension to TVA's 2,300 MW Sequoyah Nuclear Power Plant in Tennessee September 29

The Nuclear Regulatory Commission (NRC) on September 29 approved operating license extensions for Sequoyah nuclear power plant's unit 1 and 2 in Tennessee through 2041 after determining that the Tennessee Valley Authority (TVA) had an adequate aging program in place.

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

<http://www.timesfreepress.com/news/business/aroundregion/story/2015/sep/29/nrcgrants-another-20-years-sequoyah-plant/327674/>

FERC Approves Buckeye Partners, Airlines Settlement over Pipeline Transportation Rates September 30

Buckeye Partners, L.P. announced today that the Federal Energy Regulatory Commission (FERC) approved without modification the previously announced settlement between one of its operating subsidiaries, Buckeye Pipe Line Company, L.P. and Delta Air Lines, JetBlue Airways, United/Continental Air Lines, and US Airways/American Airlines (collectively, Airlines). This settlement resolved all complaints filed by the Airlines with FERC challenging Buckeye Pipe Line's rates for transportation of jet fuel from New Jersey to three New York City area airports.

<http://www.buckeye.com/LinkClick.aspx?fileticket=EwJp8W4ga5o%3d&tabid=36>

PBF Reports Emissions, Start-Up Issues at Its 182,000 b/d Delaware City, Delaware Refinery September 29

Reuters, 14:57 September 29, 2015

Delta's 185,000 b/d Trainer, Pennsylvania Refinery Experiences Compressor Problems, All Units Operational September 29 – Source

Reuters, 17:46 September 29, 2015

EPA Announces Rule to Cut Toxic Emissions at Refineries September 29

The Environmental Protection Agency (EPA) on Tuesday finalized a rule, to be fully implemented in 2018, that aims to reduce emissions of benzene and other toxic compounds. The EPA said the capital cost to refiners will be about \$283 million, with an annualized cost of \$63 million, but that the standards will have a "negligible impact on the costs of petroleum products," like gasoline and diesel fuel. The EPA administrator said the pollution cuts will lower the cancer risk from refineries for more than 1.4 million people and are a "substantial step forward in EPA's work to protect the health of vulnerable communities located near these facilities." The standard will require continuous monitoring of concentrations of benzene and other pollutants at the fence line of refineries. The EPA said it would strengthen emissions controls at flares, storage tanks, and delayed coker operations that will cut thousands of tons of hazardous air pollutants. The American Petroleum Institute industry group said the EPA had made "substantial improvements" in the rule, but estimated that the regulation could still cost up to \$1 billion.

<http://yosemite.epa.gov/opa/admpress.nsf/21b8983ffa5d0e4685257dd4006b85e2/d12edc1c383adf0385257ecf005b96b6!OpenDocument>

<https://blog.epa.gov/blog/2015/09/refining-environmental-justice/>

<http://www.reuters.com/article/2015/09/29/us-usa-refineries-epa-idUSKCN0RT2EB20150929>

Crude Oil Rail Volumes Dropped 22 Percent Last Week – AAR

Rail volumes of crude oil and other petroleum products fell by 22 percent last week compared to the same period last year, according to data released Wednesday by the American Association of Railroads (AAR). Oil prices have decreased in recent months and the spread between U.S. and benchmark prices has narrowed, making imports more attractive for East Coast refiners, the largest consumers in the U.S. of oil by rail. There were 13,014 carloads of crude oil and petroleum products on the rails last week, among the lowest for any weeks since 2012. Overall, petroleum product volumes, which are mostly crude oil, are down 5.9 percent, according to AAR data.

Reuters, 12:52 September 30, 2015

U.S. Oil Stocks Increase More Than Expected – EIA

U.S. crude stocks surged last week, outstripping expectations of a small increase. Crude inventories rose by 4 million barrels in the last week, compared with analysts' expectations for an increase of 102,000 barrels. Crude stocks at the Cushing, Oklahoma delivery hub fell by 1.068 million barrels, EIA said. Refinery crude runs fell by 241,000 b/d, and utilization rates fell by 1.1 percentage points, EIA data showed

Reuters, 10:39 September 30, 2015

TransCanada Will Apply to Nebraska Public Service Commission to Approve Keystone XL Route

TransCanada Corporation today announced it will file an application with the Nebraska Public Service Commission (PSC) to seek approval for the Keystone XL route through the state. TransCanada is also in the process of withdrawing its current eminent domain actions and is taking steps to terminate constitutional court proceedings in Holt County, Nebraska. The proposed route is the route that was evaluated by the Nebraska Department of Environmental Quality and approved by the Nebraska Governor in 2013. The project has undergone five independent reviews of safety and potential environmental impacts by the U.S. State Department, as well as one authored by the State of Nebraska after its year-long public process. All reviews concluded the project could be constructed and operated safely with minimal impact to the environment, according to TransCanada. Despite having route authority to construct Keystone XL, uncertainty in the courts around the constitutionality of how the route was approved was very likely to carry on once again to the Nebraska Supreme Court. Keystone XL is a 1,179-mile pipeline from Hardisty, Alberta to Steele City, Nebraska that will transport Canadian and U.S. Bakken oil to U.S. markets.

<http://www.transcanada.com/news-releases-article.html?id=1988664&t>

White House Does Not Support Senate Efforts to Lift Oil Export Ban

The White House does not support Senate legislation to lift the 40-year-old ban on oil exports despite a provision allowing the president to halt exports if he deemed them not in the interests of national security, a spokesman said on Wednesday. The Senate banking committee is set to vote on Thursday on a bill to lift the ban on crude exports. It contains a provision giving the president the power to shut down exports. Other Obama administration officials have said it is premature to consider lifting the ban because, despite the drilling boom that has reduced oil imports, the United States still imports millions of barrels per day of crude. Oil producers say the domestic drilling boom will eventually be choked if the trade restriction, which Congress passed in 1975 after the Arab oil embargo, is not lifted. Opponents to lifting the ban say it could hurt employment in oil refining and shipbuilding and damage the environment. The House of Representatives energy committee passed a similar bill earlier this month to lift the trade restriction that Congress passed in 1975 after the embargo sparked fears of oil shortages. That bill also contains language allowing the president to halt exports when he deemed it to be in the interest of national security. Reuters, 13:22 September 30, 2015

Natural Gas

Kinder Morgan's Tennessee Gas Pipeline Signs Deals for Supply Path Component of Northeast Energy Direct Project

Kinder Morgan subsidiary Tennessee Gas Pipeline has made agreements with producers, local distribution companies, and a New York end-use market participant totaling to 627,000 dekatherms per day for the Supply Path component of the proposed Northeast Energy Direct (NED) Project. The deal gives a direct supply link from natural gas fields in Pennsylvania to existing and future Northeast and New England markets, the pipeline company said on Tuesday. The NED project, including Supply Path and Market Path components, is planned to be in service by November 2018, pending approvals.

<http://ir.kindermorgan.com/press-release/kinder-morgan-announces-additional-gas-capacity-commitments-northeast-energy-direct-pr>

Reuters. 14:45 September 29, 2015

FERC Approves Jordan Cove Liquefied Gas Port, Pipeline in Oregon

The Federal Energy Regulatory Commission (FERC) granted final environmental approval Wednesday for building a pipeline and port facilities for shipping Rocky Mountain natural gas to Asia via the Oregon coast. FERC said it found that building and operating the gas terminal and pipeline would cause some environmental damage; however, they noted the problems would be reduced to less than significant with mitigation measures proposed by the project developers. The Jordan Cove liquefied natural gas terminal at Coos Bay would be the first LNG port on the West Coast and would be linked to existing pipelines by construction of the Pacific Connector Gas Pipeline across southwestern Oregon. The \$7 billion project is led by Calgary, Alberta-based Veresen Inc. Final overall approval is expected by the end of this year, with a notice to proceed from the commission by the middle of next year.

<http://www.ferc.gov/industries/gas/enviro/eis/2015/09-30-15-eis.asp>

Reuters, 14:01 September 30, 2015

Natural Gas Output in Lower 48 States Increases to Record High in July – EIA

Natural gas output in the lower 48 states increased to a record 82.32 Bcf/d in July from a revised 82.29 Bcf/d in June, the Energy Information Administration (EIA) said.
Reuters, 14:03 September 30, 2015

Other News

New York City Energy Companies Launch Storm Preparedness Plans for Hurricane Joaquin

Energy companies said on Wednesday they were preparing for the possibility that Hurricane Joaquin could hit the New York City area early next week, potentially following the destructive course of Hurricane Sandy in 2012. Kinder Morgan Inc, which has hardened its oil products and chemical facilities in New York and New Jersey since Hurricane Sandy, said its terminals have all deployed their hurricane plans, and it was working to set up an incident command structure while continuing to monitor the storm's development. Consolidated Edison Inc said it was making sure people and equipment were prepared for the possibility Joaquin could hit the city. The company added that, as part of a four-year, \$2 billion infrastructure hardening project, it had constructed a flood barrier to protect the East 14th Street power substation in Manhattan, which exploded when flooded by Sandy's storm surge. On Wednesday morning, Joaquin strengthened into a hurricane as it moved toward the Bahamas. Over the next few days, the U.S. National Hurricane Center (NHC) predicted the storm would turn toward the East Coast and briefly strengthen into a Category 2 hurricane with winds reaching 110 mph. Although the track is still uncertain, the NHC said the storm could land anywhere from North Carolina to New York early next week with the center of the storm track pointing toward the New York metropolitan area.

http://www.nhc.noaa.gov/refresh/graphics_at1+shtml/174913.shtml?hwind120#contents

Reuters, 13:05 September 30, 2015

International News

Shell Declares Force Majeure on Exports from Nigeria's Forcados Terminal

Shell's Nigerian unit, Shell Petroleum Development Co, said on Wednesday it had declared force majeure on exports from the Forcados terminal following a leak in the Trans Forcados Pipeline (TFP). Shell said the leak had affected crude receipts into the Forcados Terminal and the force majeure is effective from 3:00 p.m. local time. TFP is operated by the Nigerian Petroleum Development Co.

Reuters, 13:36 September 30, 2015

Energy Prices

U.S. Oil and Gas Prices			
September 30, 2015			
	Today	Week Ago	Year Ago
CRUDE OIL			
West Texas Intermediate U.S.	45.01	44.48	91.26
\$/Barrel			
NATURAL GAS			
Henry Hub	2.53	2.59	4.02
\$/Million Btu			

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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