



# ENERGY ASSURANCE DAILY

Friday Evening, October 02, 2015

## *Electricity*

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### **New Jersey Governor Declares State of Emergency, New York Governor Activates State Emergency Operations Center in Response to Hurricane Joaquin; FPL, BGE, TVA Prepare for Possible Impacts in Maryland, Tennessee**

New Jersey Governor Chris Christie on Thursday declared a state of emergency through the state and New York Governor Andrew Cuomo activated the State Emergency Operations Center in Albany in response to the potential impact of Hurricane Joaquin. Florida Power & Light Company (FPL) on Thursday announced that it is deploying more than 500 employees and contractors to the Baltimore, Maryland metropolitan area in support of power restoration activity anticipated in the wake of Hurricane Joaquin. FPL crews will assist Baltimore Gas and Electric Company (BGE) and other utilities with their respective restoration efforts. Tennessee Valley Authority (TVA) river management engineers were lowering reservoir levels to provide additional storage for the expected rainfall amounts. Once the storm passes, engineers will then slowly move water downstream using both generating turbines and spillway gates.

<https://www.governor.ny.gov/news/governor-cuomo-directs-state-agencies-prepare-prolonged-heavy-rains-and-tropical-storm>

<http://www.nj.gov/governor/news/news/552015/approved/20151001g.html>

<http://newsroom.fpl.com/2015-10-01-Florida-Power-Light-Company-sends-crews-to-Baltimore-to-support-anticipated-power-restoration-efforts-from-Hurricane-Joaquin>

<https://www.tva.gov/Newsroom/Press-Releases/TVA-Taking-Early-Action-to-Prepare-for-Heavy-Rains-This-Weekend>

### **Update: 4,000 GVEA Customers Remain without Power in Alaska October 1 after Snowstorm Hits September 29**

Golden Valley Electric Association (GVEA) was continuing restoration in the Fairbanks, Alaska area after a snowstorm knocked out power to 21,000 customers Tuesday night into Wednesday morning. Deep, wet snow blanketed the area weighing down trees and power lines. GVEA said along with its own crews, it hired nearly every journeyman, lineman, and apprentice electrician in the area to help restore power. As of 6:40 p.m. AKDT Thursday, 4,000 customers remained without power. As of 3:30 p.m. EDT Friday, there have been no additional reports of customer restoration activity.

<http://gvea.com/outages>

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

<http://www.ktva.com/snowy-weather-causes-power-outages-for-thousands-in-fairbanks-area-415/>

### **Update: PSE&G's 1,049 MW Hope Creek Nuclear Unit 1 in New Jersey Restarts October 1, Ramps Up to 17 Percent by October 2**

On the morning of October 1 the unit had restarted and was operating at 6 percent. The unit shut from full power on September 28 following a trip of both reactor recirculation pumps.

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

<http://www.nrc.gov/reading-rm/doc-collections/event-status/event/2015/20150929en.html>

### **PCWA's 218 MW Middle Fork and Ralston Hydro Units in California Shut by October 1**

The units entered an unplanned outage.

<http://content.caiso.com/unitstatus/data/unitstatus201510011515.html>

### **NextEra's 139 MW Patterson Wind Unit 2 in California Shut by October 1**

The unit entered an unplanned outage.

<http://content.caiso.com/unitstatus/data/unitstatus201510011515.html>

### **Hurricane Joaquin Threatens East Coast Refineries**

Energy traders are closely monitoring Hurricane Joaquin because of the threat it poses to refineries along the East Coast. The hurricane is seen passing off the New Jersey coast on Tuesday, according to the National Hurricane Center. There are three refineries in the state and another three nearby in the Philadelphia, Pennsylvania area and Delaware. East Coast production, distribution, and demand was disrupted by Hurricane Sandy in October 2012.

<http://www.hydrocarbonprocessing.com/Article/3493737/Latest-News/Hurricane-Joaquin-threatens-Eastern-US-refineries.html>

<http://www.nhc.noaa.gov/#JOAQUIN>

### **Valero Reports Emissions at Its 86,000 b/d Ardmore, Oklahoma Refinery September 23**

Reuters, 4:29 October 1, 2015

### **HollyFrontier Reports FCCU Emissions at Its 70,300 b/d Tulsa East, Oklahoma Refinery September 22**

Reuters, 4:25 October 1, 2015

### **CVR Reports Excess Emissions at Its 70,000 b/d Wynnewood, Oklahoma Refinery September 24**

Reuters, 4:25 October 1, 2015

### **Motiva Reports Flaring Due to Upset at Its 603,000 b/d Port Arthur, Texas Refinery October 2**

Reuters, 11:56 October 2, 2015

### **Phillips 66 Reports Process Upset Involving Furnace at Its 247,000 b/d Sweeny, Texas Refinery September 30**

Reuters, 3:58 October 1, 2015

### **ExxonMobil Reports Normal Operations at Its 334,600 b/d Beaumont, Texas Refinery October 1**

Reuters 8:24 October 1, 2015

### **Citgo Reports Emissions at Its 163,000 b/d Corpus Christi, Texas Refinery October 1**

Citgo Petroleum Corp reported emissions from a fluid catalytic cracking unit (FCCU) that is partially shut for maintenance at its Corpus Christi, Texas, refinery.

Reuters, 7:05 October 1, 2015

### **Marathon Attempting to Restart FCCU after Power Outage at Its 451,000 b/d Galveston Bay, Texas Refinery October 2 – Energy News Today**

Marathon Petroleum Corp on Friday was attempting to restart a fluid catalytic cracking unit (FCCU) at its Galveston Bay refinery in Texas City, Texas, after an overnight power outage, traders said citing a report by industry publication Energy News Today.

Reuters, 9:30 October 2, 2015

### **Chevron Reports Normal Operations at Its 245,271 b/d Richmond California Refinery October 1 after Hydrocarbon Leak September 27**

Chevron reported normal operations at its Richmond, California refinery after a hydrocarbon leak was discovered September 27 in the hydro-processing plant.

Reuters, 11:08 October 1, 2015

### **Tesoro Reports Power Outage at Its 166,000 b/d Martinez, California Refinery September 28**

Reuters, 3:27 October 1, 2015

## **PHMSA Proposes New Safety Regulations for Hazardous Liquid Pipelines October 1**

The Department of Transportation's Pipeline and Hazardous Materials Safety Administration (PHMSA) on Thursday announced proposed regulations to make critical safety improvements for hazardous liquid pipelines. The proposed regulations seek to strengthen the way hazardous liquid pipelines are operated, inspected and maintained in the U.S. The proposed rule would require that all hazardous liquid pipelines have a system for detecting leaks and establish a timeline for inspections of affected pipelines following an extreme weather event or natural disaster. These inspections would allow operators to quickly identify and repair post-event leaks and other damage to pipelines. The proposed rule would require operators to annually evaluate the protective measures they have implemented on pipeline segments that operate in High Consequence Areas (HCA) where pipeline failures have the highest potential for human or environmental damage, and implement additional measures as necessary. It would also set a deadline to require the use of internal inspection tools where possible for any new and replaced pipeline that could affect an HCA. The proposed rule would improve the quality and frequency of tests used to assess the condition of pipelines and establish more strict repair guidelines for high-risk pipelines. The proposed regulations would modify repair and replacement criteria under PHMSA's risk-based management framework by expanding the list of conditions that require immediate repair, establishing shorter repair timelines for critical repairs, and tightening the standards for pressure tests. The proposed regulations include an increased focus on a data and risk informed approach to pipeline safety by requiring operators to integrate available data, including data on the operating environment, pipeline condition, and known manufacturing and construction defects.

<http://www.phmsa.dot.gov/pipeline/phmsa-proposes-new-safety-regulations-for-hazardous-liquid-pipelines>

## **PHMSA Fines ExxonMobil \$2.6 Million for 2013 Oil Spill in Arkansas, Requires Updated Pipeline Assessments**

The Pipeline and Hazardous Materials Safety Administration (PHMSA) announced Thursday it was assessing a \$2.6 million civil penalty against ExxonMobil Pipeline Co. for a 2013 oil spill in Arkansas. PHMSA released its final report on the Pegasus pipeline leak that spilled roughly 3,190 barrels of oil near Mayflower and Lake Conway about 20 miles north of Little Rock in March 2013. PHMSA said in its order that the company violated regulations involving the line's integrity, operation and maintenance. The U.S. Department of Transportation agency's spokeswoman said that time intensified defects of originally manufactured pipe led to the rupture in the pipeline in 2013. She said an investigation of the leak found the violations. The northern portion of the pipeline, which runs through Mayflower, remains closed. The agency granted a request to return the southern segment of the line to partial service with reduced pressure in July 2014. In addition to the \$2,630,400 penalty, the order also requires the company to update the methods it uses to assess the pipeline to better identify those lines that are more susceptible to seam failures. A 22-foot seam in the Pegasus pipeline ruptured to cause the 2013 spill. The order Thursday says the company must also work out procedures to better train those involved in risk assessments of pipelines to err on more conservative estimates. The company must also maintain the required schedule of inspections, use qualified personnel to conduct the assessments and identify methods to make sure identified threats are not discounted.

[http://www.phmsa.dot.gov/pv\\_obj\\_cache/pv\\_obj\\_id\\_350CB6046885E635DE801181456A0395E7D50900/filename/420135027\\_Final\\_Order\\_10012015.pdf](http://www.phmsa.dot.gov/pv_obj_cache/pv_obj_id_350CB6046885E635DE801181456A0395E7D50900/filename/420135027_Final_Order_10012015.pdf)

<http://finance.yahoo.com/news/us-pipeline-agency-fines-exxon-021828694.html>

## ***Natural Gas***

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### **Gas Explosion Injures 4 at Miami, Florida Area High-Rise October 2**

Fire officials say a gas leak caused an explosion in the boiler room of a penthouse at a Miami, Florida area high-rise, injuring at least four people. The public information officer for Miami-Dade Fire Rescue said two people were taken by air to a trauma center. The explosion happened Friday at the top of a high-rise residence in Sunny Isles Beach, a city about 20 miles north of Miami.

<http://www.cbsnews.com/news/four-injured-in-gas-explosion-at-miami-area-high-rise/>

## **Columbia Pipeline Group Places East Side Expansion Project into Service in New Jersey, Pennsylvania October 2**

Columbia Pipeline Group, Inc. and Columbia Pipeline Partners LP today announced that their subsidiary, Columbia Gas Transmission, LLC, placed the East Side Expansion Project (ESE) in service. The ESE Project creates additional capacity of 312 MMcf/d on the Columbia system. It involves the installation of two natural gas pipelines, with approximately nine miles of pipeline in Chester County, Pennsylvania, and nine miles of pipeline in Gloucester County, New Jersey. The project also includes modifications and upgrades to certain compressor station facilities, including the installation of two new 4,700-horsepower compressor units at Columbia's Milford Compressor Station in Pike County, Pennsylvania, and two new 10,000-horsepower units at the company's Easton Compressor Station in Northampton County, Pennsylvania.

<https://www.cpg.com/about-us/news-room/2015/10/02/columbia-pipeline-group-s-east-side-expansion-project-placed-in-service>

### ***Other News***

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Nothing to report.

### ***International News***

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#### **Venezuela's 635,000 b/d Amuay and Cardon Oil Refining Complex Shut Due to Power Failure, Sabotage October 1 – President Maduro**

Venezuela's Amuay and Cardon refining complex, the country's largest, was knocked out of operation by a power failure that President Nicolas Maduro attributes to sabotage. Petroleos de Venezuela (PDVSA), the state oil monopoly, said the power failure occurred on Thursday morning. It said power was restored several hours later and technicians were taking steps to reactivate the refineries but indicated that it would take several days for operations to return to normal. PDVSA said Thursday's outage shut down power to the Amuay and Cardon refineries and a nearby residential area, without causing fires or harm to workers. In a televised speech, President Maduro blamed the power failure on opponents of his leftist government, linking it to an incident on Wednesday at a power plant in the western state of Zulia. PDVSA gave assurances that the shutdown would not affect the supply of fuel in the country, saying existing inventories were sufficient to meet demand.

[http://www.tradingroom.com.au/apps/view\\_article.ac?articleId=6897363](http://www.tradingroom.com.au/apps/view_article.ac?articleId=6897363)

#### **Pemex Says Its 315,000 b/d Tula Refinery Shut Due to Electrical Problems in Mexico October 1**

Mexico's state-owned oil company Pemex said on Thursday its second biggest refinery was shut due to an interruption in its electricity supply. The company said an unspecified power problem caused the processing plants at its Tula refinery to stop but that no damage or injuries had been reported. The plant was scheduled to resume operations within a few hours.

Reuters, 3:35 October 1, 2015

### ***Energy Prices***

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<b>U.S. Oil and Gas Prices</b>			
October 2, 2015			
	<b>Today</b>	<b>Week Ago</b>	<b>Year Ago</b>
<b>CRUDE OIL</b> <b>West Texas Intermediate U.S.</b> \$/Barrel	45.49	45.53	90.04
<b>NATURAL GAS</b> <b>Henry Hub</b> \$/Million Btu	2.37	2.56	3.99

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>

Please direct comments and questions to: [ead@oe.netl.doe.gov](mailto:ead@oe.netl.doe.gov)