



ENERGY ASSURANCE DAILY

Tuesday Evening, October 13, 2015

Electricity

Storms Knock Out Power to 60,500 Customers in Washington October 10

Strong storms and winds knocked out power to 60,500 customers in Washington on Saturday afternoon. Wind gusts up to 52 mph downed trees and power lines. Puget Sound Energy reported 47,000 customers without power and at 9 p.m. PDT, 9,700 customers from the Canadian border to Tacoma remained without power. Snohomish County Public Utility District (PUD) reported 9,000 customers and Seattle City Light (SCL) reported 4,500 customers without power. By Saturday night, all Snohomish County PUD and SCL customers had power restored. As of 3 p.m. EDT Tuesday, 123 PSE customers remained without power.

<https://pse.com/accountsandservices/ServiceAlert/Pages/outage-map.aspx>

<https://twitter.com/PSETalk>

<https://twitter.com/snopud>

<http://www.seattle.gov/light/sysstat/>

<https://twitter.com/SEACityLight>

<http://www.seattletimes.com/seattle-news/weather/thousands-without-power-as-rain-and-wind-topple-trees/>

<http://mynorthwest.com/11/2824682/Windstorm-knocks-out-power-across-Puget-Sound>

Downed Wires Knock Out Power to Over 12,000 FirstEnergy Customers in Ohio October 9

Over 12,000 FirstEnergy electric customers were without power on Cleveland's near West Side Friday night after a person stole a backhoe and knocked down wires. The stolen backhoe took out power lines while driving down a residential street on the city's West Side, a Cleveland police detective said. No arrests have been made. The company estimated power would be restored between 12 a.m. and 2 a.m. EDT Saturday morning.

http://www.cleveland.com/metro/index.ssf/2015/10/over_12000_customers_without_p.html

APS's 1,314 MW Palo Verde Unit 2 in Arizona Shut by October 12

Reuters, 1:22 October 12, 2015

PG&E's 641 MW Colusa Gas-fired Unit in California Reduced by October 12

The unit entered an unplanned curtailment of 150 MW.

<http://content.caiso.com/unitstatus/data/unitstatus201510121515.html>

Update: Calpine's 525 MW Sutter Gas-fired Unit in California Returns to Service by October 11

The unit returned from an unplanned curtailment of 264 MW that began on October 6.

<http://content.caiso.com/unitstatus/data/unitstatus201510111515.html>

AES's 498 MW Alamos Gas-fired Unit 5 in California Shut by October 12

The unit entered an unplanned outage.

<http://content.caiso.com/unitstatus/data/unitstatus201510121515.html>

AES's 495 MW Alamos Gas-fired Unit 6 in California Shut by October 12

The unit entered an unplanned outage.

<http://content.caiso.com/unitstatus/data/unitstatus201510121515.html>

Desert Sunlight's 300 MW Solar Unit in California Reduced by October 12

The unit entered an unplanned curtailment of 105 MW.

<http://content.caiso.com/unitstatus/data/unitstatus201510121515.html>

Cabrillo Power's 300 MW Encina Gas-fired Unit 4 in California Shut by October 10

The unit entered an unplanned outage.

<http://content.aiso.com/unitstatus/data/unitstatus201510101515.html>

Solar Partners' 133 MW Ivanpah Solar Unit 3 in California Shut by October 11

The unit entered an unplanned outage.

<http://content.aiso.com/unitstatus/data/unitstatus201510111515.html>

Solar Partners' 123 MW Ivanpah Solar Unit 1 in California Shut by October 11

The unit entered an unplanned outage.

<http://content.aiso.com/unitstatus/data/unitstatus201510111515.html>

EDF Renewable Energy's 100 MW Shiloh IV Wind Project in California Shut by October 10

The unit entered an unplanned outage.

<http://content.aiso.com/unitstatus/data/unitstatus201510101515.html>

DOE Funds Research Centers to Protect Power Grid from Cyberattacks

The Department of Energy (DOE) on Friday announced it was dedicating over \$34 million to the establishment of two major research endeavors aimed at protecting the nation's power grid against hackers and other cyber threats. Some \$12.2 million will go to a research center led by the University of Arkansas, while another \$22.5 million will be shared among the members of the University of Illinois Cyber Resilient Energy Delivery Consortium. Both will look into ways of protecting power grid elements—from the hardware that runs transformers to the software that power companies use—from cyberattacks. A report released in July calculated that a cyberattack that shuts down parts of the nation's power grid could cost as much as \$1 trillion to the U.S. economy.

<http://www.energy.gov/articles/energy-department-invests-over-34-million-improve-protection-nation-s-energy-infrastructure>

FirstEnergy Continues Work on New Transmission Line, Substation in West Virginia

Construction is nearing completion on a new FirstEnergy Corp. transmission system reinforcement project in Harrison County, West Virginia that will help enhance service reliability for more than 14,000 Mon Power customers in Harrison, Lewis, and Gilmer counties. The project includes the construction of a new substation near West Milford that features automated circuit breakers and other special equipment designed to help maintain proper voltage levels on the grid. The substation is scheduled to be energized by December of this year. Crews also recently completed work on a six-mile, 138 kV transmission line that connects the new substation to an existing transmission line near Craigmoor. The line is supported by 37 new wood poles and three steel structures.

https://www.firstenergycorp.com/newsroom/news_releases/work-continues-on-new-firstenergy-transmission-line-and-substati.html

Petroleum

Broken Rail Caused West Virginia Train Derailment – Federal Railroad Administration

The Federal Railroad Administration (FRA) on October 9 reported the cause of the February 16, 2015 CSX/Plains All American derailment in Mount Carbon, West Virginia. The accident resulted in 27 derailed cars, a fire that ignited immediately and eventually burned for days, and the evacuation of hundreds of local residents. FRA was the lead agency tasked with responding to and investigating the February accident. Following a thorough investigation, the FRA announced the cause of the derailment to be a broken rail, resulting from a vertical split head rail defect. The defect that eventually resulted in the derailment was missed by CSX, and their contractor, Sperry Rail Service, on two separate inspections in the months leading up to the accident.

<https://www.fra.dot.gov/eLib/Details/L17122>

Phillips 66 Plans Upgrades at Its 238,000 b/d Bayway, New Jersey and 59,000 b/d Billings, Montana Refineries

Phillips 66 announced modernization plans of the fluid catalytic cracking unit (FCCU) at its Bayway, New Jersey refinery, and an upgrade of the vacuum tower at its Billings, Montana refinery. In addition, the company said storage capacity was being added at its Beaumont terminal in Texas and it was investing in the Bayou Bridge pipeline project to move crude from Texas to Louisiana markets.

Reuters, 8:27 October 12, 2015

PBF Reports Emissions at Its 182,200 b/d Delaware City, Delaware Refinery October 11

Reuters, 6:30 October 12, 2015

Monroe to Idle FCCU at Its 185,000 b/d Trainer, Pennsylvania Refinery for 28 days – Source

Monroe Energy, a subsidiary of Delta Airlines Inc., plans to idle its 50,000 b/d fluid catalytic cracking unit (FCCU) for up to 28 days at its Trainer, Pennsylvania refinery while workers fix a broken compressor, according to a source familiar with the plant's operations. The FCCU was put into circulation Friday after a wet gas compressor failed. The company has also decided to move up planned work on an alkylation unit scheduled for next month to coincide with the work on the compressor, the source said.

Reuters, 12:06 October 12, 2015

PES Reports Units Start-up, Shut at Its 335,000 b/d Philadelphia, Pennsylvania Refinery October 2, 3

Philadelphia Energy Solutions (PES) reported a unit startup after repairs at the Point Breeze section of its Philadelphia, Pennsylvania refinery on October 2. On October 3, PES reported the unit 231 compressor shut at the Girard Point section of the refinery.

Reuters, 2:21 October 9, 2015

Reuters, 2:18 October 9, 2015

Motiva Reports Unit Upset at Its Norco, Louisiana Facility October 10

Motiva Enterprises reported a unit upset on October 10 at its Norco, Louisiana facility. Motiva houses a 238,000 b/d refinery and a chemical plant in the Norco facility. Motiva is a 50-50 joint venture between Royal Dutch Shell Plc and Saudi Aramco.

Reuters, 11:52 October 13, 2015

ExxonMobil Reports Normal Operations at Its 344,600 b/d Beaumont, Texas Refinery October 13 after FCCU Start-Up October 11

ExxonMobil Corp on Tuesday said operations were normal at its Beaumont, Texas refinery after emissions were reported due to a fluid catalytic cracking unit (FCCU) start-up on Sunday.

Reuters, 11:59 October 13, 2015

Reuters, 11:45 October 13, 2015

ExxonMobil Reports Unplanned Flaring at Its 149,500 b/d Torrance, California Refinery October 11

Reuters, 7:06 October 11, 2015

Tesoro Reports Pipeline Shut Due to Minor Leak at Its 104,500 b/d Wilmington, California Refinery October 9

Tesoro on October 9 said it was responding to a minor hydrocarbon leak from a flange at its Wilmington, California refinery. The company said the pipeline containing the leaking flange was shut and the release stopped. No additional impact was expected.

Reuters, 7:25 October 9, 2015

Earthquake Hits near Cushing, Oklahoma after OCC Orders Companies to Curb Seismic Activity Linked to Wells October 11

A 4.5 magnitude earthquake that struck near the U.S. crude oil hub of Cushing, Oklahoma on Saturday occurred just days after regulators imposed new rules meant to prevent quakes in the area and said more changes were possible. The Oklahoma Corporation Commission (OCC), which regulates the state's oil and gas industry, ordered companies on September 18 to shut or reduce usage of five saltwater disposal wells around the north-central Oklahoma city of Cushing. Saltwater, a normal byproduct of oil and gas work, is put into deep disposal wells that scientists say have contributed to a series of small and medium-sized earthquakes in Oklahoma since 2009. Saturday's quake reported by the U.S. Geological Survey was shallow and centered 3 miles from Cushing. There were no reports of damages to the vast network of pipelines and tanks that make up the U.S. oil storage hub. The Cushing quake was the second significant quake to hit the state in a day, the USGS said, after one with 4.4 magnitude struck near Medford, about 80 miles northwest of Cushing, on Saturday morning. Noticeable quakes, above magnitude 3.0, now strike Oklahoma at a rate of two per day or more, compared with two or so per year before 2009.

Reuters, 10:51 October 11, 2015

U.S. House of Representatives Passes Bill Repealing Oil Export Ban October 9

A bill to repeal the U.S. oil export ban passed the House of Representatives on Friday, but faces an uncertain future after a veto threat by President Barack Obama. The bill sponsored by Representative Joe Barton passed the House 261 to 159, failing to reach the 290 votes necessary to overturn a presidential veto. The White House last week threatened to veto the House bill, saying Congress should work to move the country to cleaner sources of energy. The administration advocated measures including ending billions of dollars in tax breaks for oil companies and instead investing in wind and solar power, and energy efficiency. Congress passed the ban in 1975 after the Arab oil embargo caused lines at gas stations and fears of global oil shortages.

Reuters, 2:12 October 9, 2015

U.S. Oil Drillers Cut Rigs for Sixth Week on Weak Crude Prices October 9 – Baker Hughes

U.S. energy firms cut oil rigs for a sixth week in a row last week, the longest streak of weekly declines since June, data showed on Friday. Drillers removed nine oil rigs in the week ended October 9, bringing the total rig count down to 605, Baker Hughes Inc said in its report. That total was the least since July, 2010. Drillers had cut a total of 61 rigs over the prior five weeks. Since hitting an all-time high of 1,609 during this week a year ago, weekly rig count reductions have averaged 20. Baker Hughes also reported a reduction in natural gas rigs, bringing total U.S. oil and gas rigs to a 13-year low. Gas rigs were down six this week to 189, the lowest level in at least 28 years, according to Baker Hughes data going back to 1987.

Reuters, 1:25 October 9, 2015

Aker Philadelphia Shipyard Starts Construction on Product Tankers for Kinder Morgan Crowley Maritime

Aker Philadelphia Shipyard, Inc. (APSI), the sole operating subsidiary of Aker Philadelphia Shipyard ASA (AKPS), on Saturday began production activities on the third and fourth 50,000 dwt product tankers in a four vessel order for American Petroleum Tankers (APT), a Kinder Morgan Inc. subsidiary. The two product tankers are scheduled for delivery in 2017 and are the culmination of a series of eight product tankers being built at the shipyard for APSI's customers. The Vice President of Kinder Morgan Terminals and President of APT said there continues to be a strong demand for domestic marine transportation of petroleum products and crude oil. The construction of four, LNG-conversion-ready tankers, and the start of construction of the two vessels will provide Kinder Morgan with additional new tonnage to better service their customers. The next generation 50,000 dwt product tanker is based on a Hyundai Mipo Dockyards (HMD) design that incorporates numerous fuel efficiency features, flexible cargo capability, and meets the latest regulatory requirements. The tankers will also be constructed with consideration for the use of liquefied natural gas (LNG) for propulsion in the future. When completed, each of the 600-foot tankers will have a carrying capacity of 14.5 million gallons to transport crude oil or refined products. Also under construction at the shipyard are three 50,000 dwt product tankers for Crowley Maritime Corporation with planned deliveries through 2016, and the first two 50,000 dwt tankers for APT with planned deliveries in 2016 and 2017. On July 16, 2015, Aker announced that it intends to change its name to Philly Shipyard by the end of the year, pending shareholder approval.

<http://www.phillyshipyard.com/news.cfm?path=217,229&id=3-1601>

<http://www.phillyshipyard.com/news.cfm?path=217,229&id=3-1602>

Judge Approves \$338 Million Settlement for Victims of Deadly Lac Megantic, Quebec Oil Train Derailment

A U.S. bankruptcy judge on Friday approved a \$338 million settlement fund for victims of the fiery 2013 oil train derailment that killed 47 people in Quebec, clearing the way for payments to victims by year's end. Judge Peter Cary announced his approval after Canadian Pacific dropped its objection to the settlement plan and after a Canadian judge gave conditional approval Thursday. A runaway train with 72 oil tankers derailed on July 6, 2013, in Lac Megantic, Quebec, setting off powerful explosions and causing fires that wiped out much of the downtown area. The disaster led to greater regulatory scrutiny of the use of trains to transport crude oil amid a production surge thanks to new technologies including hydraulic fracturing. After the fires were doused, the train's operator Montreal, Maine & Atlantic, filed for bankruptcy, and the settlement fund is tied to those bankruptcy proceedings in the U.S. and Canada.

<http://www.usnews.com/news/business/articles/2015/10/09/338m-fund-in-deadly-oil-train-derailment-close-to-approval>

ExxonMobil Reports Unit Shut at Its 65 MMcf/d Dollarhide Gas Plant in Texas October 12

ExxonMobil reported the Wauk-3 unit shut due to cylinder 4 high discharge temperature. Mechanics were working to diagnose the issue. Operations shut in all flowing wells to reduce and mitigate emissions.

<http://www2.tceq.texas.gov/oce/ee/index.cfm?fuseaction=main.getDetails&target=221482>

Dominion Revises Route of Its Proposed Atlantic Coast Natural Gas Pipeline in Virginia

Dominion Resources Inc. revised the route of a proposed natural gas pipeline in Augusta County, Virginia to avoid a water supply. The company said the Atlantic Coast Pipeline's new route would affect 40 properties. Dominion said the route will avoid the Lyndhurst Source Water Protection Area, also known as the Lyndhurst Well. County leaders had voiced concerns over possible contamination of the water supply. The \$5 billion pipeline is proposed by Dominion, Duke Energy, and two partners. It would run from West Virginia, through Virginia, and into North Carolina.

Reuters, 2:31 October 12, 2015

Energy Transfer to Begin Construction in Early 2016 on 1.4 Bcf/d Trans-Pecos Pipeline in Texas

The Trans-Pecos Pipeline is a Texas intrastate pipeline designed to transport 1.4 Bcf/d of clean-burning natural gas as part of an agreement with Commission Federal de Electricidad, Mexico's federal electricity commission.

Energy Transfer Partners is responsible for constructing and operating the 143-mile, 42-inch diameter pipeline, which will originate at the Waha Hub outside Fort Stockton, Texas in northern Pecos County. The pipeline will include delivery locations for local towns and utilities in Central West Texas and terminate custody at the U.S.-Mexico boundary near Presidio, Texas. Construction is anticipated to start by the first quarter of 2016 and the project is expected to be in service by the end of the first quarter of 2017.

<http://transpecospipelinefacts.com/>

Reuters 3:03 October 10, 2015

Other News

Nothing to report.

International News

Ukraine, Russia Sign New Natural Gas Supply Deal – Ukrainian Energy Minister

Ukrainian state energy firm Naftogaz and Russia's Gazprom signed a deal on Russian gas supplies to Ukraine for the winter period and Kiev has already started gas imports, Ukraine's energy minister said on Monday. Ukraine planned to increase gas in underground storage to up to 18 billion cubic meters (bcm) in the coming weeks from the current level of 15.8 bcm.

Reuters, 7:50 October 12, 2015

Libyan Oil Production at 504,000 b/d - Tripoli Government Minister

Libya's national oil production was at 504,000 b/d, the oil minister from the country's self-declared government in Tripoli told Reuters on Tuesday. Libya's oil output has been well below the 1.6 million b/d it produced before the 2011 fall of leader Muammar Gaddafi because of a conflict between Libya's two rival governments and chaos from protests and strikes. Two major oil export ports have been closed since December and key fields were shut because of protests over jobs or oil pipeline blockades by armed groups.

Reuters, 10:38 October 13, 2015

Energy Prices

U.S. Oil and Gas Prices			
October 13, 2015			
	Today	Week Ago	Year Ago
CRUDE OIL West Texas Intermediate U.S. \$/Barrel	46.65	48.48	84.76
NATURAL GAS Henry Hub \$/Million Btu	2.44	2.32	3.86

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>

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