



ENERGY ASSURANCE DAILY

Friday Evening, October 28, 2016

Major Developments

Update: Enterprise to Resume Service on Its 400,000 b/d Seaway Crude Oil Pipeline November 3 after Shutting Due to Leak in Oklahoma October 23

Enterprise Products Partners on Thursday said it expects to resume service on its legacy Seaway pipeline on Thursday, November 3. The legacy pipeline suffered a leak on October 23, which prompted Enterprise to shut its entire 850,000 b/d Seaway system that moves crude oil from Cushing, Oklahoma to Gulf Coast refineries through two parallel 30-inch pipelines. Enterprise restarted the 450,000 b/d twin pipeline on Monday after the legacy line was confirmed as the source of the spill. The company has still not determined exactly how much crude oil was released, but said it was working to repair the legacy line and investigate the cause of the leak. Enterprise was also working with the Pipeline and Hazardous Materials Safety Administration (PHMSA) to conduct metallurgic analysis on the failed section of pipe.

Reuters, 17:54 October 27, 2016

Electricity

Less Than 20,000 Electric Customers Remain without Power Following Northeast Snowstorm October 27 – 28

A heavy snowstorm knocked out power to at least 73,234 customers across the Northeast beginning on Thursday evening with impacts continuing into Friday morning. The majority of outages were due to snow-laden branches falling on distribution power lines, according to the utilities. As of 3:30 p.m. EDT Friday, 19,147 customers remained without power. National Grid New York said it expects to have power fully restored in Warren and Washington County customers by 5:00 p.m. EDT on Friday. The table below shows total affected customers and the latest reported outages by utility. The “Affected” column shows the total count of customers that lost power at one point or another over the course of the storm for each utility. These outages may not have occurred concurrently and are not the same as peak outages.

Northeast Customer Power Outages October 27–28, 2016			
Electric Utility	State	Affected	Latest Reported
Eversource	MA	4,003	123
National Grid	MA	5,768	5,768
Central Maine Power	ME	3,507	2,544
National Grid	NY	26,000	3,459
New York State Electric & Gas	NY	4,000	242
Central Hudson Gas and Electric	NY	1,847	364
Green Mountain Power	VT	27,000	3,222
Vermont Utilities	VT	5,437	3,425

Sources:

- <https://www.eversource.com/wmeco/outage/outagemap.aspx>
- https://s3.amazonaws.com/stormcenter.nationalgridus.com/external/sc_ma.html
- <https://outagemap.cmpco.com/cmp/>
- https://s3.amazonaws.com/stormcenter.nationalgridus.com/external/sc_ny.html
- <https://twitter.com/nationalgridus>
- <http://www.nyseg.com/Outages/outageinformation.html>
- <https://wss.greenmountainpower.com/customers/outages/>

<http://www.vtoutages.com/>
<http://news10.com/2016/10/27/thousands-without-power-in-capital-region/>
http://poststar.com/news/local/first-snow-brings-accidents-power-outages-to-region/article_cea695ed-8571-5121-b655-52f176148b2a.html
http://www.theprogressnews.com/news/state/vermont-utility-restoring-power-after-snow-causes-outages/article_cab781c6-bca3-5283-bd56-794b88f93fa1.html
<http://www.gazettenet.com/Early-snowstorm-unexpectedly-covers-the-region-5663653>
<http://www.theprogressnews.com/news/state/vermont-utility-restoring-power-after-snow>

Southern Company Subsidiary Acquires 257 MW Wake Wind Energy Center in Texas October 28

Southern Company subsidiary Southern Power on Friday announced the acquisition of a controlling interest in the 257 MW Wake Wind Energy Center in Crosby and Floyd County, Texas. Invenergy Wind LLC, which owns the remaining interest, developed and constructed the Wake Wind facilities. The electricity and majority of the associated renewable energy credits (RECs) generated by the facility will be sold under two separate, long-term power sale agreements. Southern Power, through its subsidiaries, will retain a small percentage of electricity and RECs generated, which it may keep or sell.

<http://www.southerncompany.com/news/2016-10-28-wake-wind.cshtml>

Alliant Energy to Advance Its 500 MW New Wind Project in Iowa October 27

Alliant Energy's Iowa utility is moving forward with its New Wind Project, which will bring up to 500 MW of new wind generation to Iowa. Alliant Energy is currently working with landowners in Franklin County near its existing Whispering Willow Wind Farm, as well as exploring opportunities to develop in other areas of the state. Alliant Energy expects to place 250 MW in service in 2019 and the remainder in 2020.

<http://www.alliantenergy.com/AboutAlliantEnergy/Newsroom/NewsReleases/218807>

Petroleum

PBF Energy Plans to Increase Fuel Exports to Reduce Renewable Fuel Costs – CEO

PBF Energy plans to increase product exports in the upcoming months to help reduce its exposure to the rising costs of meeting U.S. renewable fuel standards, its chief executive officer said on Friday. PBF Energy said it spent \$252 million to meet the renewable fuel standards during the first nine months of 2016, significantly higher than the \$171.6 million spent in 2015. Under the standards, U.S. refiners or importers must blend biofuels like ethanol into their fuel pool or purchase renewable fuel credits, known as RINs, which have risen in price this year. Exports are not subjects to U.S. fuel standards, and PBF's CEO said the company exported 30,000 b/d of products in the third quarter, all from its 192,500 b/d Chalmette, Louisiana refinery. The company has also delayed smaller capital projects across its refineries due to weak margins and higher renewable fuel costs.

Reuters, 9:53 October 28, 2016

Update: Total's 225,500 b/d Port Arthur, Texas Refinery Returns to Normal Operations at Reduced Levels October 28 – Sources

Total SA's Port Arthur refinery returned to normal operations at reduced production levels early Friday morning after it lost external steam supply from the neighboring BASF chemical plant. The malfunction caused multiple units to fall out of production, however the 76,000 b/d fluidic catalytic cracking unit (FCCU) remained in operation during the steam outage, according to the sources, adding that the steam generating units were brought back online by Thursday evening and supply to the refinery was restored.

Reuters, 10:50 October 28, 2016

Reuters 12:37 October 28, 2016

Reuters 20:44 October 27, 2016

Shell Reports Diesel Leak at Its 285,500 b/d Deer Park, Texas Facility October 28

Royal Dutch Shell reported a diesel leak incident that was being handled within the boundaries of its Deer Park, Texas facility, according to a community information alert. The alert added that there was no risk to the community from this incident. Shell's Deer Park facility houses a 285,500 b/d refinery, which is a 50-50 joint venture between Shell and PEMEX.

Reuters, 14:56 October 28, 2016

Update: Williams Partners Postpones In-Service Date for Its Proposed 1.7 Bcf/d Atlantic Sunrise Expansion Project to 2018

Williams Partners L.P. on Friday reported that it revised the targeted full in-service date for its Atlantic Sunrise project to mid-2018, although it expects to startup a portion of the project during the second half of 2017. The expansion project, which will establish a connection from the northern Transco system into southeast markets, will add 1.7 Bcf/d of natural gas transmission capacity to the Transco system. Williams revised the date as a result of the recently updated schedule of environmental review that was published on October 20 by the Federal Energy Regulatory Commission (FERC), and anticipated delays in receipt of certain permits required to commence construction. The Atlantic Sunrise expansion will consist of compression and looping of the Transco Leidy Line in Pennsylvania, and construction of the Central Penn Line to connect the northeastern Marcellus producing region to the Transco mainline near Station 195 in southeastern Pennsylvania. In addition, some existing Transco facilities are being added or modified to enable bi-directionally flow capability. Following the receipt of all necessary regulatory approvals, Williams intends to begin construction in mid-2017 on the Transco mainline facilities in order to create a much-needed path from northern parts of the system into its southeast markets for the 2017–2018 heating season. Once complete and fully in-service, the Atlantic Sunrise expansion will help alleviate infrastructure bottlenecks in Pennsylvania, connecting abundant Marcellus gas supplies with markets in the Mid-Atlantic and Southeastern U.S, according to Williams. Transco is a wholly owned subsidiary of Williams Partners that delivers natural gas to customers through its 10,200-mile pipeline network that extends nearly 1,800 miles between South Texas and New York City.

<http://investor.williams.com/press-release/williams/williams-partners-updates-target-service-date-proposed-atlantic-sunrise-proje>

<http://atlanticsunriseexpansion.com/about-the-project/overview/>

Other News

Nothing to report.

International News

Update: OPEC Officials Meet to Discuss Plan for Oil Supply Cut Agreement October 28

High level committee officials from the Organization of the Petroleum Exporting Countries (OPEC) began talks in Vienna, Austria on Friday aimed at working out details of their oil supply cut agreement. Last month in Algiers, OPEC agreed to reduce production of crude oil to a range of 32.50 million–33.0 million b/d, its first output cut since 2008. The meeting is scheduled to continue for a second day on Saturday when representatives from non-OPEC nations, which OPEC wants to curb supplies as well, will also attend. Non-OPEC nations sending representatives to Saturday's talks are Russia, Kazakhstan, Mexico, Oman, Azerbaijan, Brazil, and Bolivia.

http://www.rigzone.com/news/oil_gas/a/147206/OPEC_Officials_Start_Meeting_On_Implementing_Supply_Cut

Nigeria Launches Infrastructure Program to Tackle Insurgency in Oil Delta

Nigeria launched a 7-part, \$10 billion infrastructure program on Thursday in its restive Delta region as part of a plan to end an insurgency that has crippled oil production and exports. In a bid to end the attacks, President Muhammadu Buhari will meet representatives of militant groups and community leaders from the Niger Delta in Abuja next week. The Minister also said that the \$10 billion investment wouldn't necessarily come from the federal government, but rather from oil companies, investors, individuals. Militants fighting for a greater share of the OPEC member's wealth complain of poverty and a lack of development across the Niger Delta region, where most of Nigeria's oil is pumped.

http://www.downstreamtoday.com/news/article.aspx?a_id=54097

Petrobras Sets 2020 for Start of First Libra Oil Production System

Brazil's state-controlled oil company Petroleo Brasileiro SA will install the first of four commercial production systems in the giant Libra offshore oil area in 2020, which holds an estimated 8 to 12 billion barrels of oil and equivalent natural gas equivalent. Each of the floating, production, storage and offloading (FPSO) vessels will have the capacity to produce 180,000 b/d of oil, Petrobras said on Thursday, and the subsequent systems will be installed through 2023. Petrobras, Libra's operator, owns 40 percent of the area, while Royal Dutch Shell Plc and France's Total SA each own 20 percent, and China's CNOOC and China National Petroleum Corp each own 10 percent. Petrobras and joint-venture partners estimate that 25 percent of Libra's total resources could be recovered.

[http://www.rigzone.com/news/oil_gas/a/147193/Petrobras Sets 2020 For Start Of First Libra Oil Production System](http://www.rigzone.com/news/oil_gas/a/147193/Petrobras_Sets_2020_For_Start_Of_First_Libra_Oil_Production_System)

Energy Prices

U.S. Oil and Gas Prices			
October 28, 2016			
	Today	Week Ago	Year Ago
CRUDE OIL West Texas Intermediate U.S. \$/Barrel	48.67	50.56	45.88
NATURAL GAS Henry Hub \$/Million Btu	2.69	3.09	2.07

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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