



ENERGY ASSURANCE DAILY

Wednesday Evening, December 02, 2015

Electricity

Update: Over 18,000 OG&E Customers Remain Without Power in Oklahoma December 2 after Winter Storm Hits November 27–28

Oklahoma Gas & Electric (OG&E) on Tuesday said restoration efforts were continuing to the 150,000 customers in Oklahoma who lost power over the weekend due to a weather system containing freezing rain. As of 3:30 p.m. EST Wednesday, 18,492 customers remained without power. OG&E said it was working to get power restored to the majority of customers by the end of the day Wednesday; however, there will be some customers without power until Thursday.

<https://oge.com/wps/portal/oge/outages/systemwatch/>

<https://twitter.com/OGandE>

SMUD Reports Power Knocked Out to 14,000 Customers after Car Hits Power Pole in California December 1

Sacramento Municipal Utility District (SMUD) reported that 14,000 customers had power knocked out on Tuesday morning after a car struck a power pole in South Sacramento. The utility reported nearly all power was restored within an hour.

<http://www.smud.org/en/outages/index.htm>

<https://twitter.com/SMUDUpdates>

Constellation's 835 MW Calvert Cliffs Nuclear Unit 2 in Maryland Shut on December 1

The unit shut from full power after a steam generator feed pump trip.

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

<http://www.nrc.gov/reading-rm/doc-collections/event-status/event/2015/20151202en.html>

Update: TVA's 1,155 MW Browns Ferry Nuclear Unit 1 in Alabama at Full Power by December 2

On the morning of December 1 the unit was operating at 88 percent, reduced from full power on November 30.

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

Update: NMC's 578 MW Monticello Nuclear Unit in Minnesota Ramps Up to 78 Percent by December 2

On the morning of December 1 the unit was operating at 20 percent after restarting on November 30. The unit had been shut from full power since November 23 due to a reactor recirculation pump lockout.

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

<http://www.nrc.gov/reading-rm/doc-collections/event-status/event/2015/20151124en.html>

Update: Campo Verde's 139 MW Solar Unit in California Returns to Service by December 1

The unit returned from an unplanned outage that began on November 30.

<http://content.aiso.com/unitstatus/data/unitstatus201512011515.html>

AES's 496 MW Redondo Gas-fired Unit 8 in California Shut by December 1

The unit entered an unplanned outage.

<http://content.aiso.com/unitstatus/data/unitstatus201512011515.html>

Mirant's 317 MW Pittsburg Gas-fired Unit 6 in California Reduced by December 1

The unit entered an unplanned curtailment of 151 MW.

<http://content.aiso.com/unitstatus/data/unitstatus201512011515.html>

NRC Issues Inspection Report on Entergy's 979 MW Indian Point Unit 3 in New York

The Nuclear Regulatory Commission (NRC) completed its inspection of Entergy's Indian Point Nuclear Generating Unit 3 in Cortlandt on November 27 and determined that the commitments reviewed for license renewal from an October 9 compliance agreement were appropriately implemented.

<http://peekskill.dailyvoice.com/news/nrc-issues-inspection-report-on-indianpoint-unit-3/605892/>

New England Has Enough Power for Winter, Natural Gas Remains a Challenge – ISO

New England should have enough power to keep homes and businesses warm this winter, but constraints on natural gas pipelines could pose a challenge, the region's independent system operator (ISO) said Tuesday. ISO New England said it has put another Winter Reliability Program in place to help keep the lights on when the weather turns cold. Over 4,000 MW of gas-fired generation has been identified as at risk of insufficient fuel on any given day, according to the executive vice president and chief operating officer. This winter's reliability program, like last year's, provides incentives to oil-fired power plants and gas generators that can access liquefied natural gas (LNG) to stock up enough fuel before winter begins. More than 45 percent, or about 13,650 MW, of the total generating capacity in New England uses gas as its primary fuel. ISO New England forecast demand this winter will peak at 21,077 MW under normal winter temperatures, or 21,737 MW under extreme cold conditions. New England has 32,872 MW of generation. Last winter, demand peaked at 20,583 MW on January 8, well short of the region's all-time winter peak of 22,818 MW in 2004.

http://www.iso-ne.com/static-assets/documents/2015/12/20151201_winter_outlook_release_final.pdf

Reuters, 15:33 December 1, 2015

NV Energy Entered Western Energy Imbalance Market December 1

The California Independent System Operator Corporation (ISO) and NV Energy announced the utility successfully began participating in the western Energy Imbalance Market (EIM) on December 1. The EIM is projected to result in more customer savings by using the lowest-cost energy while optimizing the use of clean energy sources, like solar and wind, to meet changes in demand. The ISO and NV Energy have prepared for the utility to join the market for nearly a year, including extensive testing of operations and interfacing in the last two months. An independent benefits study found that by participating in EIM, NV Energy could save from \$6 million to \$10 million per year by 2017, and nearly \$12 million annually by 2022.

<http://www.aiso.com/Documents/NVEnergyEntersTheWesternEnergyImbalanceMarket.pdf>

NextEra Energy Resources to Build 17 MW of Solar Energy Systems for U.S. Navy in Hawaii

NextEra Energy Resources, LLC on Tuesday announced that it plans to continue a project to build, own, and operate approximately 17 MW of solar facilities on three separate military installations on Oahu. A subsidiary of NextEra Energy Resources will build one ground-mounted fixed-tilt solar system, three carport solar systems, and 10 rooftop solar systems. Site preparation is underway, and system construction is expected to begin in February 2016 and be completed by year end. All of the power is being purchased by the U.S. Navy under a 25-year power purchase agreement.

<http://www.nexteraenergyresources.com/news/contents/2015/120115.shtml>

Constellation, Amphitheater Public Schools Begin Construction of 9.3 MW Solar Project in Arizona December 1

Constellation and Amphitheater Public Schools (the District) on Tuesday announced the start of construction of a 9.4 MW solar generation project in Tucson, Arizona. The solar power system, located across 24 school sites and support facilities, is expected to generate more than 60 percent of the District's electricity needs in the first year of operation. The District will purchase the electricity generated by the solar panels from Constellation under a 25-year solar services agreement. The solar power system is expected to be completed in mid-2016 and will be comprised of approximately 29,000 photovoltaic panels located on carports, shade canopies and rooftops across 24 locations.

<http://finance.yahoo.com/news/constellation-amphitheater-public-schools-begin-192700283.html>

Chevron Experiences Small Emergency in Process Unit at Its 269,000 b/d El Segundo, California Refinery November 28

Chevron Corp said response personnel responded to a small emergency in one of the process units at its El Segundo, California refinery on Saturday. Chevron said the incident was contained in a matter of minutes and there was no impact to the community or employees.

Reuters, 11:52 December 2, 2015

Fire Controlled, Operations Normal at Chevron's 245,271 b/d Richmond, California Refinery December 2

Chevron said on Wednesday that operations were normal at its Richmond, California refinery after a small fire in a non-operating unit of the refinery broke out on Wednesday morning. The company said in a Twitter post that the fire at the 245,271 barrels per day refinery was under control. A Chevron spokesman said in an email that the fire caused by construction activity was extinguished.

Reuters, 15:38 December 2, 2015

<https://twitter.com/chevronrichmond>

Tesoro Reports Sulfur Release at Its 251,000 b/d Carson, California Refinery December 1

Tesoro on Tuesday reported a sulfur release at its Carson, California refinery, adding to operational issues already underway at the facility, according to a state regulatory filing. A malfunction at the facility released 500 pounds of sulfur into the atmosphere and prompted a brief evacuation of employees. The situation was under control, Tesoro said, and no vapor cloud resulted from the spill.

Reuters, 12:03 December 2, 2015

Irving Oil Seeks to Sell Crude as FCCU Problems Linger at Its 155,000 b/d Saint John, New Brunswick Refinery – Source

Irving Oil Ltd has reached out to at least one East Coast refiner this week in an attempt to sell crude oil, according to a source familiar with the situation, a sign that ongoing delays in restarting the fluid catalytic cracking unit (FCCU) at its 155,000 b/d Saint John, New Brunswick, refinery may linger longer than expected. The company was offering Bongo crude from Nigeria for delivery in mid-December, the source said. Irving Oil also purchased up to three cargoes of gasoline on Monday, according to two traders, continuing a buying spree that has coincided with unexpected problems with the 70,000 b/d FCCU at its refinery, the second largest on the East Coast. After a brief restart, the FCCU was shut down in the past week following a month of planned work, according to multiple reports. The 150,000 b/d crude unit, which also underwent maintenance, is expected remain shut until the FCCU is restarted. The FCCU and the crude unit went into maintenance in early September and were slated for completion by November 15.

Reuters, 12:33 December 2, 2015

PBF May Restart Hydrotreater at Its 192,500 b/d Chalmette, Louisiana Refinery December 2 – Sources

PBF Energy Inc may restart a 45,000 b/d gas oil hydrotreater at its Chalmette, Louisiana refinery on Wednesday, one day after it shut down, sources familiar with plant operations said on Tuesday. The hydrotreater fell out of production on Tuesday afternoon, but the cause was not specified.

Reuters, 20:10 December 1, 2015

Phillips 66 Plans to Restart FCCU at Illinois Refinery by Weekend – Source

Phillips 66 plans to restart a 45,000 b/d fluid catalytic cracker unit (FCCU) at its Wood River, Illinois refinery by this weekend, according to a person familiar with the plant's operations. The FCCU was shut mid-November for about 21 days of work.

Reuters, 12:43 December 1, 2015

Valero Reports Emissions at Its 168,000 b/d McKee, Texas Refinery December 1

Valero Energy Corp reported emissions from the sulfur recovery unit at its McKee, Texas refinery, according to a filing with the Texas Commission on Environmental Quality.

Reuters, 20:56 December 1, 2015

Citgo Reports Emissions at Its 163,000 b/d Corpus Christi East, Texas Refinery

Citgo Petroleum Corp on Tuesday reported the unibon unit was shutting down resulting in flaring during the depressuring activities.

Reuters, 20:33 December 1, 2015

Tesoro Says Operations Normal at Its 57,500 b/d Salt Lake City, Utah Refinery December 1

Tesoro Corp said its Salt Lake City, Utah refinery experienced a minor operational upset last week but operations have since returned to normal.

Reuters, 17:24 December 1, 2015

U.S. Crude Stocks Climb for 10th Straight Week – EIA

U.S. crude oil stocks rose for the tenth straight week last week as imports increased, data from the Energy Information Administration (EIA) showed on Wednesday. Crude inventories rose 1.2 million barrels in the week to November 27, compared with analysts' expectations for a decrease of 471,000 barrels. Imports rose 414,000 b/d. Crude stocks at the Cushing, Oklahoma delivery hub for U.S. crude futures rose 428,000 barrels, EIA said.

Reuters, 11:26 December 2, 2015

Anadarko Ordered to Pay \$159.5 Million Fine for 2010 Gulf of Mexico Oil Spill

A federal judge on Monday ordered Anadarko Petroleum Corp to pay a \$159.5 million civil fine for its role as part-owner of the Macondo well in the Gulf of Mexico involved in a 2010 oil blowout that spilled 3.19 million barrels of oil and killed 11 people.

http://www.rigzone.com/news/oil_gas/a/141880/Anadarko_Ordered_To_Pay_1595M_Fine_For_2010_Gulf_Spill#sthash.3mN93V7b.dpuf

Natural Gas

SoCal Gas Increases Efforts to Plug Massive Methane Leak in California December 1

The head of Southern California Gas Co (SoCal Gas) said it would take at least three more months to plug a massive underground leak of natural gas at Aliso Canyon that has been seeping into the air since mid-October and now accounts for a quarter of the state's entire methane emissions. The utility's president and chief executive officer also said on Tuesday the company would begin this week drilling a relief well designed to intersect the damaged pipeline hundreds of feet beneath the surface and inject it with fluids and cement. The utility's latest strategy and time frame for addressing the stench of gas fumes that have sickened nearby residents for weeks and led to the temporary relocation of 200 families was laid out during a Los Angeles City Council hearing. The company pumps gas into storage wells some 8,500 feet below the site during the summer and draws on those supplies to meet higher energy demand in the winter. The leak, detected on October 23, is believed to have been caused by a broken injection-well pipe several hundred feet beneath the surface of the 3,600-acre field. Vast amounts of methane have been seeping through the soil to the surface since then, despite several failed attempts by the company to halt the flow.

Reuters, 22:13 December 1, 2015

Spectra's Union Gas Launches Open Season for Dawn Parkway Capacity in Ontario

Union Gas is holding an open season for incremental firm capacity of up to 350,000 GJ/d beginning in 2018 and an additional 600,000 GJ/d in 2019 along Dawn to Parkway; Dawn to Kirkwall; and Kirkwall to Parkway. Customers in eastern Canada and the U.S. Northeast can access these supply points by aligning Union Gas transportation service with capacity on TransCanada and interconnecting systems in the U.S. The Dawn Hub is the largest integrated natural gas storage facility in Canada and one of the biggest in North America. The Dawn Hub's strategic location in southwestern Ontario provides direct access to most of North America's major supply basins, including Utica and Marcellus. With multiple routes from western Canada, mid-continent, the Rockies, and the Gulf of Mexico all supplying Dawn, as well as the ability to reach markets in eastern Canadian and the U.S. Northeast, the Dawn Hub provides a deep and liquid market. The open season runs through January 22, 2016.

[http://www.downstreamtoday.com/\(X\(1\)S\(zl34mc3uswj1m455pyam155\)\)/news/article.aspx?a_id=50140&AspxAutoDetectCookieSupport=1](http://www.downstreamtoday.com/(X(1)S(zl34mc3uswj1m455pyam155))/news/article.aspx?a_id=50140&AspxAutoDetectCookieSupport=1)

<https://www.uniongas.com/storage-and-transportation/newsroom/open-seasons/2015/nov-30>

Other News

Nothing to Report.

International News

Sinopec to Lease Former St. Croix Refinery in Virgin Islands as Oil Terminal

China Petroleum & Chemical Corp., known as Sinopec, agreed to be the anchor customer at an oil terminal in the U.S. Virgin Islands to be refurbished by an affiliate of ArcLight Capital Partners LLC and Freepoint Commodities LLC. Sinopec will lease 10 million barrels of the terminal's initial 13 million barrel capacity, according to the general counsel for Freepoint. The company has agreed to invest at least \$125 million in facility enhancements, including the construction of a new dock to accommodate the largest crude tankers in the world.

<http://www.hydrocarbonprocessing.com/Article/3510962/Latest-News/Sinopec-to-lease-former-St-Croix-refinery-in-Virgin-Islands-as-oil-terminal.html>

Energy Prices

U.S. Oil and Gas Prices			
December 2, 2015			
	Today	Week Ago	Year Ago
CRUDE OIL West Texas Intermediate U.S. \$/Barrel	39.88	40.78	67.78
NATURAL GAS Henry Hub \$/Million Btu	2.15	2.11	3.91

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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