



ENERGY ASSURANCE DAILY

Wednesday Evening, December 21, 2016

Electricity

PG&E's 120 MW Caribou Hydro Units 4 and 5 in California Shut by December 20

The units entered an unplanned outage.

<http://content.aiso.com/unitstatus/data/unitstatus201612201515.html>

Petroleum

Coast Guard Begins Winter Icebreaking Operation to Keep Northeast Shipping Lanes Open December 12

The Coast Guard on December 12 began its winter ice breaking operation known as Operation Reliable Energy for Northeast Winters (RENEW), a region-wide effort to ensure Northeast communities have the security, supplies, energy, and emergency resources they need throughout the winter. More than 80% of the nation's heating oil needs are in the northeastern U.S., and 90% of that fuel will be delivered, at some point, by barge through Coast Guard-regulated waterways.

<http://satprnews.com/2016/12/13/coast-guard-begins-operation-renew-in-northeast-for-icebreaking-season/>

Maine Governor Waives Hours of Service Requirements for Truck Drivers Delivering Heating Fuel, Bulk Petroleum Products December 19

Maine's Governor signed an emergency proclamation on Monday waiving hourly driving limits for truck drivers transporting heating fuels and bulk petroleum products to residential and commercial customers due to cold weather and to help avoid the potential for delivery delays. The order will remain in effect until January 18 or until the Governor declares the emergency is over.

<http://www.maine.gov/tools/whatsnew/index.php?topic=Gov+News&id=726599&v=article2011>

PHMSA Issues COA to Belle Fourche Pipeline Following 4,200 Barrel Oil Spill in North Dakota December 5

The U.S. Department of Transportation's Pipeline and Hazardous Materials Safety Administration (PHMSA) on Wednesday issued a corrective action order (CAO) to Belle Fourche Pipeline Co. after a December 5 incident that spilled about 4,200 barrels of oil in North Dakota. The proposed CAO requires Belle Fourche Pipeline to take a series of corrective actions prior to restarting operations, including improving leak detection systems, enhancing patrols, and remediating any pipeline integrity issues in unstable land areas. True Companies, which owns the 24,000 b/d, 6-inch Belle Force Pipeline, said it was reviewing the PHMSA order, and that it was too early to comment on its content or their response. PHMSA may amend the CAO to address any new information

<http://www.phmsa.dot.gov/pipeline/phmsa-issues-corrective-action-order-to-belle-fourche-pipeline-following-early-december-leak>

Reuters, 14:34 December 21, 2016

ExxonMobil Reports Unit Valve Leak at Its 560,500 b/d Baytown, Texas Refinery December 20

ExxonMobil Corp reported a bleeder valve leak on the gofiner unit at its Baytown, Texas refinery, according to a filing with the Texas Commission on Environmental Quality. The gofiner unit was de-pressured to minimize emissions, ExxonMobil said.

Reuters, 20:41 December 20, 2016

Update: Citgo Reports SRU Upset at Its 157,500 b/d Corpus Christi, Texas Refinery December 19

Citgo Petroleum Corp reported the sulfur recovery unit (SRU) experienced an upset resulting in excess emissions at the east plant of its Corpus Christi, Texas, refinery on December 19, according to a filing with the Texas Commission on Environmental Quality. Citgo said once the upset conditions were stabilized, the excess emissions ceased.

Reuters, 20:21 December 20, 2016

Update: Valero Increases Production at Its 168,000 b/d McKee, Texas Refinery after Unit Outages December 20 – Sources

Valero Energy Corp was boosting production on Tuesday at its McKee refinery in Sunray, Texas after multiple units, including boilers and sulfur recovery units were knocked out by sub-zero temperatures on Saturday, said sources familiar with plant operations. Production at the refinery was cut to minimum after the units were knocked out of operation, the sources said.

Reuters, 10:39 December 20, 2016

Chevron Reports Unit Startup at Its 245,271 b/d Richmond, California Refinery December 18, 19, 20

Chevron Corp reported unit start-ups with intermittent flaring at its Richmond, California refinery on December 18, 19, and 20, according to a filing with the Contra Costa County Health Services.

Reuters, 19:02 December 20, 2016

Update: Syncrude Cuts December Crude Production by 1.25 Million Barrels at Its 355,000 b/d Northern Alberta Oil Sands Project – Sources

Canadian oil producer Syncrude has cut December production volumes at its Syncrude refinery by 1.25 million barrels citing potential weather-related issues, four sources familiar with the matter said on Wednesday. The cuts come one week after the oil sands firm said it would reduce its January production by around 800,000 barrels. The northern Alberta Syncrude project is majority owned by Suncor Energy and has capacity to produce about 355,000 b/d when running at full rates.

Reuters, 11:56 December 21, 2016

Environmental Groups File Judicial Review of Kinder Morgan's Trans Mountain Pipeline Expansion from Alberta to British Columbia

Two environmental groups on Tuesday filed for a judicial review of the Canadian government's decision to approve Kinder Morgan's Trans Mountain pipeline expansion, the project's first legal challenge since it was approved. On November 29, the government approved increasing the capacity of the existing pipeline from 300,000 b/d to 890,000 b/d, despite opposition from environmental and aboriginal groups. The highly-utilized existing pipeline primarily transports crude oil from the Alberta oil sands region to destinations in British Columbia and the U.S. Pacific Northwest.

http://www.downstreamtoday.com/news/article.aspx?a_id=54744

<http://ir.kindermorgan.com/press-release/kindermorgan/trans-mountain-receives-final-federal-approval-expansion>

President Obama Bans Offshore Drilling in Federal Waters in Alaska, Upper Atlantic Coast December 20

U.S. President Barack Obama on Tuesday banned oil and gas drilling in federal waters in the Atlantic and Arctic Oceans. Obama used a 1950s-era law called the Outer Continental Shelf Act that allows presidents to limit areas from mineral leasing and drilling. The ban affects 115 million acres of federal waters off Alaska in the Chukchi Sea and most of the Beaufort Sea, and 3.8 million acres in the Atlantic from New England to Chesapeake Bay.

<https://www.whitehouse.gov/the-press-office/2016/12/20/united-states-canada-joint-arctic-leaders-statement>

Reuters, 17:56 December 20, 2016

Oklahoma Imposes New Fracking Guidelines to Reduce Risk of Earthquakes

The Oklahoma Corporation Commission's Oil and Gas Conservation Division and the Oklahoma Geological Survey are imposing guidelines to reduce the risk of earthquakes caused by hydraulic fracturing, or fracking, in its oil-rich shale formations, including the South Central Oklahoma Oil Province (SCOOP) and the Sooner Trend Anadarko Basin Canadian and Kingfisher counties (STACK) formations, which account for most new oil and gas activity in the state, authorities said on Tuesday. The guidelines, which go into effect immediately, include provisions that require producers to implement mitigation plans following an earthquake of magnitude 2.5 or more and to suspend operations following a quake of magnitude 3.5 or greater. While the guidelines are technically voluntary, the Oklahoma legislature this year gave the Oklahoma Corporation Commission authorities to require mandatory compliance. Oklahoma experienced almost 900 earthquakes magnitude 3.0 or greater in 2015 versus just two or three a year before 2009. A magnitude 5.0 earthquake in November near Cushing, Oklahoma, the largest oil storage hub in the U.S., renewed concerns a quake could damage energy infrastructure.
Reuters, 18:57 December 20, 2016

Natural Gas

Regency Reports AGC Shut at Its 290 MMcf/d Waha Gas Plant in Texas December 16

Regency reported acid gas flaring when the acid gas compressor (AGC) shut on fourth stage high discharge temperature. The compressor valves were replaced and the unit was put back in service.

<http://www2.tceq.texas.gov/oce/ee/index.cfm?fuseaction=main.getDetails&target=248846>

Update: Destin Pipeline Adds Horn Mountain Offshore Transportation Service December 22 after Enterprise's 1.5 Bcf Pascagoula Gas Processing Facility Restarts December 15

Destin Pipeline Co. said beginning gas day December 22, it would add transportation service from the Horn Mountain offshore point to Enterprise's Pascagoula natural gas processing facility (PGP) in Mississippi, which restarted last week following months of unplanned repairs. Destin began shipping natural gas from several offshore points to the processing facility on December 17, but its transportation system will remain in a state of force majeure until operations at the facility return to normal. The 225-mile Destin gas pipeline system can carry 1.2 Bcf/d from offshore producers to the Pascagoula plant, and then further north to interconnections with six major interstate gas transmission lines. The Pascagoula facility was shut on June 27 after two explosions damaged its processing trains, forced Destin to declare a force majeure event, and resulted in temporary offshore production platform shut-ins while operators adjusted transportation arrangements.

<https://bp.trellisenergy.com/ptms/public/infopost/viewNotices.do?noticeCategoryId=308201&tspId=1&proxyTspId=1&menuId=menu-info-posting-notices-critical>

Other News

Nothing to report.

International News

Libya's 330,000 b/d Sharara Oilfield Resuming Operations after Pipelines Reopen – Field Official

Operations at Libya's southwestern Sharara oilfield were gradually resuming on Wednesday after the lifting of a two-year blockade on a pipeline that gathers production from the field, a senior official said on Wednesday. Libya's National Oil Corporation (NOC) confirmed on Tuesday that pipelines leading from the Sharara and El Feel fields had reopened, saying it hoped to add 270,000 b/d to national production over the next three months. Sharara has been closed since November 2014 and El Feel since April 2015. National output recently doubled to 600,000 b/d but remains far below the more than 1.6 million b/d the country was producing before 2011.

Reuters, 5:25 December 21, 2016

Energy Prices

U.S. Oil and Gas Prices			
December 21, 2016			
	Today	Week Ago	Year Ago
CRUDE OIL West Texas Intermediate U.S. \$/Barrel	51.42	50.96	34.50
NATURAL GAS Henry Hub \$/Million Btu	3.36	3.60	1.70

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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