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Hurricane Delta | Update #1

REPORT TIME & DATE: 10:00 AM EDT | Saturday, October 10, 2020

REPORT DISTRIBUTION: Public

EXECUTIVE SUMMARY

Delta made landfall as a category 2 hurricane at approximately 6:00 PM local time on Friday, October 9, near Creole, Louisiana. As of 8:00 AM EDT, Hurricane Delta was 45 miles east of Monroe, Louisiana, moving north-northeast at 16 MPH, with maximum sustained winds of 40 MPH. Tropical storm-force winds extend outwards up to 90 miles. Delta is expected to become a tropical depression later today. The DOE Energy Response Center remains activated to manage Emergency Support Function #12 activities and to coordinate with industry partners in response to Hurricane Delta.

Electricity Sector Summary

- As of 7:30 AM EDT, there were approximately 879,000 customer outages reported across Louisiana, Texas, Arkansas, and Mississippi, including approximately 688,000 customer outages in Louisiana.
- Utilities in the impacted areas are beginning damage assessments and restoration efforts as conditions permit after the storm passes.
- Prior to the storm, utilities pre-staged crews, equipment, and materials, and mutual assistance networks were activated to support restoration efforts as needed.
- Entergy accelerated some transmission repairs in the Lake Charles, LA area, related to Hurricane Laura, to add additional resilience to the system.

Oil & Natural Gas Sector Summary

- Several refineries in Beaumont and Port Arthur, Texas have reported power outages and possible wind damage. In addition, several refineries in Lake Charles, Louisiana remain shut-in or at reduced capability due to previous impacts from previous storms, as well as lower demand. Most refineries in the New Orleans and Baton Rouge areas of Louisiana planned to keep operating through Hurricane Delta.
- The ports of Lake Charles, Louisiana; Morgan City, Louisiana; Beaumont, Texas; and Port Arthur, Texas were closed in anticipation of Hurricane Delta. Port Sector New Orleans and Houston are under Port Condition Yankee or Modified Yankee.
- As of 12:30 PM EDT, October 9, 92% of the oil production and 62% of the natural gas production in the federally administered areas of the U.S. Gulf of Mexico remain shut-in, according to estimates by the Bureau of Safety and Environmental Enforcement (BSEE). Production was shut-in as a precaution prior to the storm.
- The refinery and offshore production shut-ins are not anticipated to cause any immediate fuel supply issues as U.S. and Gulf Coast stocks of gasoline, diesel, and crude oil are at or above their 5-year averages.
- Due to increased demand from evacuees, there is potential for limited temporary localized retail fuel station disruptions. Suppliers are working to keep retail stations supplied.



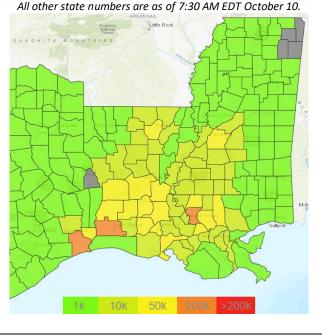
ELECTRICITY SECTOR

POWER OUTAGES

• As of 7:30 AM EDT, October 10, there are 878,974 outages across Louisiana, Mississippi, Texas due to Hurricane Delta.

Customer Power Outages as of 7:30 AM EDT 10/10/2020					
State	Current Outages	% of State Without Power			
Louisiana*	688,180	31%			
Mississippi	87,397	7.4%			
Texas	103,397 <1%				
Total	878,974	-			

*Louisiana numbers via the <u>Louisiana Public Service Commission</u> as of 7:00 AM EDT.



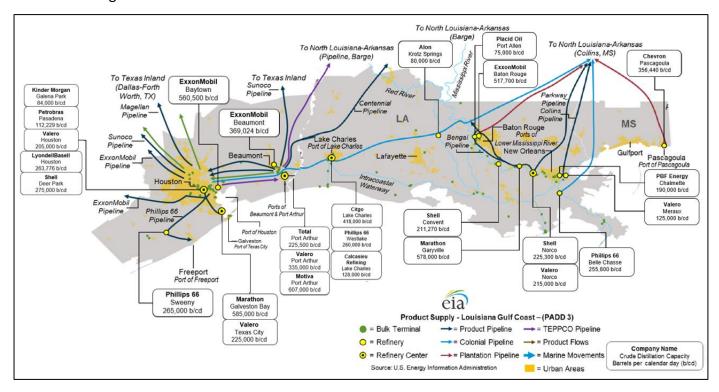
RESTORATION OVERVIEW

- Utilities are beginning damage assessments and restorations as conditions permit. Fluctuation in the outage numbers is expected and normal during large-scale restoration efforts.
- Utilities pre-positioned crews, materials, and equipment in advance of the storm.
- Utilities typically follow an overall plan to restore service to customers. After power is restored
 to essential services and facilities critical to public health and safety, crews focus on repairing
 lines that will return service to the largest number of customers in the least amount of time.
 Power is restored systematically to neighborhoods, industries, and businesses and then to
 individual homes and small groups of customers
- DOE will work with industry partners to determine if there are any locations were outages may be extended.



OIL AND NATURAL GAS SECTOR

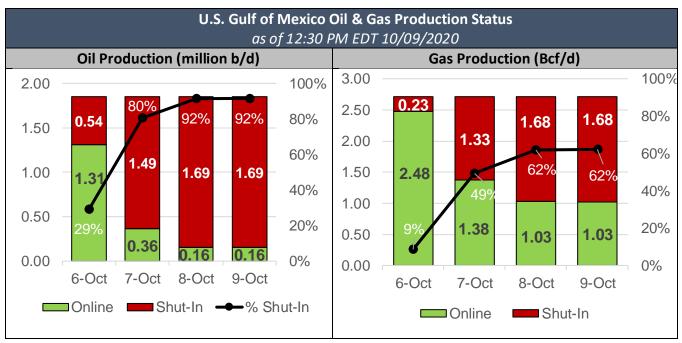
Just over half of total U.S. refining capacity is located in the Gulf Coast (PADD 3) region. Gulf Coast refinery production is critical for supplying fuels to markets in the high-demand East Coast (PADD 1) region. Products move out of the Gulf Coast region on the Colonial and Plantation pipeline systems to Southeast and Central Atlantic markets, and via tanker and barge to Florida. The Gulf Coast refineries export approximately 20% of production to foreign countries. This provides a significant "export buffer," allowing refiners to shift fuel production away from exports to make up for shortages in domestic markets. The map below highlights the petroleum supply chain in the Louisiana and Texas Gulf Coast regions.





OFFSHORE PRODUCTION

- As of 12:30 PM EDT, October 9, 1.69 million barrels per day (b/d) (91.55%) of the oil production and 1.68 billion cubic feet per day (Bcf/d) (62.17%) of the natural gas production in the federally administered areas of the U.S. Gulf of Mexico are shut-in, according to estimates by the Bureau of Safety and Environmental Enforcement (BSEE).
- In addition, BSEE reports that 274 out of 643 manned platforms have been evacuated; 7 out of 10 non-dynamically positioned rigs have been evacuated; and 14 out of 17 dynamically positioned rigs have moved out of the storm's path as a precaution.



Source: BSEE



PORTS

- Louisiana Offshore Oil Port (LOOP) has suspended operations at its marine terminal as of October 7, per standard procedure. LOOP is the U.S. port capable of receiving very large crude carriers (VLCCs). LOOP's Clovelly Hub deliveries remain normal as of October 7.
- The U.S. Coast Guard has set the following conditions for ports and waterways as a result of Hurricane Delta. Listed in the table are select ports that receive petroleum products.

Status of Gulf Coast Ports as of 8:00 AM EDT 10/10/2020						
Port	Inbound Petroleum * (b/d)	Status	Date Stamp			
Alabama						
Mobile, AL	191,000	Open with draft restrictions. Port Status Normal.	10/9			
Mississippi						
Pascagoula, MS	131,000	Open. Port Status Normal.	10/9			
Louisiana						
Baton Rouge, LA	83,000	Open. Port Status Yankee.	10/8			
Gramercy, LA	110,000	Open. Port Status Yankee.	10/8			
New Orleans, LA	201,000	Open. Port Status Yankee.	10/8			
Morgan City, LA	208,000	Closed. Port Status Zulu.	10/9			
Lake Charles, LA	394,000	Closed. Port Status Zulu.	10/8			
Texas						
Port Arthur, TX	358,000	Closed. Port Status Zulu.	10/8			
Beaumont, TX	365,000	Closed. Port Status Zulu.	10/8			
Freeport, TX	94,000	Open. Port Status Modified Yankee.	10/8			
Galveston, TX	33,000	Open. Port Status Modified Yankee.	10/8			
Houston, TX	894,000	Open. Port Status Modified Yankee.	10/8			
Texas City, TX	113,000	Open. Port Status Modified Yankee.	10/8			

^{*}Crude oil and product foreign imports and domestic movements in 2018.

Source: Receipt data from EIA Company Level Imports, U. S. Army Corps of Engineers Waterborne Commerce Statistics Center

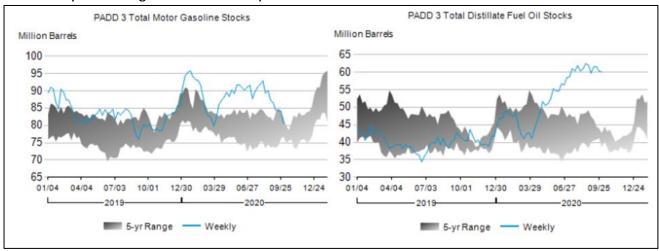
PETROLEUM REFINERIES

 Most refineries in the New Orleans and Baton Rouge areas of Louisiana plan to keep operating through Hurricane Delta.



FUEL STOCKS

For the week ending on October 2, 2020, the Gulf Coast (PADD 3) had 80.4 million barrels of total gasoline stocks, according to the Energy Information Administration (EIA). This is 2% higher than the 5-year average for this time of year. For the week ending on October 2, the Gulf Coast had 60.0 million barrels of total distillate stocks, according to EIA. This is 41% higher than the 5-year average for this time of year.



 Overall U.S. stocks for transportation fuels (gasoline, jet fuel, and diesel) stood at 438.1 million barrels for the week ending October 2, 2020, approximately 6.3% above the 5-year average for the time of year. Gasoline stocks are even with the seasonal 5-year average, distillate stocks are 21.9% above their respective seasonal 5-year averages, while jet fuel stocks are 9.6% below its respective 5-year average.



EMERGENCY DECLARATIONS & WAIVERS

EMERGENCY DECLARATIONS

To provide vital supplies and transportation services to a disaster area in the United States, emergency declarations may be issued by the President, Governors of States, or Federal Motor Carrier Safety Administration (FMCSA). These declarations trigger the temporary suspension of certain Federal safety regulations, including Hours of Service, for motor carriers and drivers engaged in specific aspects of the emergency relief effort. See 49 CFR 390.23 for the actual emergency regulation.

Emergency Declarations and HOS Waivers as of 8:00 AM EDT 10/10/2020						
State/Territory	Details	Effective Dates		Ctatus		
		Start	End	Status		
AL, FL, LA, MS, & TX	FMCSA Hours of Service Waiver	10/7	11/6	Active		
Louisiana	State of Emergency	10/6	11/4	Active		
	Presidential Declaration of Emergency	10/6	Until rescinded	Active		
Alabama	State of Emergency	10/6	Until rescinded	Active		
	ADEM Gasoline Loading Enforcement	10/0	10/23	Active		
	<u>Discretion</u>	10/9				
Mississippi	State of Emergency	10/7	Until rescinded	Active		
	Presidential Declaration of Emergency	10/7	Until rescinded	Active		

Sources: State government and the White House websites.

WAIVERS

- On October 9, the Pipeline and Hazardous Materials Safety Administration (PHMSA) issued an
 emergency stay of enforcement for pipeline and LNG facility operators impacted by Hurricane
 Delta. PHMSA will not take enforcement action relating to noncompliance with federal
 operator qualifications, certain training requirements, nor employment drug testing
 requirements for personnel involved in response and recovery efforts related to Hurricane
 Delta. The order is valid for 45 days.
- On October 9, the Pipeline and Hazardous Materials Safety Administration (PHMSA) issued an emergency waiver <u>order</u> declaring an emergency in Louisiana and Mississippi in relation to Hurricane Delta. The waiver relaxes certain requirements for the transportation of hazardous materials and is intended to support the U.S. Coast Guard and EPA in their response to Delta. The order is valid for 30 days.

