

Tropical Cyclone Florence | Report #15

REPORT TIME & DATE: 12:00 PM EDT | Thursday, September 20, 2018

INCIDENT START DATE: Thursday, September 13, 2018 **PRIMARY LOCATION(S):** North Carolina & South Carolina

REPORT DISTRIBUTION: Public

NOTE: Beginning on Thursday, September 20, 2018 the U.S. Department of Energy will issue a daily Report at 12:00 PM EDT about impacts to the energy sector from Hurricane Florence.

EXECUTIVE SUMMARY

Significant river flooding persists throughout the Carolinas following Hurricane Florence. Flooding is expected to continue through the weekend with 14 rivers in the Carolinas expected at major flood stage levels. Flooding is impacting access to certain locations and flood warnings remain in effect throughout the region.

Electricity Sector Summary

- The following outages have been reported at as of 11:00 AM:
 - o North Carolina: 113,633 customer outages (2.3%) Decrease of 35.6% since last report.
 - Note: Outages in South Carolina & Virginia are at pre-storm day-to-day levels. New outages are not a direct result of impacts from Hurricane Florence.
- Fluctuation in the outage numbers is expected and normal during large-scale restoration efforts.
- Restoration efforts are underway across the impacted area and mutual aid crews are supporting local utilities. Heavy flooding continues to limit access to some areas.

Oil & Natural Gas Sector Summary

- All ports have reopened.
- Gasoline inventories at terminals and pipelines in the Lower Atlantic region were 10% higher than the 5-year average as of the week ending on September 14.
- Coastal areas impacted by Florence in North and South Carolina are experiencing outages at retail fuel stations due to power outages and conditions preventing resupply from terminals.
 - As of 9:30 AM on September 20, 16% of North Carolina gas stations and 7% of South Carolina gas stations were reported out-of-service due to lack of fuel or power according to data from GasBuddy. An update has not been provided for all stations following the storm.
 - States are working with industry to expedite resupply shipments to impacted areas.
- A regional hour-of-service wavier is in effect for the impacted area and surrounding states.

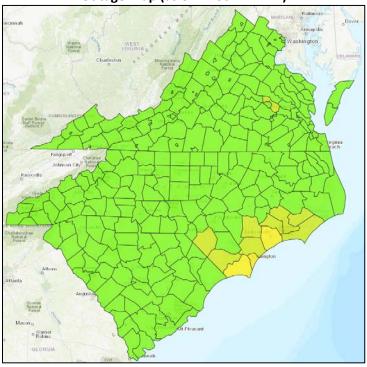
ELECTRICITY SECTOR

POWER OUTAGES

ELECTRICITY OUTAGES AS OF 11:00 AM EDT 09/20/2018					
Impacted State	Current Confirmed	Percent of Total Customers	24-Hour Peak		
	Customer Outages	in State without Power	Customer Outages		
North Carolina	113,633	2.29%	199,972		
South Carolina	1,002	0.04%	5,579		
Virginia	2,225	0.06%	3,198		
Total	116,860	-	*		

^{*}There is no sum of the Peak Customer Outage column because peaks for individual utilities occur at different times; a total would not reflect peak outages.

Outage Map (as of 11:00 AM EDT)



ELECTRICITY IMPACTS & RESTORATION EFFORTS

- Restoration efforts are underway across the impacted areas. Utilities indicated that high water is
 expected to hamper restorations in some areas, but the crews are making every effort to reach all
 locations.
- Fluctuation in the outage numbers is expected and normal during large-scale restoration efforts.
- Duke Energy crews are focusing on critical facilities, as well as power along main roadways, including gas stations, hotels, and grocery stores.
- Electric utilities are working with communication utilities and providers to coordinate restoration efforts.

NORTH CAROLINA

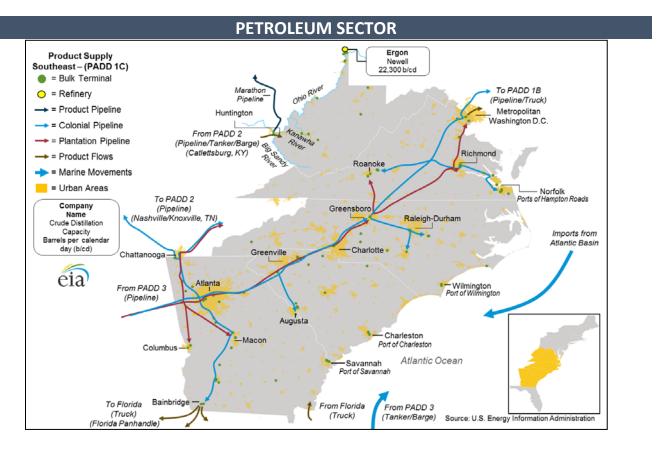
- Significantly Impacted Utilities
 - o Duke Energy (Carolinas): 73,837 customer outages
 - o Jones Onslow Electric Membership: 4,728 customer outages
 - o Tideland Electric Membership: 2,634 customer outages

SOUTH CAROLINA

• Outages in South Carolina are at pre-storm day-to-day levels and are not related to Hurricane Florence.

VIRGINIA

• Outages in Virginia are at pre-storm day-to-day levels and are not related to Hurricane Florence.



PRODUCT PIPELINES

• No significant issues have been reported at this time.

PORTS

The USCG has set the following conditions for Southeast ports.

Status of Southeast Ports as of 2:30 PM EST 09/18/2018					
Port Sector	Port	Status	Date Stamp	2016 Inbound Products (b/d)*	
Maryland	Baltimore, MD	Port Condition Normal. Open without restrictions.	09/15	29,000**	
NCR	Washington, DC	Port Condition Normal. Open without restrictions.	09/15	2,000	
Hampton	Norfolk, VA	Port Condition Normal. Open without restrictions.	09/15	7,000	
Roads	Newport News, VA	Port Condition Normal. Open without restrictions.	09/15	3,000	
North Carolina	Wilmington, NC	Port Condition Recovery. Open with restrictions. As of 9/18, the Port of Wilmington's power has been restored to the South Terminal. Initial port assessment reported all berths are available.	09/18	6,000	
Charleston	Charleston, SC	Port Readiness Condition IV. Open without restrictions.	09/16	22,000	
Savannah	Savannah, GA	Port Readiness Condition IV. Open without restrictions.	09/15	15,000	

^{*}Transportation fuels only (gasoline, distillate, and jet fuel)

Source: U.S. Coast Guard <u>Homeport</u>, U.S. Army Corp of Engineers, EIA Company Level Imports, Region IV PSA, DHS

^{**}The Port of Baltimore also had 11,000 b/d of petroleum products shipped outbound in 2016.

FUEL STOCKS

• For the week ending on September 14, the Lower Atlantic Region (WV, VA, NC, SC, GA, & FL) had 26.0 million barrels of total gasoline stocks, or 10% higher than the 5-year average for this time of year, according to the U.S. Energy Information Administration (EIA). Also, the Lower Atlantic Region had 11.4 million barrels of total distillate stocks, or 12% lower than the 5-year average for this time of year. For these fuels, inventory levels include volumes at refineries, bulk terminals and blenders, and in pipelines. EIA does not survey inventories held at retail stations.

RETAIL FUEL STATIONS

- As of 9:30 AM, September 20, 16% of North Carolina gas stations and 7% of South Carolina gas stations
 were reported out-of-service due to lack of fuel, lack of power, or both, according to GasBuddy.com.
 The majority of these outages are located in the coastal areas of Wilmington, Greenville-New Bern,
 Raleigh-Durham, and Myrtle Beach-Florence.
- States are working closely with industry to expedite resupply shipments to impacted areas.

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.

State Emergency Declarations and HOS Waivers as of 11:00 AM EST 09/20/2018					
State	Details	Effective Dates		Status	
	Details	Start	End	Status	
DE, DC, FL, GA, MD, NJ,	FMCSA Regional Declaration of	09/10	10/10	Active	
NY, NC, PA, SC, VA, WV	Emergency	09/10	10/10		
North Carolina	State of Emergency Declaration	09/07	Until Rescinded	Active	
South Carolina	State of Emergency Declaration	09/08	Until Rescinded	Active	
Virginia	State of Emergency Declaration	09/08	10/10	Active	
Maryland	State of Emergency Declaration	09/10	Until Rescinded	Active	
Kentucky	State of Emergency Declaration	09/11	10/11	Active	
Tennessee	State of Emergency Declaration	09/11	10/11	Active	

Sources: U.S. Department of Transportation; Governor Office Websites

FUEL WAIVERS

The Environmental Protection Agency (EPA), working with the Department of Energy (DOE), responds quickly to address fuel supply disruptions caused by hurricanes or other natural disasters by issuing emergency waivers of certain fuel standards in affected areas. The table below lists fuel-related waivers issued by the EPA:

Fuel Waivers as of 11:00 AM EST 09/20/2018						
State(s)	Waiver	Effective Dates		Status		
State(s)	waivei	Start	End	Status		
North Carolina, South Carolina	RFG comingling regulations	09/11	10/01	Active		
Georgia, parts of Virginia	RFG comingling regulations	09/12	09/30	Active		
Southern Virginia	RFG requirements	09/12	09/30	Active		
North Carolina	Restriction on red-dyed diesel fuel for highway use	09/17	09/28	Active		

Sources: <u>U.S. Environmental Protection Agency</u>; State Governments

In order to minimize or prevent the disruption of an adequate supply of gasoline for evacuees in the designated areas, the EPA has issued temporary waivers of:

- Reformulated gasoline (RFG) regulations at 40 C.F.R. § 80.78(a)(7), thus allowing the commingling of any RBOB with any other gasoline, blendstock, or oxygenate in the designated areas.
- Reformulated gasoline requirements in Southern Virginia RFG areas, thus allowing regulated parties to produce, sell or distribute conventional winter gasoline instead of RFG in those areas.
- Highway diesel fuel "no red dye" requirements in North Carolina are waived, thus allowing the sale, distribution and use of red dyed non-road locomotive and marine (NRLM) diesel fuel for use in highway diesel vehicles, but the diesel fuel must meet the 15ppm standard set forth at 40 C.F.R. § 80.520.

OTHER FEDERAL WAIVERS

• On September 13, PHMSA issued an Emergency Stay of Enforcement for pipeline and LNG facility operators affected by Hurricane Florence. Under the stay, PHSMA does not intend to take enforcement action relating to operators' temporary noncompliance with qualification requirements found in 49 C.F.R. §§ 192.801–192.809 and 195.501–195.509, or pre-employment and random drug testing requirements found in 49 C.F.R. § 199.105(a), (c) arising from the use of personnel for pipeline activities related to response and recovery. The stay will remain in effect until October 28, unless PHMSA determines an extension is required.

- On September 12, **PHMSA** issued a **Waiver of the Hazardous Materials Regulations** (HMR, 49 C.F.R. Parts 171-180) to allow the EPA and USCG to conduct their ESF #10 response activities to safely remove, transport, and dispose of hazardous materials. Persons conducting operations under the direction of EPA Regions 3 or 4 or USCG Fifth or Seventh Districts within the Hurricane Florence emergency areas of South Carolina, North Carolina, and Virginia are authorized to offer and transport non-radioactive hazardous materials under alternative safety requirements imposed by EPA Regions 3 or 4 or USCG Fifth or Seventh Districts when compliance with the HMR is not practicable. Under this Waiver Order, non-radioactive hazardous materials may be transported to staging areas within 50 miles of the point of origin. Further transportation of the hazardous materials from staging areas must be in full compliance with the HMR. This Waiver Order will remain in effect for 30 days from the date of issuance.
- On September 14, EPA issued No Action Assurances (NAAs) as requested by North Carolina, South
 Carolina, Virginia, and Georgia to help avoid delays in fuel distribution. EPA policy allows the Agency to
 issue NAAs in cases where it is necessary to avoid extreme risks to public health and safety and where
 no other mechanism can adequately address the matter. Under these NAAs, EPA will not pursue
 enforcement actions against tanker trucks under air quality regulations governing the testing for tank
 tightness and associated documentation.
- On September 14, EPA issued two No Action Assurances (NAAs) as requested by Virginia and North
 Carolina regarding the loading and unloading of fuel at bulk gasoline terminals, pipeline breakout
 stations, marine tank vessel loading operations, and gasoline loading racks. Pursuant to these NAAs and
 the conditions contained in them, EPA will not pursue enforcement actions for violations of the Clean
 Air Act vapor recovery requirements for these fuel loading and unloading operations in those states.
- On September 17, the IRS issued a waiver exempting tax penalties for the sale of dyed diesel fuel for highway use in the state of North Carolina.

