

Post-Tropical Cyclone Harvey Event Report (Update #16)

| REPORT TIME & DATE: | 4:00 PM EDT Saturday, September 2, 2017 | | | |
|----------------------|---|--|--|--|
| INCIDENT START DATE: | Friday, August 25, 2017 | | | |
| PRIMARY LOCATION(S): | Gulf Coast (Texas and Louisiana) | | | |
| REPORT DISTRIBUTION: | Public @ https://energy.gov/oe/downloads/hurricane-harvey-situation-reports-august-2017 | | | |

EXECUTIVE SUMMARY

As of 12:15 PM EDT, parts of Southeast Texas are under an extended Flood Warning until further notice. In the region, partly cloudy skies are expected with highs in the upper 80s and lower 90s. Patchy fog will develop over the northern Coastal Bend to the Victorian Crossroads later tonight. According to the National Weather Service, the Neches River (not to be confused with the Nueces River) will continue to rise to near 14.8 feet by Saturday evening then begin falling. Flooding is also occurring along the river in Beaumont.

Electricity Sector Impacts – Texas (as of 2:30 PM EDT)

- As of 2:30 PM EDT, September 2, Texas has 114,771 customer outages (1% of total state customers) according to EAGLE-I and additional utilities not captured in EAGLE-I.
 - o Entergy Texas has 51,180 customer outages. This is a 3.6% decrease.
 - AEP Texas has 50,021 customer outages. This is a 1.7% decrease.
 - o CenterPoint Energy has 8,597 customer outages. This is a 55% decrease.
- AEP Texas crews have re-energized 44 transmission lines and continue to work to re-energize 18 transmission lines still out of service. AEP has re-energized 56 substations. They remain working on 11 still out.
- Entergy Texas has reported there are currently 252 miles of transmission lines out and 13 flooded substations within their service territory. As of this morning, 90% of damage assessments are complete in areas not impeded by flood waters.

Oil and Natural Gas Sector Impacts (as of 2:30 PM EDT)

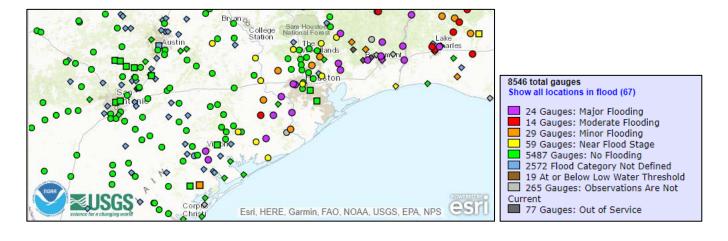
- Seven refineries had begun the process of restarting from being shut down. This process may
 take several days or weeks to start producing product, depending whether any damage is found.
 One refinery was identified as having begun restart operations since the last report. These
 refineries have a combined capacity of 1,528,720 b/d, equal to 15.8% of total Gulf Coast (PADD 3)
 refining capacity and 8.3% of total U.S. refining capacity.
- Four refineries in the Gulf Coast region were operating at reduced rates. One refinery, which had
 been operating at reduced rates, began operating at full rates since the last report. The refineries
 operating at reduced rates have a combined total capacity of 1,338,776 b/d, equal to 13.8% of
 total Gulf Coast (PADD 3) refining capacity and 7.2% of total U.S. refining capacity. (NOTE: Actual
 crude throughput (production) reductions are lower than combined capacity).
- Colonial restoration crews are assessing facilities and the pipeline right of way to ensure conditions are safe for a restart of operations from Houston and Pasadena. Work also continues

to resume operations from other Texas injection points, which are expected to occur after Houston/Pasadena. Currently, only Texas operations are down, and the remainder of the Colonial system continues to operate with available supply.

• FEMA has established a "Rumor Control" website: https://www.fema.gov/hurricane-harvey-rumor-control

INCIDENT OVERVIEW

As of 12:15 PM EDT, parts of Southeast Texas are under an extended Flood Warning until further notice. In the region, partly cloudy skies are expected with highs in the upper 80s and lower 90s. Patchy fog will develop over the northern Coastal Bend to the Victorian Crossroads later tonight. According to the National Weather Service, the Neches River (not to be confused with the Nueces River) will continue to rise to near 14.8 feet by Saturday evening then begin falling. Flooding is also occurring along the river in Beaumont. The Flood Warning for the Buffalo Bayou near Piney Point Villlage in Harris County is also in effect until further notice. The Buffalo Bayou is expected to fall to a stage of 62.1 feet by Sunday morning.



ELECTRICITY SECTOR

ELECTRICITY OUTAGE DATA

| ELECTRICITY OUTAGES AS OF 2:30 PM EDT 09/02/2017 | | | | |
|--|---------------------------------------|--|-----------------------------|--|
| Impacted State | Current Confirmed Customer Outages | Percent of Confirmed State Customers without Power | 24-hr Peak Customer Outages | |
| Texas | 114,771 | 1% | 156,716 | |
| Total | 114,771 | - | * | |

^{*}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.

Texas

- As of 2:30 PM EDT, September 2, Texas has 114,771 customer outages (1% of total state customers).
 - Entergy Texas has 51,180 customer outages. This is a 3.6% decrease.
 - AEP Texas has 50,021 customer outages. This is a 1.7% decrease.
 - CenterPoint Energy has 8,597 customer outages. This is a 55% decrease.
- AEP Texas crews have re-energized 44 transmission lines and continue to work to reenergize 18 transmission lines still out of service. AEP has re-energized 56 substations. They remain working on 11 still out.
- Entergy Texas has reported there are currently 252 miles of transmission lines out and 13 flooded substations within their service territory. As of this morning, 90% of damage assessments are complete in areas not impeded by flood waters.
- CenterPoint Energy is reporting 99.62% of customers have power. High water continues to be a factor in restoration, including Brazoria County.

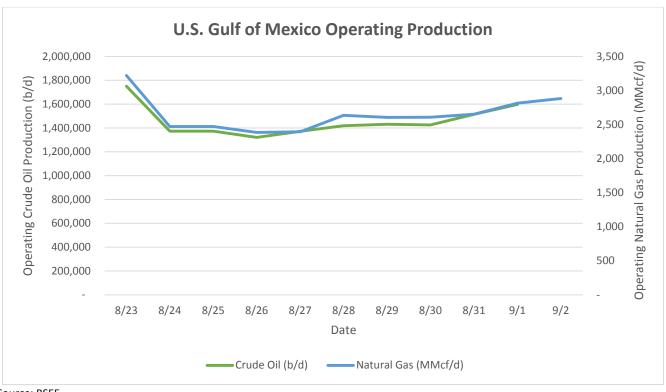
OIL & GAS SECTOR

OFFSHORE PRODUCTION

As of 12:30 PM EDT, September 2, 106,813 b/d (6.1%) of the oil production and 337.2 MMcf/d (10.47%) 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).

| U.S. Gulf of Mexico Oil & Gas Production Status as of 12:30 PM EDT 09/02/2017 | | | | | |
|--|-----------|--------------------|--------------------|--|--|
| Production | Pre-Event | Shut-In (09/01) | Shut-In (09/02) | | |
| Crude Oil (b/d) | 1,750,000 | 152,989 | 106,813 | | |
| Natural Gas (MMcf/d) | 3,220 | 405.99 | 337.2 | | |
| Infrastructure Pre-Event Evacuated Evacuated Count (09/01) (09/02) | | | | | |
| Manned Platforms | 737 | 75 | 43 | | |
| Rigs | 31 | 0 | 0 | | |

Source: BSEE: https://www.bsee.gov/resources-tools/hurricane/activity-statistics-update



Source: BSEE

ONSHORE PRODUCTION

 On August 26, the Texas Railroad Commission estimated that approximately 300,000 to 500,000 b/d of crude production had been shut-in in the Eagle Ford region from a pre-storm production estimate of 870,000 b/d. In addition, approximately 3.0 Bcf/d of natural gas production had been shut-in from a pre-storm production estimate of about 6.0 Bcf/d. The Commission had expected most idled production to come back online in the next few days.

PETROLEUM REFINERIES

- As of 03:00 PM EDT, September 2, nine refineries in the Gulf Coast region were shut down, according to public reports. One refinery was identified as having begun restart operations since the last report. These refineries have a combined refining capacity of 2,357,229 b/d, equal to 24.3% of total Gulf Coast (PADD 3) refining capacity and 12.7% of total U.S. refining capacity.
- Seven refineries had begun the process of restarting from being shut down. This process may
 take several days or weeks to start producing product, depending whether any damage is
 found. One refinery was identified as having begun restart operations since the last report.
 These refineries have a combined capacity of 1,528,720 b/d, equal to 15.8% of total Gulf Coast
 (PADD 3) refining capacity and 8.3% of total U.S. refining capacity.
- Four refineries in the Gulf Coast region were operating at reduced rates. One refinery, which
 had been operating at reduced rates, began operating at full rates since the last report. The
 refineries operating at reduced rates have a combined total capacity of 1,338,776 b/d, equal to
 13.8% of total Gulf Coast (PADD 3) refining capacity and 7.2% of total U.S. refining capacity.
 (NOTE: Actual crude throughput (production) reductions are lower than the total combined
 capacity).



PORTS

 The U.S. Coast Guard has set the following conditions for ports and waterways in the U.S. Gulf Coast region as a result of Harvey.

| Status of Texas and Louisiana Gulf Coast Ports as of 2:30 PM EDT 09/02/2017 | | | |
|---|---|------------|--|
| Port | Status | Date Stamp | |
| Sector Corpus Chris | ti | | |
| Brownsville | Open. | 08/31/17 | |
| Corpus Christi | Port Condition Recovery. Open with restrictions. Allowing vessels up to 43' draft to transit during daytime hours only. Larger vessels allowed one-way transits during daylight hours only. Ship channel also open with restrictions. Working to reopen completely 09/04. | 08/31/17 | |
| Sector Houston and | Galveston | | |
| Freeport | Open. | 09/01/17 | |
| Galveston | Port Condition Recovery. Open with restrictions. Ship channel also open with restrictions. Limited to daylight hours for vessels with < 33' draft. Galveston Bay Entrance Channel, Outer Bar Channel, Bolivar Roads Anchorages, Bolivar Roads Channel, and Galveston Harbor open. | 09/01/17 | |
| Houston | Port Condition Recovery. Open with restrictions. Houston Ship Channel above LB18 to Mitchell's Point open. | 09/01/17 | |
| Texas City | Port Condition Recovery. Open with restrictions. Texas City Channel, Texas City Turning Basin, and Industrial Canal open. | 09/01/17 | |
| Sector Port Arthur a | and Lake Charles | | |
| Beaumont | Port Condition Recovery. Open with restrictions. 30' draft restriction for all waters of the Sabine-Neches Waterway. | 08/31/17 | |
| Lake Charles | Port Condition Recovery. Open with restrictions. 37 feet draft restrictions of the Calcasieu Ship Channel. | 08/31/17 | |
| Nederland | Port Condition Recovery. Open with restrictions. 30' draft restriction for all waters of the Sabine-Neches Waterway. | 08/31/17 | |
| Orange | Port Condition Recovery. Open with restrictions. 30' draft restriction for all waters of the Sabine-Neches Waterway. | 08/31/17 | |
| Port Arthur | Port Condition Recovery. Open with restrictions. 30' draft restriction for all waters of the Sabine-Neches Waterway. | 08/31/17 | |
| Port Neches | Port Condition Recovery. Open with restrictions. 30' draft restriction for all waters of the Sabine-Neches Waterway. | 08/31/17 | |
| Sabine Pass | Port Condition Recovery. Open with restrictions. 30' draft restriction for all waters of the Sabine-Neches Waterway. | 08/31/17 | |

Source: U.S. Coast Guard

RAIL

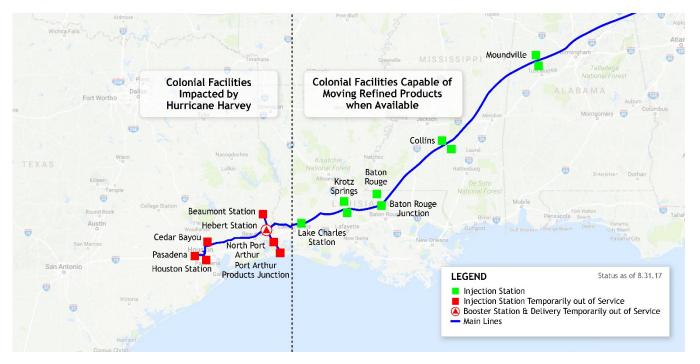
 Rail is critical for the delivery of ethanol to petroleum product terminals for gasoline blending and for the movement of refinery byproducts, including propane, butanes, and sulfur out of refineries. The following rail lines have reported disruptions:

| Status of Texas and Louisiana Gulf Coast Rail Infrastructure as if 2:30 PM EDT 09/02/2017 | | | | |
|---|--|------------|--|--|
| Rail Company | Status | Date Stamp | | |
| BNSF | Major disruptions due to washouts. Houston Subdivision | 09/01/17 | | |
| | has resumed service, as well as greater portion of Galveston | | | |
| | Subdivision, along with other smaller Subdivisions. | | | |
| | Beaumont remains closed. Train loading and unloading | | | |
| | resumed at Pearland Intermodal Facility. | | | |
| CSX Corp. | Closely watching weather conditions in Louisiana and the | 08/30/17 | | |
| | southwestern portion of its operating network. | | | |
| Kansas City | Force majeure and an embargo on network in Texas | 09/01/17 | | |
| Southern Railway | remains in effect. Assessments have indicated a few areas | | | |
| | where maintenance will be required before reopening the | | | |
| | line. When transit resumes, delays should be expected on all | | | |
| | routes while backlogs are reduced and speed restrictions | | | |
| | are imposed given the conditions and repair work. | | | |
| Union Pacific | Routes through San Antonio opened up allowing for trains | 09/01/17 | | |
| | to be run both north and south between San Antonio and | | | |
| | Hearne, TX. Reorganizing major rail yards at Settegast, and | | | |
| | Englewood. Repairs complete on some infrastructure in | | | |
| | Houston and South Texas. Cleanup operations underway at | | | |
| | Houston yards 8/31. Repaired track between Houston and | | | |
| | Bryan, Texas and between Houston and Angleton, Texas. | | | |
| | Currently working on Houston-San Antonio track repairs. | | | |
| YRC Freight | Houston terminal closed. | 08/29/17 | | |

COLONIAL PIPELINE

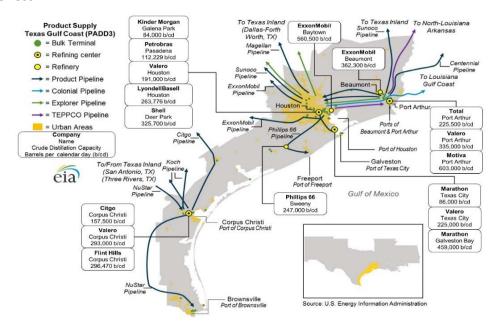
- Colonial's Lines 1 and 2 continue to operate from Lake Charles east. Deliveries will be intermittent and dependent on terminal and refinery supply. The lines remain down from Houston to Hebert due to the storms.
- Colonial estimates that it will be able to return to service from Houston Sunday, following an evaluation of its infrastructure and successful execution of its start up plan. Of the 26 refineries that connect to the Colonial system, 13 are located between Houston and Lake Charles.
- Colonial is one part of the fuel delivery system, and there are multiple means of supplying the market to mitigate concerns with supply, including other pipelines, trucks, and barges.
- Colonial's top priorities remain the safety of its personnel and integrity of its system will remain the top priorities. For more updates: https://harvey.colonialresponse.com/

Colonial Pipeline Gulf Coast Status Map



OTHER PRODUCT PIPELINES

 Below is a map of refineries and petroleum product pipelines in the Texas Gulf Coast for awareness.



Source: EIA: https://www.eia.gov/analysis/transportationfuels/padd1n3/

WAIVERS

- The table below lists fuel-related waivers issued by the U.S. Environmental Protection Agency (U.S. EPA) and State agencies.
- On August 30, U.S. EPA issued a multi-state (13 states) waiver for requirements of low-RVP conventional gasoline and reformulated gasoline (RFG). Later in the day, the waiver was expanded to include 38 states and Washington, DC.

| State Fuel Waivers as of 2:30 PM EDT 09/02/2017 | | | | | |
|---|---|------------|-----------|----------|--------|
| | ata Mairing | | Effective | | |
| State | Waiver | Issued By | Start | End | Status |
| Multi- | RVP standard waived for gasoline sold in | U.S. EPA | 08/30/17 | 09/15/17 | Active |
| state | affected counties where low-RVP gasoline is | | Expanded: | | |
| waiver | required (9.0 RVP or lower). Allows sale of | | 08/31/17 | | |
| | gasoline up to 11.5 psi RVP in all states | | | | |
| | located in PADD 1, PADD 2, and PADD 3. The | | | | |
| | waiver supersedes and expands the areas | | | | |
| | covered by the August 30 waiver. | | | | |
| | RFG standard is also waived in the designated | | | | |
| | regions. Also waived are provisions prohibiting | | | | |
| | the blending of RFG blendstock with | | | | |
| | conventional gasolines or blendstocks. | | | | |
| TX | RFG requirement waived in Houston- | U.S. EPA | 08/25/17 | 09/15/17 | Active |
| | Galveston-Brazoria areas. Waiver expanded to | | | | |
| | four-county Dallas-Fort Worth RFG area 8/26. | | | | |
| | Allows the sale or distribution of conventional | | | | |
| | gasoline. | | | | |
| TX | 7.8 psi RVP standard waived for gasoline sold | U.S. EPA | 08/25/17 | 09/15/17 | Active |
| | in 20 counties where low-RVP gasoline is | | | | |
| | required and are also under the Governor's | | | | |
| | Disaster Declaration. Waiver expanded to 98 | | | | |
| | counties required to use low-RVP fuel 8/26. | | | | |
| LA | Allows sale of gasoline up to 9.0 psi RVP. | State of | 08/29/17 | 09/15/17 | Active |
| LA | RVP requirements of 7.8 psi and 9.0 psi waived in applicable areas. Permits the sale or | Louisiana | Expanded: | 09/15/17 | Active |
| | distribution of winter gasoline with an 11.5 psi | Louisialia | 08/30/17 | | |
| | RVP. | | 00/30/17 | | |
| MI | RVP regulations waived. Permits the | State of | 08/31/17 | 09/15/17 | Active |
| | transportation and sale of motor fuels 9.0 psi | Michigan | | | |
| | RVP in Wayne, Oakland, Macomb, St. Clair, | | | | |
| | Livingston, Washtenaw, Monroe, and | | | | |
| | Lenawee counties, and up to 11.5 psi RVP | | | | |
| | elsewhere in Michigan. | | | | |

| State Fuel Waivers as of 2:30 PM EDT 09/02/2017 | | | | | |
|---|---|-----------|-----------------|----------|--------|
| State | State Waiver | | Effective Dates | | Status |
| State | walvel | Issued By | Start | End | Status |
| MS | RVP standards of 9.0 psi waived. Permits the | State of | 08/30/17 | 09/15/17 | Active |
| | sale or distribution of winter gasoline with an Mississippi | | | | |
| | 11.5 psi RVP. | | | | |
| VA | Waived the RVP limit for gasoline ethanol | State of | 09/01/17 | 09/15/17 | Active |
| | blends prescribed by regulations. | Virginia | | | |

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

- Nine states have declared state emergencies due to Harvey. These declarations automatically
 waive select Federal Motor Carrier Safety Regulations (FMCSRs), including hours-of-service
 (HOS) regulations, for motor carriers hauling resources to aid in restoration efforts. The
 declarations exempt FCMSR in every state along the motor carrier's route as long as the final
 destination is with the declared disaster areas in Texas or Louisiana.
- In addition, the Federal Motor Carrier Safety Administration (FMCSA) declared that issued a
 Regional Emergency Declaration exempting FMCSRs in the States of Texas and Louisiana. On
 August 31, the FMCSA expanded the Regional Emergency Declaration to additional states and
 Washington, DC.
- The table below summarizes emergency declarations and HOS waivers issued by states.

| State | State Emergency Declarations and HOS Waivers as of 2:30 PM EDT 09/02/2017 | | | | |
|---------------------------|---|---|----------|--------|--|
| State | | Effective Dates | | | |
| State | Details | Start | End | Status | |
| Regional (Multi-State) | Regional Emergency Declaration and FMCSR waiver issued by FMCSA. Applies to Alabama, Arkansas, Colorado, Connecticut, Delaware, Florida, Georgia, Illinois, Indiana, Kansas, Kentucky, Louisiana, Maryland, Mississippi, Missouri, New Jersey, New York, North Carolina, Ohio, Oklahoma, Pennsylvania, Tennessee, Texas, South Carolina, Virginia, Washington, D.C. and West Virginia | 08/25/17 Expanded 08/31/17 | 10/26/17 | Active | |
| Texas | State of Disaster declared for 61 counties in Texas. | 08/23/17 Expanded: 08/30/17 09/01/17 | TBD | Active | |
| Louisiana | State of Emergency. | 08/23/17 | TBD | Active | |
| Kentucky | HOS waiver issued for transporters of food, water, medicine, fuel and other commodities within the affected areas to aid in emergency response of affected areas. All economic | 08/28/17 | 09/27/17 | Active | |

| State Emergency Declarations and HOS Waivers as of 2:30 PM EDT 09/02/2017 | | | | |
|---|--|-------------|----------|--------|
| State | | Effective D | | |
| State | Details | Start | End | Status |
| | requirements normally associated with interstate motor transportation for all vehicles providing relief supplies to affected areas. | | | |
| Alabama | State of Emergency/HOS waiver issued for petroleum products and petroleum-related supplies, goods, and services in and through the State. | 08/30/17 | 09/29/17 | Active |
| Georgia | State of Emergency/HOS waiver issued for petroleum products through the State. | 08/30/17 | 09/20/17 | Active |
| Kansas | Governor acknowledged state of emergency in Texas and declared that licensing rules, registration and fuel tax permits, and oversize vehicle permit fees are waived for motor carriers and persons operating motor vehicles directly participating in the relief and restoration effort. | 08/30/17 | 09/20/17 | Active |
| North Carolina | State of Emergency/HOS waiver issued for petroleum products, and emergency relief supplies and services through the state. | 08/31/17 | 09/30/17 | Active |
| South Carolina | State of Emergency/HOS waiver issued for petroleum products through the state. | 08/31/17 | 09/30/17 | Active |
| Michigan | State of Emergency/HOS waiver issued for petroleum products through the state. | 08/31/17 | 09/15/17 | Active |
| Virginia | State of Emergency/HOS waiver issued for petroleum products through the state. | 09/01/17 | 09/15/17 | Active |

DOE Strategic Petroleum Reserve Status (from the Office of Fossil Energy)

| | DOE Strategic Petroleum Reserve Site Status (as of 5/2/2017) | | | | |
|-------------------------------------|---|----------------|----------------|----------------|--|
| | Bayou Choctaw Site West Hackberry Site Big Hill Site Bryan Mound Site | | | | |
| Commercial Power Availability | Available | Available | Available | Available | |
| Drawdown Capability | Drawdown Ready | Drawdown Ready | Drawdown Ready | Drawdown Ready | |

• In response to the impacts from Hurricane Harvey, the U.S. Secretary of Energy has authorized the Strategic Petroleum Reserve (SPR) to negotiate and execute emergency exchange agreements with four refineries for up to 5.3 million barrels of crude oil from SPR's West Hackberry and Bayou Choctaw sites. Authorized exchanges are summarized in the table below.

| SPR Authorized Exchanges | | | | | |
|--|-----------------------|--|--|--|--|
| Requesting Refinery | SPR Draw Down Site | Amount Authorized (up to) | | | |
| Phillips 66 Lake Charles Refinery (First Request) | West Hackberry | 200,000 barrels sweet crude; 300,000 barrels sour crude | | | |
| Phillips 66 Lake Charles Refinery (Second Request) | West Hackberry | 200,000 barrels sweet crude; 300,000 barrels sour crude | | | |
| Marathon Petroleum Company | Bayou Choctaw | 3,000,000 barrels sweet crude | | | |
| Valero Marketing and Supply Company (First Request) | Bayou Choctaw | 500,000 barrels sweet crude | | | |
| Valero Marketing and Supply Company (Second Request) | Bayou Choctaw | 500,000 barrels sweet crude | | | |
| Placid Refining Company LLC | Bayou Choctaw | 300,000 barrels sweet crude | | | |