

State of Texas ENERGY SECTOR RISK PROFILE

This State Energy Risk Profile examines the relative magnitude of the risks that the State of Texas’s energy infrastructure routinely encounters in comparison with the probable impacts. Natural and man-made hazards with the potential to cause disruption of the energy infrastructure are identified.

The Risk Profile highlights risk considerations relating to the electric, petroleum and natural gas infrastructures to become more aware of risks to these energy systems and assets.

TEXAS STATE FACTS

State Overview

Population: 26.45 million (8% total U.S.)
Housing Units: 10.26 million (8% total U.S.)
Business Establishments: 0.54 million (7% total U.S.)

Annual Energy Consumption

Electric Power: 365.1 TWh (10% total U.S.)
Coal: 98,300 MSTN (11% total U.S.)
Natural Gas: 3,377 Bcf (14% total U.S.)
Motor Gasoline: 303,100 Mbarrels (10% total U.S.)
Distillate Fuel: 164,500 Mbarrels (12% total U.S.)

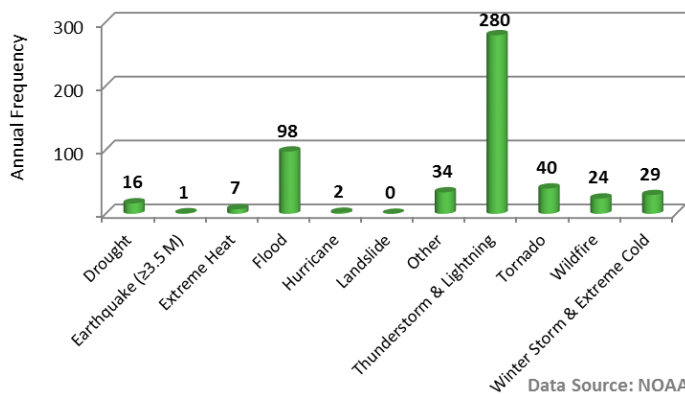
Annual Energy Production

Electric Power Generation: 429.8 TWh (11% total U.S.)
Coal: 138.1 TWh, 32% [24.4 GW total capacity]
Petroleum: 1.5 TWh, <1% [0.6 GW total capacity]
Natural Gas: 213.9 TWh, 50% [75.1 GW total capacity]
Nuclear: 38.4 TWh, 9% [5.1GW total capacity]
Hydro: 0.6 TWh, <1% [0.7 GW total capacity]
Other Renewable: 32.2 TWh, 7% [12.6 GW total capacity]

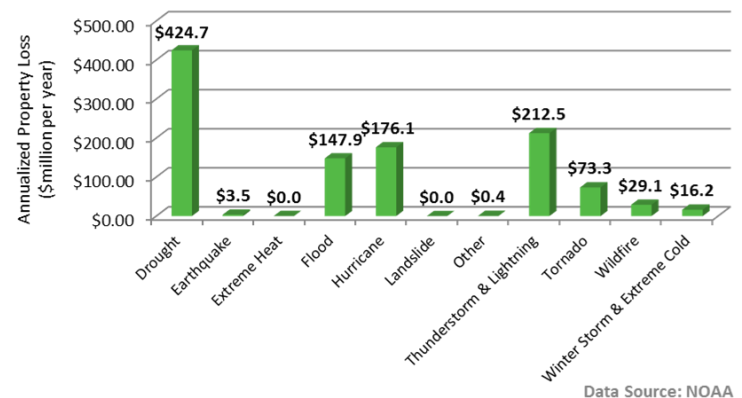
Coal: 44,200 MSTN (4% total U.S.)
Natural Gas: 7,480 Bcf (30% total U.S.)
Crude Oil: 725,800 Mbarrels (31% total U.S.)
Ethanol: 8,100 Mbarrels (3% total U.S.)

NATURAL HAZARDS OVERVIEW

Annual Frequency of Occurrence of Natural Hazards in Texas (1996–2014)



Annualized Property Loss due to Natural Hazards in Texas (1996–2014)



- According to NOAA, the most common natural hazard in Texas is Thunderstorm & Lightning, which occurs once every 1.3 days on the average during the months of March to October.
- The second-most common natural hazard in Texas is Flood, which occurs once every 3.7 days on the average.

- As reported by NOAA, the natural hazard in Texas that caused the greatest overall property loss during 1996 to 2014 is Drought at \$424.7 million per year.
- The natural hazard with the second-highest property loss in Texas is Thunderstorm & Lightning at \$212.5 million per year.

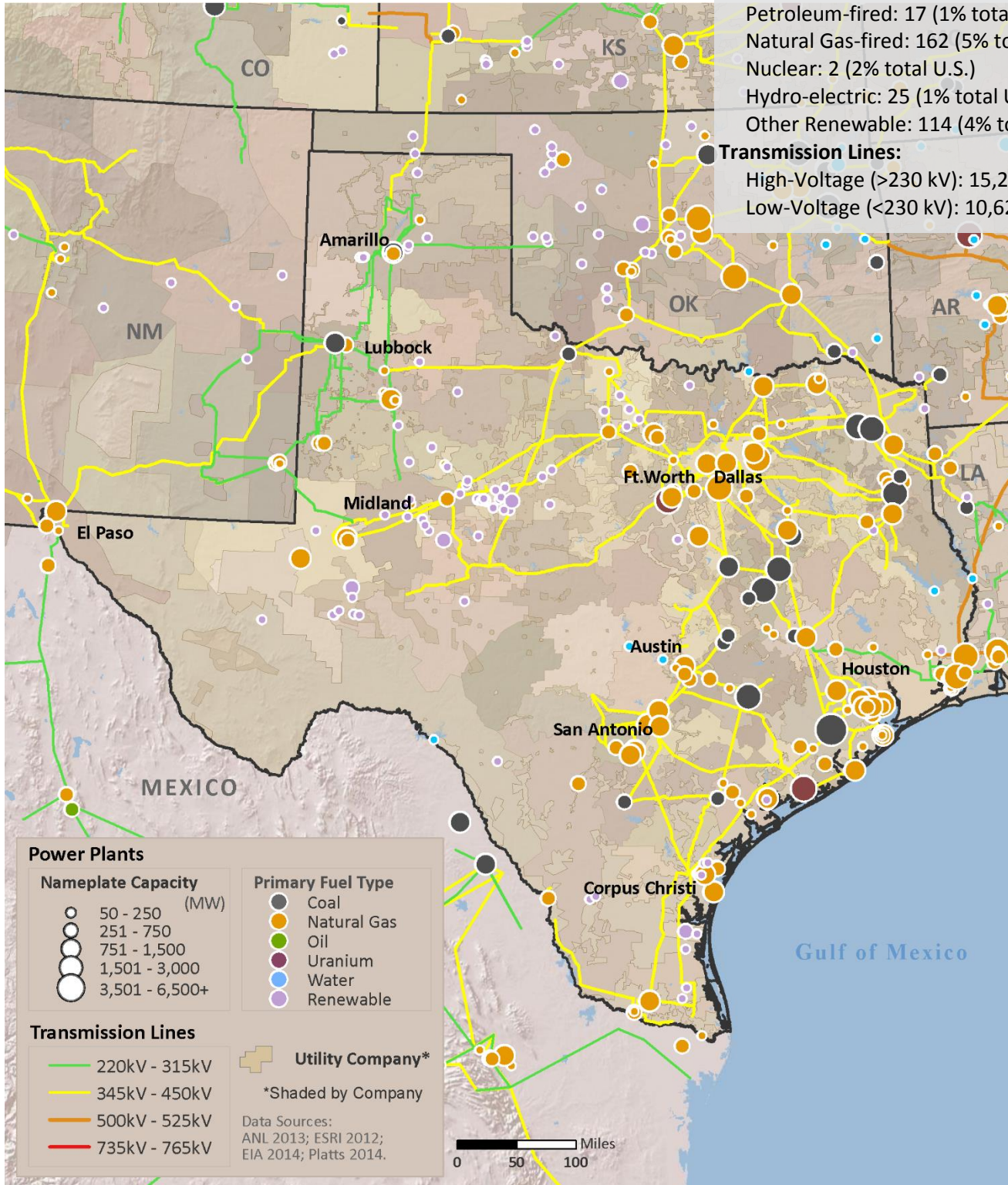
ELECTRIC

Electric Power Plants: 340 (3% total U.S.)

- Coal-fired: 20 (2% total U.S.)
- Petroleum-fired: 17 (1% total U.S.)
- Natural Gas-fired: 162 (5% total U.S.)
- Nuclear: 2 (2% total U.S.)
- Hydro-electric: 25 (1% total U.S.)
- Other Renewable: 114 (4% total U.S.)

Transmission Lines:

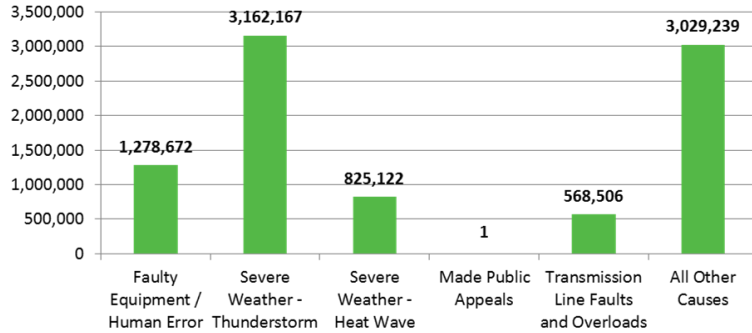
- High-Voltage (>230 kV): 15,225 Miles
- Low-Voltage (<230 kV): 10,629 Miles



Electric Transmission

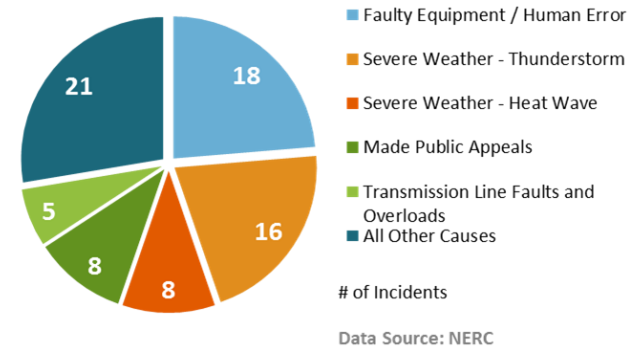
- › According to NERC, the leading cause of electric transmission outages in Texas is **Faulty Equipment/Human Error**.
- › Texas experienced **76 electric transmission outages** from 1992 to 2009, affecting a total of **8,863,707** electric customers.
- › **Severe Weather - Thunderstorm** affected the largest number of electric customers as a result of electric transmission outages.

Electric Customers Disrupted by NERC-Reported Electric Transmission Outages by Cause (1992–2009)



Data Source: NERC

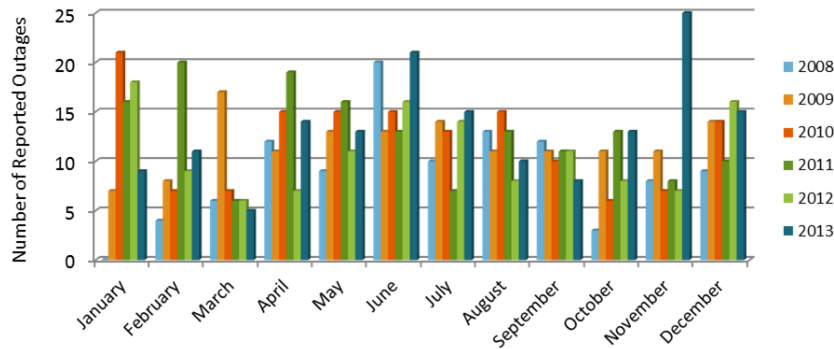
Number of NERC-Reported Electric Transmission Outages by Cause (1992–2009)



Data Source: NERC

Electric Distribution

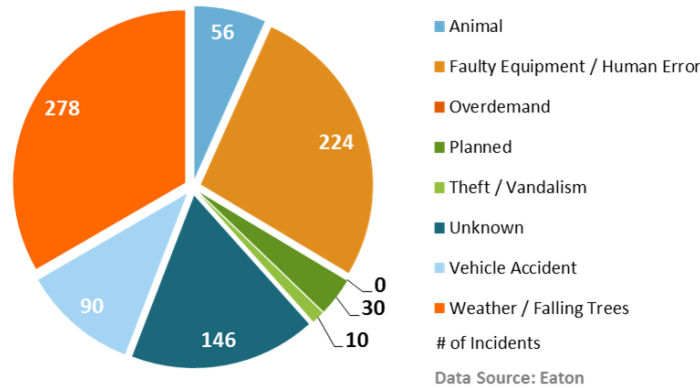
Electric-Utility Reported Power Outages by Month (2008–2013)



Data Source: Eaton

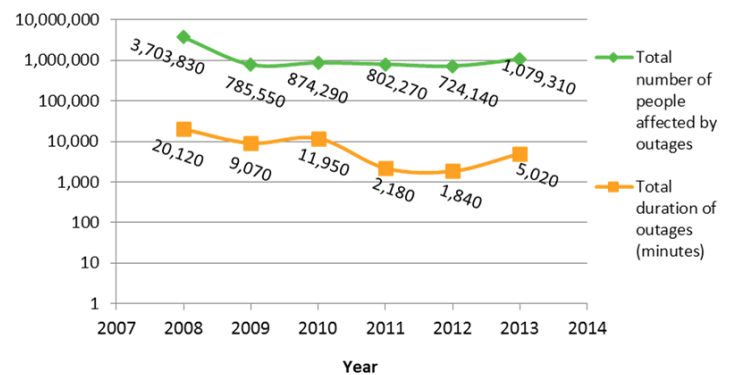
- › Between 2008 and 2013, the greatest number of electric outages in Texas has occurred during the month of **June**.
- › The leading cause of electric outages in Texas during 2008 to 2013 was **Weather/Falling Trees**.
- › On average, the number of people affected annually by electric outages during 2008 to 2013 in Texas was **1,328,232**.
- › The average duration of electric outages in Texas during 2008 to 2013 was **8,363 minutes or 139.4 hours a year**.

Causes of Electric-Utility Reported Outages (2008–2013)



Data Source: Eaton

Utility Outage Data (2008–2013)



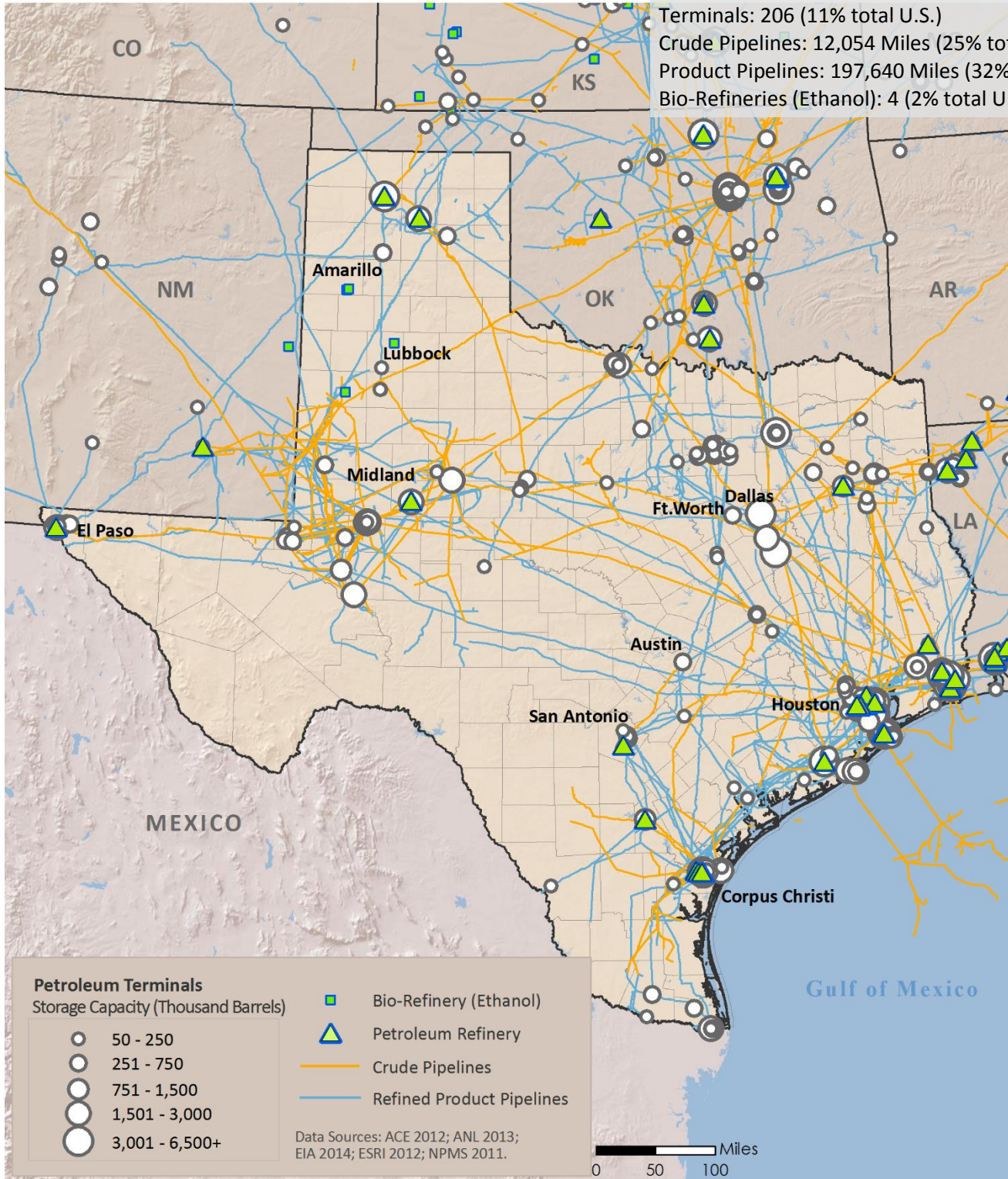
Data Source: Eaton

- › NOTE: # of Incidents – The number within each pie slice is the number of event incidents attributable to each cause.

PETROLEUM

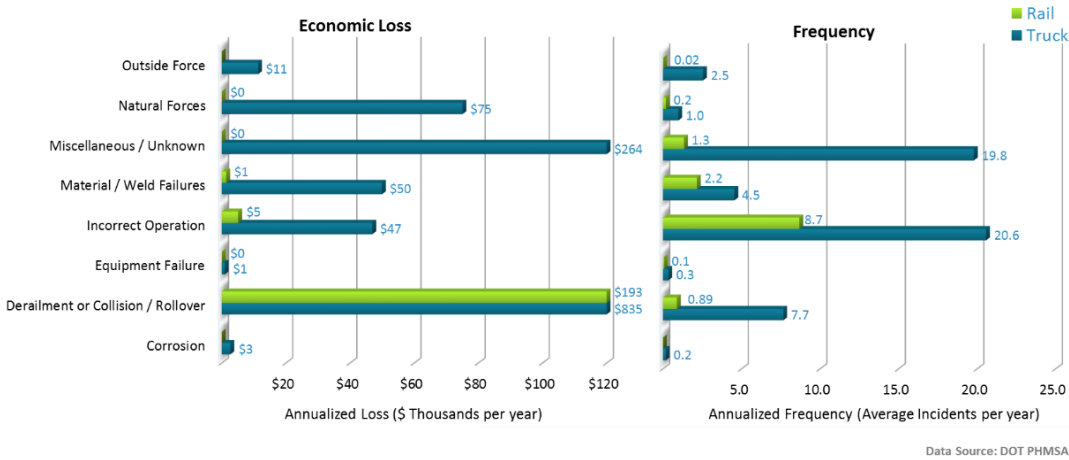
Petroleum Infrastructure Overview

Refineries: 26 (18% total U.S.)
 Terminals: 206 (11% total U.S.)
 Crude Pipelines: 12,054 Miles (25% total U.S.)
 Product Pipelines: 197,640 Miles (32% total U.S.)
 Bio-Refineries (Ethanol): 4 (2% total U.S.)



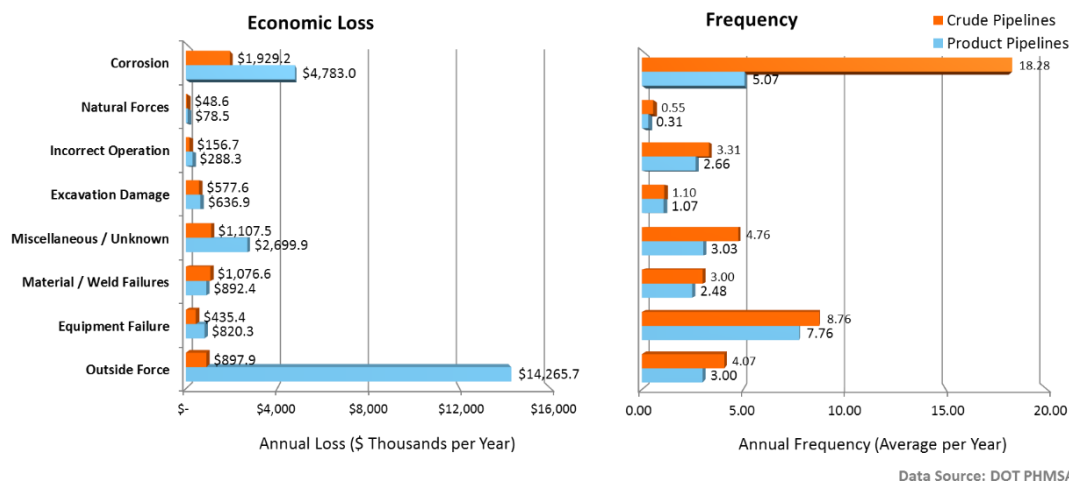
Petroleum Transport

Top Events Affecting Petroleum Transport by Truck and Rail (1986–2014)



› The leading event type affecting the **transport of petroleum product by rail and truck** in Texas during 1986 to 2014 was **Incorrect Operation** for rail transport and **Incorrect Operation** for truck transport, with an average **8.7 and 20.6 incidents** per year, respectively.

Top Events Affecting Crude Oil and Refined Product Pipelines in Texas (1986–2014)

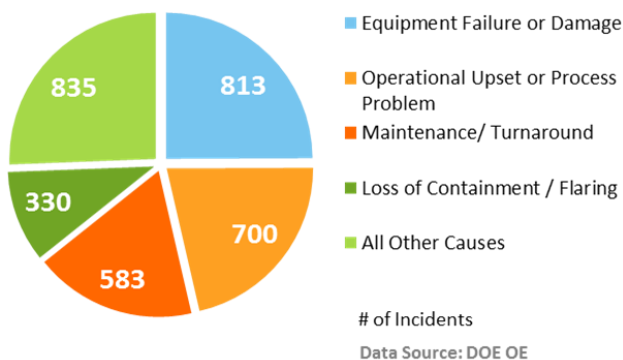


› The leading event type affecting **crude oil pipeline and petroleum product pipelines** in Texas during 1986 to 2014 was **Corrosion** for crude oil pipelines and **Equipment Failure** for product pipelines, with an average **18.28 and 7.76 incidents** per year, respectively.

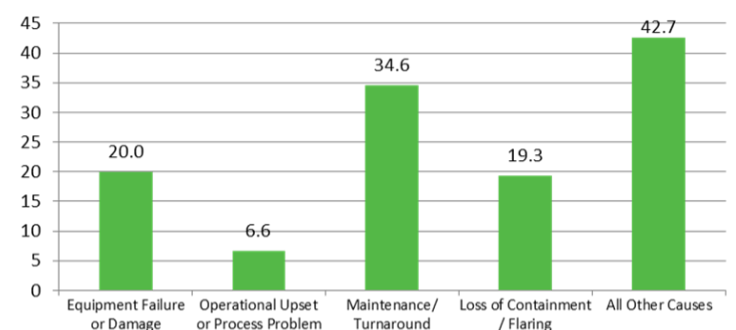
Petroleum Refinery

› The leading cause of petroleum refinery disruptions in Texas from 2003 to 2014 was **Equipment Failure or Damage**. Texas’s petroleum refineries experienced **3,261 major incidents** from 2003 to 2014. The average production impact from disruptions of Texas’s refineries from 2003 to 2014 is **25.5 thousand barrels per day**.

Top-Five Causes of Petroleum Refinery Disruptions in Texas (2003–2014)



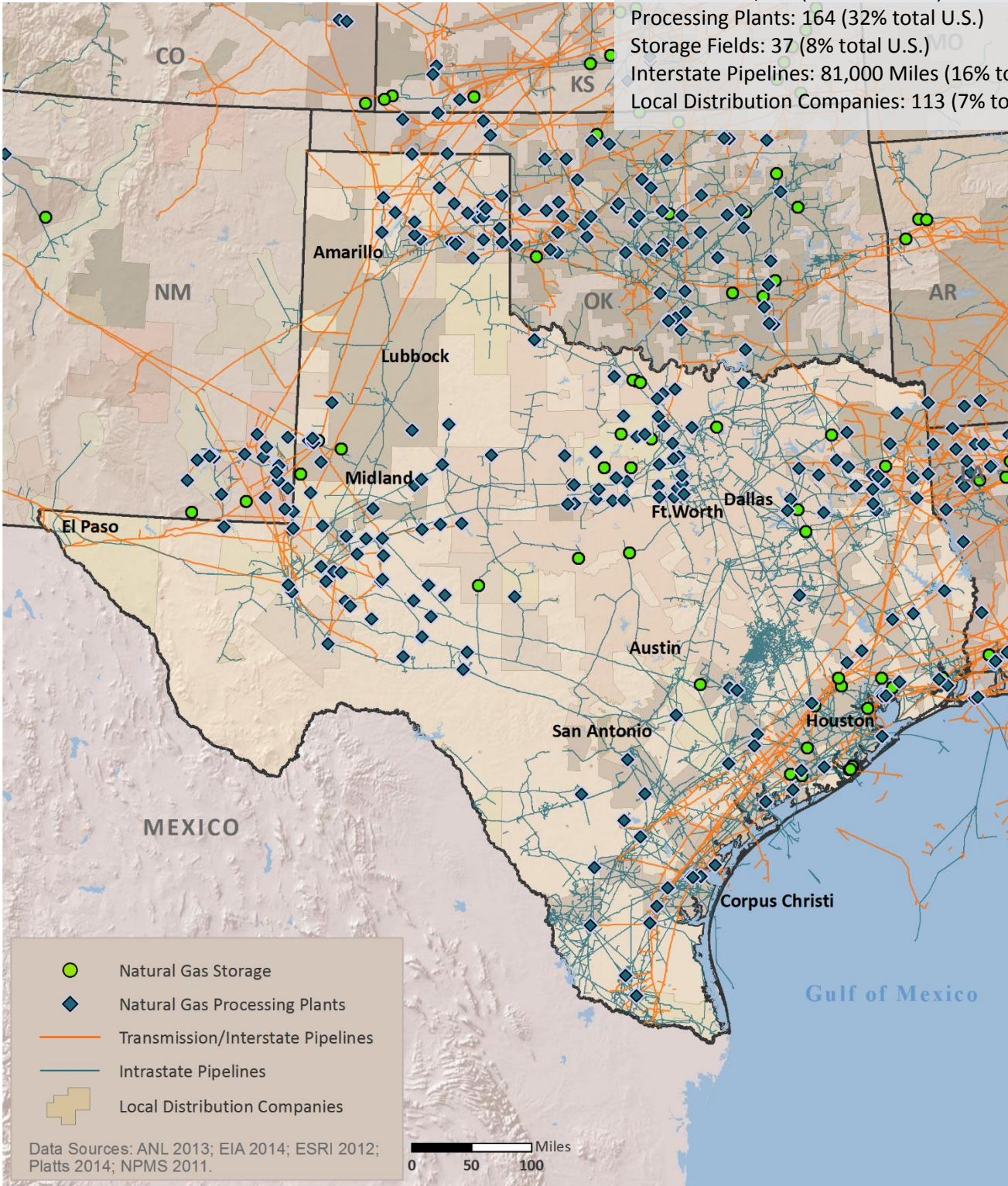
Average Production Impact (thousand barrels per day) from Petroleum Refinery Outages in Texas (2003–2014)



NATURAL GAS

Natural Gas Infrastructure Overview

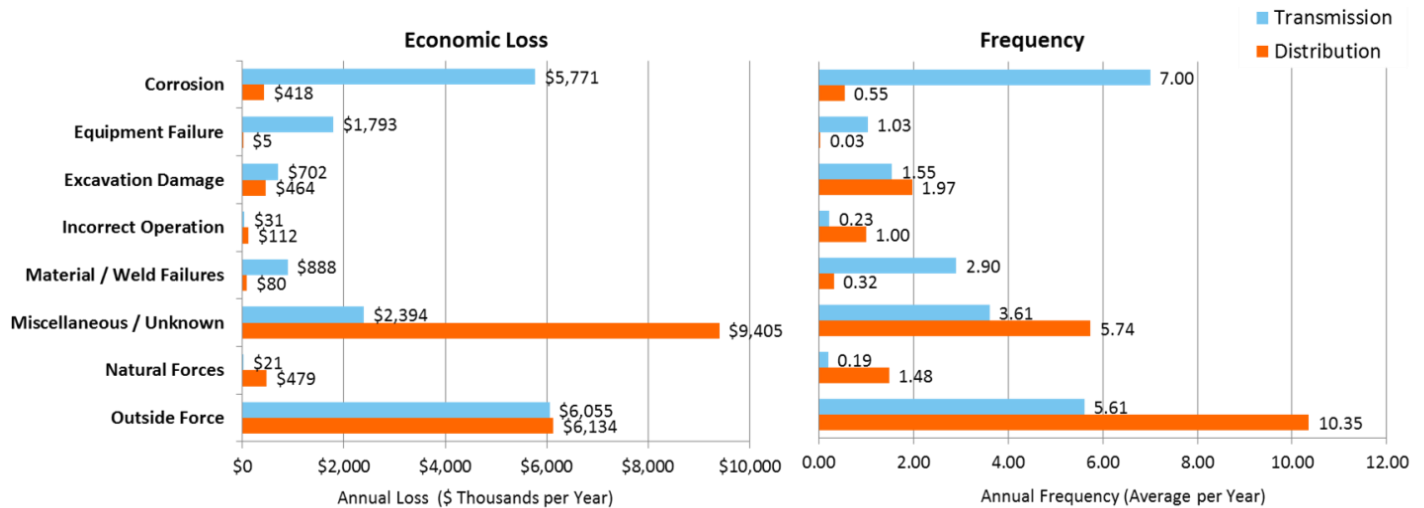
Gas Wells: 97,618 (20% total U.S.)
Processing Plants: 164 (32% total U.S.)
Storage Fields: 37 (8% total U.S.)
Interstate Pipelines: 81,000 Miles (16% total U.S.)
Local Distribution Companies: 113 (7% total U.S.)



Natural Gas Transport

- › The leading event type affecting natural gas transmission and distribution pipelines in Texas during 1986 to 2014 was **Corrosion** for Transmission Pipelines and **Outside Force** for Distribution Pipelines, with an average **7.0 and 10.35 incidents** per year, respectively.

Top Events Affecting Natural Gas Transmission and Distribution in Texas (1986–2014)

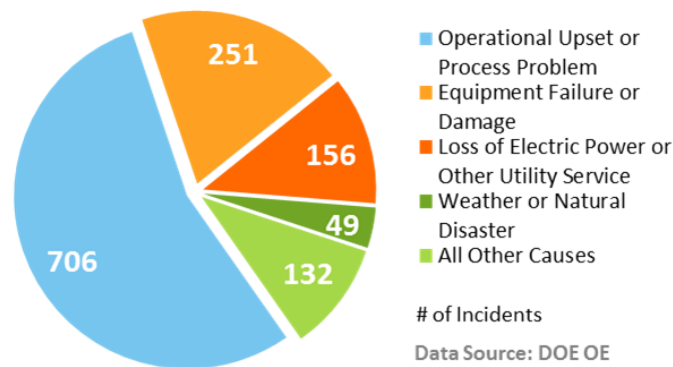


Data Source: DOT PHMSA

Natural Gas Processing

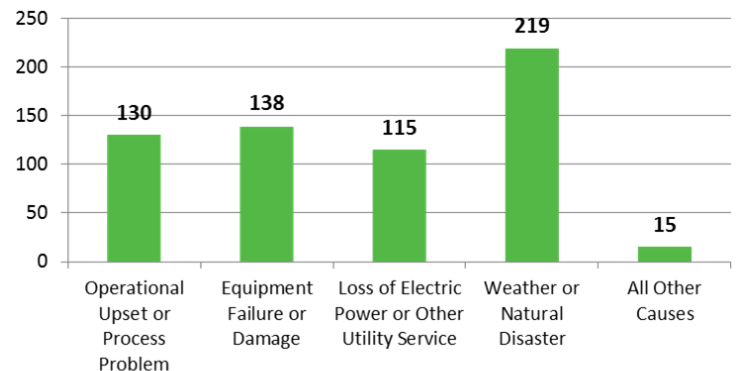
- › According to data derived from DOE's Energy Assurance Daily, the leading cause of natural gas processing plant disruptions in Texas from 2005 to 2014 is **Operational Upset or Process Problem**.
- › Texas's natural gas processing plants experienced **1,294 disruptions** from 2005 to 2014.
- › The average production impact from disruptions of Texas's natural gas processing plants from 2005 to 2014 is **135 million cubic feet per day (MMcfd)**.

Top-Five Causes of Natural Gas Processing Plant Disruptions in Texas (2005–2014)



Data Source: DOE OE

Average Production Impact (MMcfd) from Natural Gas Processing Plant Disruptions in Texas (2005–2014)



Data Source: DOE OE

DATA SOURCES

Overview Information

- › NOAA (2014) Storms Events Database [www.ncdc.noaa.gov/data-access/severe-weather]
- › Census Bureau (2012) State and County QuickFacts [http://quickfacts.census.gov/qfd/download_data.html]

Production Numbers

- › EIA (2012) Table P1 Energy Production Estimates in Physical Units [http://www.eia.gov/state/seds/sep_prod/pdf/P1.pdf]
- › EIA (2013) Natural Gas Gross Withdrawals and Production [http://www.eia.gov/dnav/ng/ng_prod_sum_a_EPG0_VGM_mmcfc_a.htm]
- › EIA (2012) Electric Power Annual, Table 3.6. Net Generation by State, by Sector, 2012 and 2011 (Thousand Megawatt hours) [<http://www.eia.gov/electricity/annual/pdf/epa.pdf>]
- › EIA (2012) Electric Power Annual, Existing Nameplate and Net Summer Capacity by Energy Source, Producer Type and State (EIA-860) [<http://www.eia.gov/electricity/data/state/>]

Consumption Numbers

- › EIA (2012) Electric Power Annual, Fossil Fuel Consumption for Electricity Generation by Year, Industry Type and State (EIA-906, EIA-920, and EIA-923) [<http://www.eia.gov/electricity/data/state/>]
- › EIA (2013) Prime Supplier Sales Volumes [http://www.eia.gov/dnav/pet/pet_cons_prim_dcu_nus_m.htm]
- › EIA (2012) Adjusted Sales of Fuel Oil and Kerosene [<http://www.eia.gov/petroleum/data.cfm#consumption>]
- › EIA (2012) Annual Coal Consumption [<http://www.eia.gov/coal/data.cfm>]

Electricity

- › EIA (2013) Form-860 Power Plants [<http://www.eia.gov/electricity/data/eia860/>]
- › Platts (2014 Q2) Transmission Lines (Miles by Voltage Level)
- › Platts (2014 Q2) Power Plants (Production and Capacity by Type)

Petroleum

- › Argonne National Laboratory (2012) Petroleum Terminal Database
- › Argonne National Laboratory (2014) Ethanol Plants
- › EIA (2013) Petroleum Refinery Capacity Report [<http://www.eia.gov/petroleum/refinerycapacity/>]
- › NPMS (2011) Petroleum Product Pipeline (Miles of Interstate Pipeline)
- › NPMS (2011) Crude Pipeline (Miles of Interstate Pipeline)

Natural Gas

- › EIA (2013) Form-767 Natural Gas Processing Plants [http://www.eia.gov/cfapps/ngqs/ngqs.cfm?f_report=RP9]
- › EIA (2013) Number of Producing Gas Wells [http://www.eia.gov/dnav/ng/ng_prod_wells_s1_a.htm]
- › NPMS (2011) Natural Gas Pipeline (Miles of Interstate Pipeline)
- › Platts (2014 Q2) Local Distribution Companies (LDCs)

Event Related

- › DOE OE (2014) Form 417 Electric Disturbance Events [http://www.oe.netl.doe.gov/OE417_annual_summary.aspx]
- › DOE OE (2014) Energy Assurance Daily (EAD) [<http://www.oe.netl.doe.gov/ead.aspx>]
- › Eaton (2014) Blackout and Power Outage Tracker [http://powerquality.eaton.com/blackouttracker/default.asp?id=&key=&Quest_user_id=&leadg_Q_QRequired=&site=&menu=&cx=3&x=16&y=11]
- › DOT PHMSA (2013) Hazardous Material Incident System (HMIS) [<https://hazmatonline.phmsa.dot.gov/IncidentReportsSearch/search.aspx>]
- › NERC (2009) Disturbance Analysis Working Group [<http://www.nerc.com/pa/rmm/ea/Pages/EA-Program.aspx>]*
*The NERC disturbance reports are not published after 2009.

Notes

- › Natural Hazard, Other, includes extreme weather events such as astronomical low tide, dense smoke, frost/freeze, and rip currents.
- › Each incident type is an assembly of similar causes reported in the data source. Explanations for the indescribable incident types are below.
 - › Outside Force refers to pipeline failures due to vehicular accident, sabotage, or vandalism.
 - › Natural Forces refers to damage that occurs as a result of naturally occurring events (e.g., earth movements, flooding, high winds, etc.)
 - › Miscellaneous/Unknown includes releases or failures resulting from any other cause not listed or of an unknowable nature.
 - › Overdemand refers to outages that occur when the demand for electricity is greater than the supply, causing forced curtailment.
- › Number (#) of Incidents – The number within each pie chart piece is the number of outages attributable to each cause.

Bcf – Billion Cubic Feet

GW – Gigawatt

kV – Kilovolt

Mbarrels – Thousand Barrels

Mbpd – Thousand Barrels per Day

MMcfd – Million Cubic Feet per Day

MSTN – Thousand Short Tons

TWh – Terawatt hours

FOR MORE INFORMATION CONTACT:
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