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Arizona's Brutal Summer Fuels \$3+ Billion in Near-Term Power Projects

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Industrial Info is pleased to be presenting a complimentary webinar on the outlook for the global liquefied natural gas (LNG) sector on Wednesday, August 16, at 10 a.m. CDT (11 a.m. EDT).

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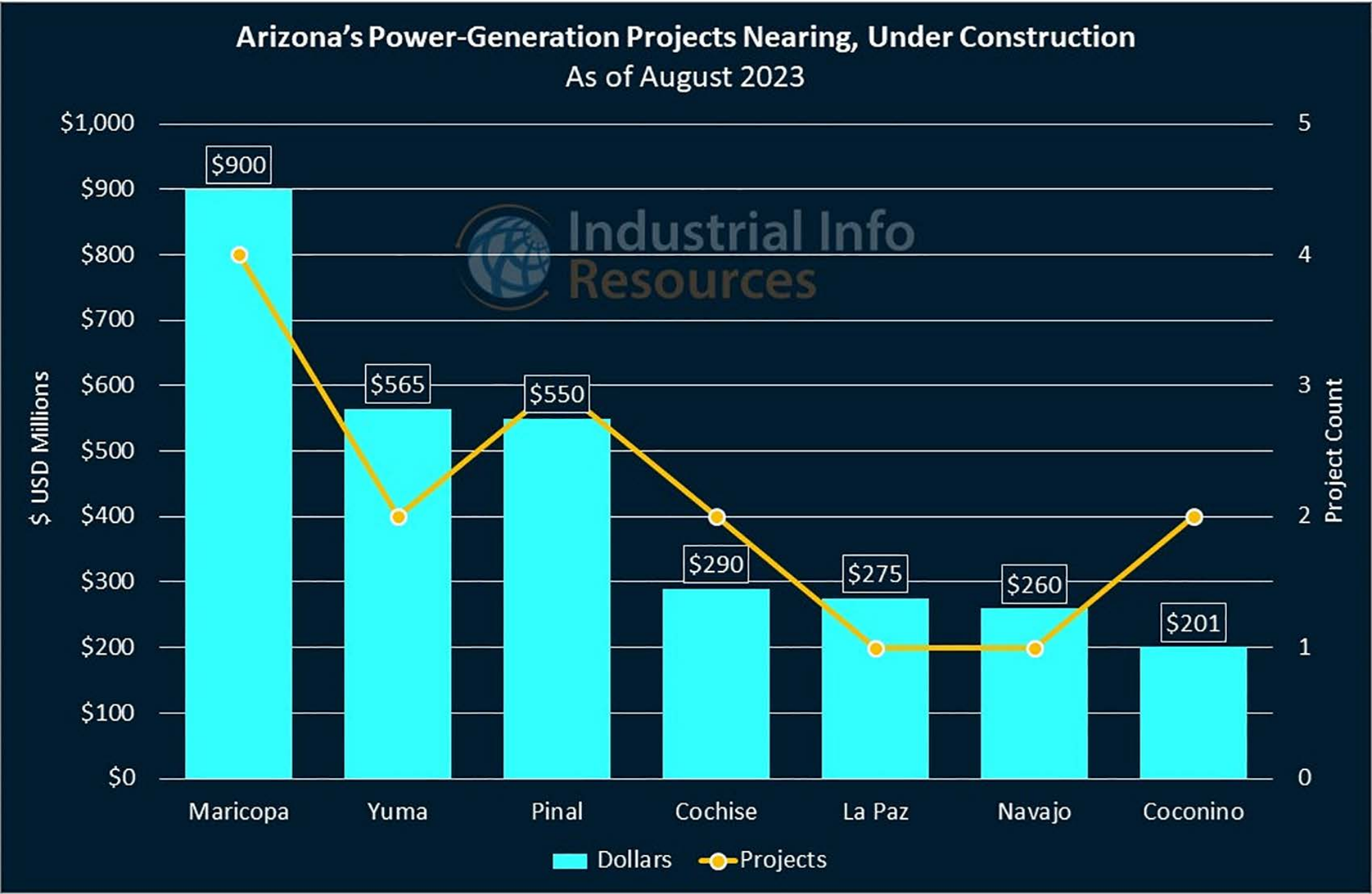
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Arizona's Brutal Summer Fuels \$3+ Billion in Near-Term Power Projects

The heat wave gripping much of the U.S. has been particularly brutal in Arizona, where [Arizona Public Service Company](#) (Phoenix, Arizona) reported a record daily demand from its customers of 8,193 megawatts (MW) on July 20. With tens of millions of Americans now used to seeing excessive heat warnings, states like Arizona are trying to determine how to address these problems in the longer term, as more summers like this are likely. Industrial Info is tracking nearly \$1.3 billion worth of power-generation projects under construction in Arizona, with another \$1.8 billion set to begin construction before the end of the year.



Phoenix has seen a full month of daily temperatures averaging more than 110 degrees Fahrenheit, shattering the 18-day record set in 1974. [NextEra Energy Incorporated \(NYSE:NEE\)](#) (Juno Beach, Florida) is developing major solar projects in the surrounding area, one of which--a **\$100 million unit addition at the Saint Solar Park in Coolidge**--is set to wrap up this summer. The 100-MW project will be followed by NextEra's **\$300 million Sonoran Energy Center in Buckeye**, which is set to generate 250 MW when it finishes construction, which is expected toward the end of the year.

Subscribers to Industrial Info's Global Market Intelligence (GMI) Power Project Database can read detailed reports on the [Saint Solar](#) and [Sonoran](#) projects.

Arizona Public Service, the largest electric utility in Arizona and the principal subsidiary of [Pinnacle West Capital Corporation \(NYSE:PNW\)](#) (Phoenix) insists it has the power supply to serve its customers and the state's electricity system is stable. But this is unlikely to be the last heat wave the southwestern U.S. will see; climate analysts expect to see summer temperatures just as strong--if not stronger--in years to come. Heavily populated areas like Phoenix likely will depend more on battery energy-storage system (BESS) technology to keep the power grid juiced. [Strata Clean Energy LLC](#) (Durham, North Carolina) is responding with the **\$500 million Scatter Wash BESS in Phoenix**, which is expected to begin construction in the fourth quarter.

Scatter Wash will use [Tesla Incorporated's \(NASDAQ:TSLA\)](#) (Austin, Texas) Megapack lithium-ion batteries to power what the two companies are calling one of the largest BESS projects in the world. The project was all but guaranteed when Strata signed a 20-year tolling agreement with Arizona Public Service in May. Subscribers can learn more from a detailed [project report](#).

Tucson saw daily temperatures of 110 degrees or more for eight days in a row in late July, surpassing its previous record in 2021. Just north of the city, NextEra is building the **\$100 million Storey Energy Center in Red Rock**, which is set to generate 88 MW when it wraps up at the end of the year. Subscribers can learn more from a detailed [project report](#).

Arizona ranks second in the U.S. in solar-energy potential, after Nevada, and it was fifth in solar-powered net generation in 2022, according to the U.S. Energy Information Administration (EIA). But natural gas still accounted for 42% of the state's energy mix last year, and [Salt River Project](#) (Tempe, Arizona), the state's second-largest utility, is preparing for a **series of uprates at its gas-fired plants** to improve efficiency and extend service lives. These include **units 5 through 8 at the Gila River Power Station in Gila Bend**, each of which generates 174 MW, and **Block 6 at the Santan Generating Station in Gilbert**, which generates 289 MW. Subscribers can read detailed reports on Gila River [units 5 and 6](#), [units 7 and 8](#), and the [Santan station](#).

As record temperatures loomed in mid-July, Salt River Project's director of supply, trading and fuels, Pam Syrjala, told a local news station the utility had been planning for a hotter-than-normal summer: "This is the time of the year that we do all of our planning and preparations, so we are prepared to meet the high loads... So, if a generator is unexpectedly unavailable or the load forecast changes, we have sufficient resources that we can rely upon."

Subscribers to Industrial Info's GMI project and plant databases can [click here](#) for a full list of detailed reports for projects mentioned in this article, and [click here](#) for a full list of related plant profiles.

Subscribers can [click here](#) for a full list of reports for power-generation projects under construction in Arizona, and [click here](#) for a full list of reports for projects set to begin construction before the end of the year.



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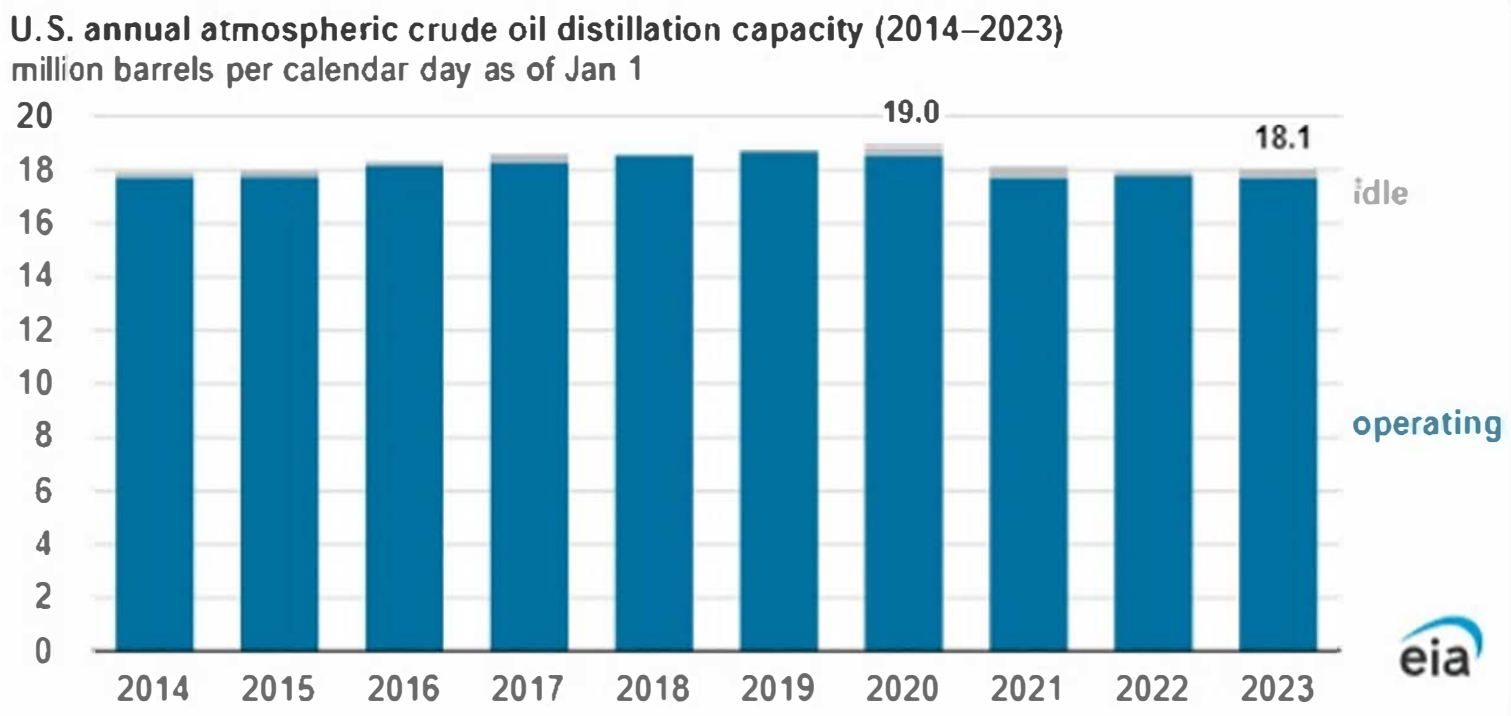
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EIA Sees Slight Uptick in U.S. Refining Capacity

As of January 1, U.S. refining capacity had increased slightly for the first time since the COVID-19 pandemic, reversing two years of decline, according to the U.S. Energy Information Administration (EIA), which cited its annual *Refinery Capacity Report*.

Operable atmospheric crude oil distillation capacity totaled 18.1 million barrels per calendar day (b/cd) at the start of this year, a 1% increase from 2022, the EIA reported on July 25. Calendar-day capacity represents the operator's estimate of the input that a distillation unit can process over a 24-hour period under usual operating conditions.



The number of operable refineries in the U.S. decreased to 129 at the beginning of 2023, down from 130 refineries at the beginning of 2022, due to the closure of a small refinery in Santa Maria, California, which had 9,500 b/cd of crude oil distillation capacity.

The EIA noted that the 2023 *Refinery Capacity Report* does not reflect changes in U.S. refining capacity after January 1. These include [Exxon Mobil Corporation's \(NYSE:XOM\)](#) (Irving, Texas) completion of a major refinery capacity addition in mid-March, which boosted the facility's total crude oil distillation capacity by 250,000 barrels per day (BBL/d) to 630,000 BBL/d. For more information, see March 17, 2023, article - [ExxonMobil's Beaumont Opens New Chapter in Gulf Coast Refining](#).

Additional expansion projects this year include a crude oil capacity expansion at Marathon's Galveston Bay Refinery and a coker expansion project at Valero's Port Arthur Refinery. For more information on Marathon's South Texas Asset Repositioning (STAR) refinery expansion project in Galveston, see May 3, 2023, article - [Marathon Petroleum Completes STAR Project, Reports Strong First-Quarter Profits](#).

The EIA noted that [Phillips 66 \(NYSE:PSX\)](#) (Houston, Texas) announced plans to stop refining petroleum at its 120,200-b/cd Rodeo Refinery in California while the facility transitions to refining biofuel, but it had not terminated its refining operations as of January 1. For related information, see June 2, 2023, article - [California Leads U.S. in Alternative Fuels Projects Under Construction](#).

Also, [LyondellBasell \(NYSE:LYB\)](#) (Rotterdam, Netherlands) had previously announced that its 268,000-BBL/d refinery in Houston, Texas, would close by the end of 2023, but the company recently announced that it will delay the facility's shutdown until 2025. For more on that, see June 1, 2023, article - [LyondellBasell Delays Exit from Refining Business](#).

Industrial Info's Hillary Stevenson, senior director, energy market intelligence, noted that between the beginning of 2020 and the lowest point in 2022, U.S. refinery operational capacity decreased about 950,000 BBL/d to just more than 17 million BBL/d. Since that low point in 2022, the industry has rebuilt about 740,000 BBL/d of capacity.

"The outlook for future U.S. capacity additions is mixed," Stevenson said. "In-plant capital projects are more likely to happen than refinery restarts or grassroots projects."

She pointed out that in-plant capital projects could expand U.S. refinery capacity by 112,500 BBL/d by 2028, according to Industrial Info's project database. Subscribers to Industrial Info's Global Market Intelligence (GMI) Petroleum Refining Project Database can [click here](#) for a list of detailed project reports.

Also, the planned restart of the St. Croix refinery in the U.S. Virgin Islands could bring back 180,000 BBL/d by 2025, Stevenson noted. [Click here](#) for the related project report.

Finally, grassroot projects plan to add 361,600 BBL/d of new capacity but are assessed by Industrial Info as having a low probability of moving forward as planned, with no final investment decisions achieved yet, she said.



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Offshore Wind Turbine Manufacturing Gains Ground in U.S.

The U.S. wind turbine manufacturing industry has expanded rapidly in response to increasing demand for renewable energy. This growth can be attributed to both federal and state-level policies that promote the adoption of wind energy, such as tax incentives, grants and renewable portfolio standards. As a result, wind turbine-manufacturing companies have established operations within the country. Industrial Info is tracking more than \$5 billion worth of projects involving wind turbine manufacturing in the U.S. Most of these are for the manufacture of components to be used offshore. The Biden administration has set the lofty goal of the U.S. having 30 gigawatts (GW) of offshore wind power by 2030.

Earlier this year, California's Port of Long Beach announced plans for its Pier Wind Terminal, a multibillion-dollar plant that would be the U.S.' largest manufacturing center dedicated to offshore wind turbines. The Pier Wind Terminal specifically will develop floating offshore turbines, which will help supply the turbines needed to meet California's goal of having 25 GW of offshore wind power by 2045.

The Pier Wind project would be developed on a 400-acre site in two phases. Officials say construction could begin as soon as early 2027, putting the facility's first 100 acres on track to begin production in early 2031, with the second phase completed in 2035. Construction of the plant will be a significant undertaking and will include manufacturing areas for blades and towers, a foundation assembly area and a commissioning area for vessels. Subscribers to Industrial Info's Global Market Intelligence (GMI) Industrial Manufacturing Project Database can [click here](#) for more information on the project.

While the Pier Wind Terminal will be the largest offshore turbine-manufacturing facility in the U.S., other manufacturers are jumping on the offshore wagon and plan to establish manufacturing for the U.S.' nascent offshore wind sector. A majority of the active U.S. turbine-manufacturing projects tracked by Industrial Info are geared toward offshore turbines.

A few major players dominate the wind turbine manufacturing sector in the U.S. Some of the most prominent companies include [General Electric \(NYSE:GE\)](#) (GE) (Boston, Massachusetts), [Vestas Wind Systems A/S](#) (Aarhus, Denmark) and [Siemens Gamesa Renewable Energy SA](#) (Hamburg, Germany).

Siemens Gamesa is on track to begin construction of an offshore wind turbine blade-manufacturing plant in Portsmouth, Virginia. The facility will be able to produce blades for 100 turbines per year. The facility will manufacture blades for one of the U.S.' largest offshore wind projects, [Dominion Energy Incorporated's \(NYSE:D\)](#) (Richmond, Virginia) Coastal Virginia Offshore Windfarm (CVOW). The CVOW will use 188 turbines, rated at 14 megawatts (MW) each, to achieve generation of about 2.6 GW. Subscribers can [click here](#) for more information on the Siemens Gamesa project, and subscribers to Industrial Info's Power Project Database can learn more on the CVOW by viewing the [project report](#).

New York state also has taken a leading role in offshore wind energy goals. State law mandates that 70% of New York's power come from renewable sources by 2030 and calls for the development of 9 GW of offshore wind power by 2035. Neighboring New Jersey is aiming for 11 GW of offshore wind by 2040, sweetening the prospects of a New York manufacturing facility. Just as the Port Long of Beach and Siemens Gamesa are building in places where offshore wind is likely to develop, offshore turbine manufacturers are coming to New York.

[LM Wind Power](#), a subsidiary of GE next year plans to begin construction of an offshore blade manufacturing plant in Coeymans, New York. Upon completion, which is expected in 2025, the facility will manufacture components for GE's Haliade X wind turbines. This type of turbine features a 107-meter blade and 220-meter rotor and comes with rated capacities of 12-14 MW. Subscribers can [click here](#) for more details.

While the blade-manufacturing center is under construction, GE also plans to establish a manufacturing center for Haliade X nacelles, also in Coeymans. Subscribers can [click here](#) for the full report.

The Haliade X turbines will be used in the Ocean Wind 1 wind project off the New Jersey coast. Construction of the facility was approved by the Biden-Harris administration in early July. The Ocean Wind 1 windfarm will feature 92 Haliade X turbines, each rated at 12 MW, to achieve nameplate generation of 1.1 GW. Construction could potentially begin late next year, taking an estimated three years to complete. Subscribers can [click here](#) to learn more.

Vestas is looking at the area in and around Albany, New York, to establish a plant to manufacture blades for its offshore turbines, taking aim at the New York and New Jersey markets. Once the site is finalized, construction of the plant could begin next year, putting it on track to begin production in 2025. Subscribers can [click here](#) for more details.

As the demand for renewable energy continues to surge, U.S. wind turbine manufacturers stand poised to play a pivotal role in shaping the global clean energy landscape. Offshore wind component development, still in its early stages in the U.S., seems poised to take off.



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Join IIR for a Webinar on the Outlook for Global LNG Project Spending

Industrial Info is pleased to be presenting a [complimentary webinar](#) on the outlook for the global liquefied natural gas (LNG) sector on Wednesday, August 16, at 10 a.m. CDT (11 a.m. EDT). The webinar will be repeated for audiences in Europe and the Asia-Pacific region. Join our industry experts as they discuss the market trends driving the LNG sector both now and in the future.

As economies around the world have reopened, demand for natural gas has rebounded and stretched available supply. European natural gas stocks began the winter at lower levels, which have been worsened by colder weather, the conflict in Ukraine and higher prices.

Despite the long list of LNG projects in the planning process, the number of projects moving to final investment decisions is shrinking as the future role of natural gas, along with all other fossil fuels, is in question due to greenhouse gas-reduction efforts.

During this webinar, Industrial Info's industry experts will provide the latest information on global trends related to LNG regasification and liquefaction project development. IIR also will provide an overview of improved data analytics that will help you track the constantly evolving market.

- Expectations for new-capacity project executions
- The current state of LNG supply and demand
- The operating status of U.S.-based LNG liquefaction capacity
- IIR data analytics that will help you stay on top of the LNG installed base buildout

We hope that you are able to join us for this timely and informative webinar. [Click here](#) to learn more and to RSVP.