



U.S. DEPARTMENT OF ENERGY
Office of Electricity Delivery and Energy Reliability
Infrastructure Security and Energy Restoration

ENERGY ASSURANCE DAILY

Friday Evening, January 13, 2012

Electricity

CPUC Approves PPA for Pattern's 315 MW Ocotillo Wind Energy Facility in California

Pattern Energy Group LP (Pattern) yesterday announced that the California Public Utilities Commission (CPUC) has approved a 20-year power purchase agreement (PPA) with San Diego Gas & Electric (SDG&E) for 315 MW of wind energy to be generated at its Ocotillo Wind Energy Facility in Southern California. Pattern plans to begin construction in the first half of this year for operation by the end of 2012, utilizing the 500-kV Sunrise Powerlink transmission line, currently under construction, that runs directly across the project site.

<http://www.prnewswire.com/news-releases/cpuc-approves-ppa-for-patterns-ocotillo-wind-project-137212733.html>

PPM Energy's 102 MW Shiloh III Wind Project in California Shut by January 12

The unit entered an unplanned outage.

<http://content.aiso.com/unitstatus/data/unitstatus201201121515.html>

Petroleum

Low-RVP Gasoline Requirement, Refinery Closures Could Lead to Shortages, Higher Prices in Southwest Pennsylvania – Industry Study

A forthcoming study commissioned by the Pennsylvania Petroleum Marketers and Convenience Store Association (PPMCSA) concludes that three potential refinery closures in southeast Pennsylvania and rules requiring special gasoline in the Pittsburgh region during the summer could result in fuel shortages and much higher prices for gasoline in western Pennsylvania. A 1999 Department of Environmental Protection regulation requires a blend of gasoline with a lower Reid Vapor Pressure (RVP) be sold in seven counties in western Pennsylvania from May 1 to September 15. In addition, a federal rule adopted in the mid-2000's requires blending ethanol into gasoline, which increases the product's Reid Vapor Pressure, making it even more difficult to find gasoline that meets requirements. Officials at PPMCSA are calling for some relief or some kind of waiver from these requirements.

PRN, 13:12 January 12, 2012

CVR Shuts Crude Unit at Its 70,000 b/d Wynnewood, Oklahoma Refinery January 12

CVR Energy reported emissions from the flare due to a shutdown of the crude unit, which the facility expects could continue for 3 to 4 days, according to a filing with the U.S. National Response Center. At the time of the filing, operators were working to bring the unit back online and had not secured the release.

http://www.nrc.uscg.mil/reports/rwservlet?standard_web+inc_seq=1000255

Update: Citgo's 429,500 b/d Lake Charles, Louisiana Refinery Returns to Planned Rates January 12 after Boiler Problems Due to Bad Weather

Citgo Petroleum Corp. said on Thursday its Lake Charles refinery was operating at planned rates following a malfunction Monday due to excessive rains, which caused the loss of a boiler and a reduction in steam supply.

Reuters, 15:47 January 12, 2012

Process Upset, Startup Causing Emissions at ConocoPhillips's 146,000 b/d Borger, Texas Refinery January 12-15

ConocoPhillips reported a process upset and an unspecified unit startup are causing emissions at its Borger refinery Thursday, according to a filing with state pollution regulators. The unit startup will take place from January 12-15.

<http://www11.tceq.state.tx.us/oce/eer/index.cfm?fuseaction=main.getDetails&target=163677>

Blockage Leads to Tank Roof Failure at ExxonMobil's 344,500 b/d Beaumont, Texas Refinery January 11

ExxonMobil reported an overpressure event on Tank 1375 caused the tank's roof to fail, resulting in emissions. The drain valve was closed, and the roof drain was blocked. A vacuum truck was deployed to recover material. The refinery anticipates no impact to production.

<http://www11.tceq.state.tx.us/oce/eeer/index.cfm?fuseaction=main.getDetails&target=163665>

Natural Gas

CPUC Finds PG&E Violated Safety Laws before 2010 Natural Gas Pipeline Explosion in San Bruno, California

The California Public Utilities Commission (CPUC) recently concluded in a report that Pacific Gas & Electric (PG&E) violated state and federal laws and safety rules before the explosion in San Bruno, California on September 9, 2010. The commission's Consumer Protection and Safety Division said the natural gas pipeline rupture was caused by PG&E's flaws in its pipeline operations and a failure to comply with federal pipeline safety requirements beginning in 1956, when the utility failed to test and identify deficiencies in the manufacturing of the pipeline before installing it, and in the following years. An investigation by the National Transportation Safety Board concluded in August that welding defects weakened the pipeline over time and caused it to rupture. The CPUC is now considering new penalties for the utility.

<http://news.morningstar.com/all/dow-jones/us-markets/201201122057/000768/update-agency-finds-pge-violated-safety-laws-before-pipeline-blast.aspx>

Southern Natural Gas to Shut 16-Inch Main Pass Franklinton Line for Remedial Work Offshore Louisiana

Southern Natural Gas plans to perform remedial work on the 16" Main Pass Franklinton Line, according to a critical notice posted at the company's website. The work, which will take approximately 14 days, was scheduled to begin January 9, but it has been delayed by permitting issues. Southern now anticipates the work to begin sometime in early- to mid-February. The outage will constitute an event of force majeure.

<http://ixsnp.sonetpremier.com/ebbmastertpage/Notices/NoticesAutoTable.aspx?code=SNG&status=Notice&name=Critical%20Notices&sParam1=007&sParam7=31905&sParam11=D&details=Y>

Update: ANR Extends Capacity Reduction Period on NGPL-Joliet Interconnect through January 18

ANR Pipeline announced in an updated notice today that it is continuing unplanned engine repairs at its Joliet compressor station in Illinois in the Northern Fuel Segment (ML-7), and, as a result, will reduce the total NGPL-Joliet Interconnect capacity to 90 MMcf/d available for the period of January 3 through January 18. ANR previously announced it would reduce capacity through January 12.

<http://anrebb.transcanada.com/Notices/NoticeView.asp?sPipelineCode=ANR&sSubCategory=Critical&sNoticeId=6112>

Power Failure Forces Enbridge to Shut Henderson Gas Plant in Texas January 12

Enbridge reported a power failure due to high winds Thursday resulted in the loss of the air assist blower motor for the process flare, which led to the emission event. Operators shut-in inlet gas and set the plant to by-pass. Utility operators restored power, and the plant was then brought back online as quickly as possible.

<http://www11.tceq.state.tx.us/oce/eeer/index.cfm?fuseaction=main.getDetails&target=163678>

Other News

Nothing to report

Energy Prices

U.S. Oil and Gas Prices January 13, 2012			
	Today	Week Ago	Year Ago
CRUDE OIL West Texas Intermediate U.S. \$/Barrel	98.58	101.36	91.82
NATURAL GAS Henry Hub \$/Million Btu	2.70	2.98	4.55

Source: Reuters

Energy Notes

Bonneville Power Administration and Portland General Electric Continue Discussions on Potential 500 kV Cascade Crossing Transmission Project in Oregon

<http://finance.yahoo.com/news/BPA-PGE-Continue-Discussing-bw-2615909625.html?x=0>

Strong Winds Cut Power to 10,000 Georgia Power Customers in Metropolitan Atlanta, Georgia Area January 13

<http://www.cbsatlanta.com/story/16512115/wind-causes-10k-power-outages-in-parts-of-ga>

Air System Malfunction Leads to Emergency Shutdown, Flaring at West Texas Gas' 12 MMcf/d Big Lake Gas Plant in Texas January 12

<http://www11.tceq.state.tx.us/oce/eei/index.cfm?fuseaction=main.getDetails&target=163684>

Links

This Week in Petroleum from the U.S. Energy Information Administration (EIA)

<http://www.eia.gov/oog/info/twip/twip.asp>

Updated every Wednesday.

Weekly Petroleum Status Report from EIA

http://www.eia.gov/oil_gas/petroleum/data_publications/weekly_petroleum_status_report/wpsr.html

Updated after 10:30 AM & 1:00 PM EST every Wednesday.

Natural Gas Weekly Update from EIA

<http://www.eia.gov/oog/info/ngw/ngupdate.asp>

Updated after 2:00 PM EST every Thursday.

ENERGY ASSURANCE DAILY

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<http://www.oe.netl.doe.gov/ead.aspx>

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