



ENERGY ASSURANCE DAILY

Wednesday Evening, January 16, 2013

Electricity

Update: Luz Solar Partners' 175 MW Aggregate Solar Units 3–7 in California Return to Service by January 15

The units returned from an unplanned outage that began by January 3.

<http://content.aiso.com/unitstatus/data/unitstatus201301151515.html>

Update: AES's 175 MW Redondo Natural Gas-Fired Unit 6 in California Returns to Service by January 15

The unit returned from an unplanned outage that began by January 11.

<http://content.aiso.com/unitstatus/data/unitstatus201301151515.html>

Update: City of Vernon's 134 MW Malburg Natural Gas-Fired Unit in California Returns to Service by January 15

The unit returned from an unplanned outage that began by January 14.

<http://content.aiso.com/unitstatus/data/unitstatus201301151515.html>

Coso Energy's 101 MW Coso Geothermal Unit in California Returns to Service by January 15

The unit returned from an unplanned outage that began by January 14. Prior to the outage, the unit had entered an unplanned curtailment of 65 MW by January 13.

<http://content.aiso.com/unitstatus/data/unitstatus201301151515.html>

<http://content.aiso.com/unitstatus/data/unitstatus201301131515.html>

Petroleum

Valero to Buy 2,000 Railcars to Increase Shipments of Inland Crude, Build Topper at Its 83,000 b/d Houston, Texas Refinery to Process More Light Eagle Ford Shale Oil

Valero Energy Corp. plans to buy 2,000 railcars to increase shipments of inland crude, the company announced at an investor presentation. The company said it also plans to build a crude oil topper at its Houston refinery to process more of the lighter crude coming out of the Eagle Ford Shale region in South Texas. Operators hope to finish installing the topper in early 2015.

<http://www.bizjournals.com/sanantonio/news/2013/01/16/valero-expanding-houston-refinery.html>

JP Energy to Construct Kansas Express Crude Oil Pipeline to Transport Mississippi Lime Shale Oil from Kansas to Cushing, Oklahoma

JP Energy Development, an affiliate of JP Energy Partners, on Monday announced it has signed a 15-year agreement with Tug Hill Operating to transport Mississippian Lime shale oil from south-central Kansas to Cushing, Oklahoma via a new interstate crude oil pipeline, the Kansas Express. The company plans to commence an open season in the coming weeks to seek additional producer commitments, and expects to begin construction in the first quarter this year. The final design capacity of the pipeline will be determined after the open season. Initial plans call for a 12-inch pipeline, with an in-service date targeted for January 2014. Future phases of the project are expected to extend the pipeline north to Gove County, Kansas and east to Kingman County, Kansas. JP Energy also reported that its 20,000 b/d Great Salt Plains Pipeline opened in October 2012, transporting crude oil from Cherokee, Kansas to Cushing, Oklahoma.

<http://www.businesswire.com/news/home/20130115006602/en>

Update: Phillips 66 Returns CDU to Service at Its 363,000 b/d Wood River, Illinois Refinery by January 15 after Repairs Due to a Fire Last Weekend

Phillips 66 on Tuesday said it has returned a crude distillation unit (CDU) to service at its Wood River refinery after repairs over the weekend. The unit was temporarily shut following a brief electrical fire on Saturday.

<http://www.bloomberg.com/news/2013-01-15/west-texas-sour-strengthens-amid-permian-pipeline-expansions.html>

Update: BP Restarts Hydrotreating Unit at Its 265,000 b/d Carson, California Refinery by January 15; Hydrocracker Shut by Fire Remains Shut – Sources

BP Plc has restarted a jet fuel hydrotreater at its Carson refinery after a shutdown due to a small fire on Monday, sources familiar with refinery operations said on Tuesday. A hydrocracker was also shut due to the fire on Monday and remains out of production. A BP spokesman declined to discuss operations at the refinery.

Reuters, 18:19 January 15, 2013

Shell Shuts Alkylation Unit to Repair Propane Line Leak at Its 156,400 b/d Martinez, California Refinery January 10

Shell Oil Co. on January 10 shut an alkylation unit at its Martinez refinery after discovering a leak in a propane line at the unit's reactors, according to a filing with state regulators. No other detail was provided except that the event had no off-site impact.

<http://www.foxbusiness.com/news/2013/01/15/refinery-status-united-refining-shuts-unit-at-2/>

Flint Hills Reports Emissions at Its 288,468 b/d Corpus Christi, Texas Refinery January 15

Flint Hills Resources reported unknown amounts of benzene and paraxylene were released into a cooling tower at its Corpus Christi refinery on Tuesday, according to a filing with the U.S. National Response Center. The release had not been secured and the incident was under investigation, the filing said.

http://www.nrc.uscg.mil/reports/rwservlet?standard_web+inc_seq=1035770

Sinclair Reports Upsets on Two SRUs at Its 80,000 b/d Sinclair, Wyoming Refinery January 15

Sinclair Oil Corp. reported upsets on two sulfur recovery units (SRUs) at its Sinclair, Wyoming refinery Tuesday afternoon, according to a filing with the U.S. National Response Center. The No. 3 and No. 4 SRUs were "lined out" in response to the incident, the filing said.

http://www.nrc.uscg.mil/reports/rwservlet?standard_web+inc_seq=1035792

PBF Reports Sulfur Plant Emissions at Its 180,000 b/d Paulsboro, New Jersey Refinery January 15

PBF Energy Inc. on Tuesday reported hydrogen sulfide emissions from a sulfur plant at its Paulsboro refinery, according to a filing with state pollution regulators.

Reuters, 14:35 January 15, 2013

Natural Gas

Valve Malfunction Causes Emissions at Devon's 650 MMcf/d Bridgeport Gas Plant in Texas January 15

Devon Gas Services reported emissions at its Bridgeport plant Tuesday morning were due to a malfunction on process safety valve (PSV) No. 50138, which services the plant inlet gas system, according to a filing with the Texas Commission on Environmental Quality. Operators said the malfunction was caused by frozen moisture in the tubing line on the pilot-valve associated with the PSV. The plant had reported the same problem occurred on a different PSV the day before.

<http://www11.tceq.state.tx.us/oc/eer/index.cfm?fuseaction=main.getDetails&target=178059>

Other News

EPA Finalizes Revisions to Clean Air Standards for Stationary Engines

The U.S. Environmental Protection Agency (EPA) on Tuesday finalized revisions to standards to reduce air pollution from stationary engines that generate electricity and power equipment at industrial, agricultural, oil and gas production, power generation, and other facilities. The final amendments to the 2010 “National Emission Standards for Hazardous Air Pollutants for Reciprocating Internal Combustion Engines (RICE)” reflect new technical information submitted by stakeholders after the 2010 standards were issued. The updates are intended to ensure that the standards are cost-effective, achievable, and protective, while continuing to provide significant emission reductions. The amendments also specify how the standards apply to emergency engines used for emergency demand response.

<http://www.epa.gov/ttn/atw/rice/ricepg.html>

<http://yosemite.epa.gov/7932a2693c16adaa85257af40052dead!OpenDocument>

<http://www.hydrocarbonprocessing.com/US-issues-new-emission-rules-on-diesel-generators.html>

DHS Cybersecurity Team Says Malware Infected Two Power Plants’ Control Systems after Gaining Access Through Unprotected USB Drives

The U.S. Department of Homeland Security (DHS) Industrial Control Systems Cyber Emergency Response Team (ICS-CERT) recently reported that unspecified malware infected two power plants’ control systems after gaining access through unprotected Universal Serial Bus (USB) drives. In the first case, ICS-CERT provided onsite support at a power generation facility where malware had been discovered in the control system after an employee routinely used a USB drive for backing up control systems configurations within the control environment. In the second case, a virus infection in a turbine control system impacted approximately ten computers on its control system network. ICS-CERT emphasized that owners and operators of critical infrastructure should develop and implement baseline security policies for maintaining up-to-date antivirus definitions, managing system patching, and governing the use of removable media.

http://www.us-cert.gov/control_systems/pdf/ICS-CERT_Monthly_Monitor_Oct-Dec2012.pdf

International News

TAQA Shuts 90,000 b/d Brent Crude Oil Pipeline Network in U.K. North Sea after Detecting Drilling Platform Leak January 14

Pipeline operator Abu Dhabi National Energy Company, also known as TAQA, shut down the 90,000 b/d Brent pipeline infrastructure after a leak was detected on the legs of the Comorant Alpha platform on Monday. The 91-mile pipeline carries oil from nine platforms extending across 20 North Sea oilfields to a terminal in the Shetlands, supplying around 6 percent of the United Kingdom’s North Sea oil and gas production. All nine platforms have been closed. The Emirati company said it is evaluating plans to restart output at the eight other platforms, resuming 80,000 b/d of oil output, but gave no indication of a date. TAQA said the oil that spilled was contained in the platform leg, but added that workers have not yet uncovered the source of the leak. The closure was not expected to have any immediate effect on Brent oil prices, analysts said, but it could have an impact on prices if the pipeline network remains shut down for more than 7–10 days.

<http://www.telegraph.co.uk/finance/newsbysector/energy/9804956/No-restart-date-for-shut-oil-pipeline.html>

<http://www.independent.co.uk/news/uk/home-news/oil-leak-closes-north-sea-oil-pipeline-8453343.html>

<http://news.sky.com/story/1038776/brent-pipeline-shut-after-north-sea-oil-leak>

Militants Attack Natural Gas Field in Algeria, Kidnap at Least 8 Workers January 16

Militants from Mali attacked a natural gas field in southern Algeria early Wednesday, killing a security guard, according to local media, and kidnapping at least eight foreigners, an Algerian official said. Seven others were wounded in the attack, including two foreigners, added the state news agency. Algerian forces caught up with and surrounded the kidnappers and negotiations for the release of the hostages were ongoing, the Algerian official said. The Ain Amenas gas field is jointly operated by BP Plc, Statoil, and the Algerian state oil company, Sonatrach.

<http://finance.yahoo.com/news/algeria-8-foreigners-kidnapped-gas-114315669.html>

http://www.rigzone.com/news/oil_gas/a/123482/Islamist_Militants_Attack_BP_Plant_in_Algeria_Take_Hostages

Energy Prices

U.S. Oil and Gas Prices			
January 16, 2013			
	Today	Week Ago	Year Ago
CRUDE OIL West Texas Intermediate U.S. \$/Barrel	94.18	92.94	98.58
NATURAL GAS Henry Hub \$/Million Btu	3.40	3.21	2.70

Source: Reuters

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 ET every Wednesday.

Natural Gas Weekly Update from EIA

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

Updated after 2:00 PM ET every Thursday.

ENERGY ASSURANCE DAILY

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

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