



# ENERGY ASSURANCE DAILY

Wednesday Evening, January 18, 2012

## Electricity

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### **Overnight Storm Cuts Power to Nearly 33,000 Portland General Electric Customers in Western Oregon January 18**

An overnight snow storm turned to rain and slush in Western Oregon Wednesday morning, leaving thousands without power. Portland General Electric said about 32,987 customers were without power early Wednesday, and the utility was working to restore service to them. As of 3:00 PM EST, the company was reporting 22,676 customers without power.

<http://www.ktvz.com/news/30239837/detail.html>

[http://www.portlandgeneral.com/safety\\_outages/outages/outage\\_updates/outage\\_list.aspx](http://www.portlandgeneral.com/safety_outages/outages/outage_updates/outage_list.aspx)

### **High Winds Knock Out Power to 32,600 Utility Customers along the Coast of Lake Erie in Ohio, Pennsylvania, and New York January 17–18**

A storm with high winds moved north along the eastern coast of Lake Erie overnight Tuesday and Wednesday morning, cutting power to 32,600 utility customers in Ohio, Pennsylvania, and New York. News reports listed peak outage numbers Wednesday morning, including:

- 10,000 FirstEnergy customers in Cleveland, Ohio
- 9,400 National Grid customers in western and central New York
- 6,000 Rochester Gas & Electric in Rochester, New York
- 4,200 New York State Electric & Gas in Erie County and East Aurora, New York
- 3,000 Penelec customers in Erie County, Pennsylvania.

[http://www.newsnet5.com/dpp/weather/weather\\_news/thousands-without-power-in-and-around-cleveland](http://www.newsnet5.com/dpp/weather/weather_news/thousands-without-power-in-and-around-cleveland)

<http://online.wsj.com/article/AP5571f22bff9743bea2eadf1992b8c890.html>

<http://www.democratandchronicle.com/article/20120118/NEWS01/201180325/High-winds-lash-Rochester-region>

<http://www.buffalonews.com/incoming/article712950.ece>

<http://www.goerie.com/article/20120118/NEWS02/301179879/Thunderstorms-leave-3000-Penelec-customers-without-service>

### **Wolf Creek's 1,160 MW Wolf Creek Nuclear Unit 1 in Kansas Trips Due to Power Loss January 13**

Operators notified the U.S. Nuclear Regulatory Commission (NRC) January 17 that last Friday afternoon, Wolf Creek experienced a reactor trip due to loss of power in the switchyard. Shortly after, Wolf Creek declared an unusual event when operators determined the switchyard would not be restored within 15 minutes. All systems functioned as expected in response to the event, according to the NRC filing, and both emergency diesel generators started and energized the safety-related buses. The plant is currently stable, and Wolf Creek is investigating the cause of the power loss.

<http://www.nrc.gov/reading-rm/doc-collections/event-status/event/2012/20120117en.html>

### **Progress Energy's 710 MW Robinson Nuclear Unit 2 in South Carolina Shut by January 18**

On the morning of January 17 the unit was operating at 86 percent.

<http://www.nrc.gov/reading-rm/doc-collections/event-status/reactor-status/2012/>

### **Entergy's 813 MW FitzPatrick Nuclear Unit in New York Reduced to 81 Percent by January 18**

On the morning of January 17 the unit was operating at 99 percent.

<http://www.nrc.gov/reading-rm/doc-collections/event-status/reactor-status/2012/>

## **Update: Martinez Refining Co.'s 100 MW Shell Oil Refinery Aggregate Gas-Fired Unit in California Returns to Service by January 17**

The unit returned from an unplanned outage.

<http://content.caiso.com/unitstatus/data/unitstatus201201171515.html>

## **ABB Installs 345 kV Submarine Cable under Hudson River to Connect Bayonne Energy Center in New Jersey to ConEd Substation in New York**

ABB Group completed the installation of a 6.5-mile, 345-kV submarine power cable under the Hudson River between Bayonne, New Jersey and New York City, the company said in a release. The cable connects the 512 MW natural gas-fired Bayonne Energy Center, expected to enter service in the spring of 2012, to a Consolidated Edison (ConEd) substation in Gowanus, Brooklyn.

Reuters, 10:22 January 18, 2012

## **PECO Announces New 260 kV Peltz Substation to Service Customers in Philadelphia, Retirement of Schuylkill Substation**

PECO announced today the newly constructed Peltz substation to service customers in portions of Center City and University City in Philadelphia. Completing Peltz substation allows for the retirement of the Schuylkill substation, which has been in operation since 1906. The Peltz substation takes higher voltage electricity, 230 kV, from PECO's electric transmission system and converts it to lower voltage electricity, 13 kV, for distribution to the nearby area. The substation provides power to thirty-two circuits through three new transformers.

[https://www.peco.com/News/NewsReleases/Pages/PECOInvestsMoreThan\\$60MillioninNewPhiladelphiaSubstation.aspx](https://www.peco.com/News/NewsReleases/Pages/PECOInvestsMoreThan$60MillioninNewPhiladelphiaSubstation.aspx)

## ***Petroleum***

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## **Update: State Department, President Obama Reject TransCanada's Application to Build 830,000 b/d Keystone XL Crude Oil Pipeline from Alberta to U.S. Gulf Coast January 18**

The U.S. Department of State has recommended to President Obama that the presidential permit for TransCanada's proposed Keystone XL Pipeline be denied and the project be determined not to serve the national interest, according to a media release this afternoon. The President concurred with the Department's recommendation, which was predicated on the fact that the Department does not have sufficient time to obtain the information necessary to assess whether the project, in its current state, is in the national interest. On November 10, 2011, the State Department announced it would explore a new route for the proposed pipeline amid environmental concerns centered on the SandHills area of Nebraska and that it would delay a final decision on the project until early 2013. On December 23, 2011, the U.S. Congress passed the Temporary Payroll Tax Cut Continuation Act of 2011, which provided 60 days for the President to determine whether the Keystone XL pipeline is in the national interest. The State Department's denial of the permit application does not preclude any subsequent permit application or applications for similar projects.

<http://www.state.gov/r/pa/prs/ps/2012/01/181473.htm>

## **Hovensa to Shut 500,000 b/d St. Croix, U.S. Virgin Islands Refinery Due to Poor Margins, Plans to Convert Plant into Oil Storage Terminal**

Hovensa, a joint venture of Hess Corp. and Petroleos de Venezuela S.A, announced Wednesday that it will close its St. Croix refinery, citing substantial losses due to reduced worldwide demand for refined petroleum products and increased refining capacity in emerging markets like India, China, and the Middle East. The refinery had a capacity of 500,000 b/d before idling 150,000 b/d of older, less efficient units in 2011. Oil analysts say the closure is unlikely to have a major effect on the global oil market, but the U.S. does import about 100,000 to 150,000 b/d of gasoline into New York from St. Croix, according to one analyst. A spokesman said the company plans to convert the refinery into an oil storage terminal; the facility has 32 million barrels of storage for both crude oil and refined fuels, according to a company website. Hovensa will begin shutting refinery equipment by mid-February, but it will continue to provide fuel oil to the island's Water and Power Authority through end of June.

Reuters, 11:56 January 18, 2012

[http://www.cbsnews.com/8301-505245\\_162-57360857/major-oil-refinery-to-close-in-us-virgin-islands/](http://www.cbsnews.com/8301-505245_162-57360857/major-oil-refinery-to-close-in-us-virgin-islands/)  
<http://phx.corporate-ir.net/phoenix.zhtml?c=101801&p=irol-newsArticle&ID=1649126>

## **Alon Indefinitely Idles 11,000 b/d Bakersfield, California Refinery Due to Weak Margins, Confirms the Plant Shut Down in December**

According to local reports Tuesday, Alon USA Energy Inc. has indefinitely idled its Bakersfield refinery due to weak margins. On Monday, company executives confirmed the plant has been closed for a month. The refinery no longer refines crude oil, only vacuum gas oil left over from the company's refineries in Paramount and Long Beach, California. Until recently, the refinery processed 11,000 b/d of gas oil, turning it into about 300,000 gallons of diesel and 140,000 gallons of gasoline daily. It also made smaller amounts of propane, butane, and other petroleum products.

<http://www.bakersfield.com/news/business/economy/x2117244421/Refinery-may-face-uphill-climb-to-resuming-operations>

## **Update: CVR Reports Ongoing Release Due to Unplanned Maintenance at Its 70,000 b/d Wynnewood, Oklahoma Refinery January 18**

CVR Energy reported an ongoing release due to unplanned maintenance at its Wynnewood refinery today, according to a filing with the U.S. National Response Center. Repairs at the facility were scheduled for today. Last Thursday the company reported the unexpected shutdown of a crude unit and said it expected emissions related to the event to continue for 3 to 4 days.

Reuters, 00:12 January 18, 2012

[http://www.nrc.uscg.mil/reports/rwservlet?standard\\_web+inc\\_seq=1000255](http://www.nrc.uscg.mil/reports/rwservlet?standard_web+inc_seq=1000255)

## **Tesoro Reports Emissions Due to Power Dip at Its 93,500 b/d Kapolei, Hawaii Refinery January 17**

Tesoro Corp. reported a release of sulfur dioxide from a refinery flare due to a power dip on Tuesday afternoon at its refinery in Kapolei, according to a filing with the U.S. National Response Center. The filing said that operators had re-established power and secured operations at the refinery.

[http://www.nrc.uscg.mil/reports/rwservlet?standard\\_web+inc\\_seq=1000539](http://www.nrc.uscg.mil/reports/rwservlet?standard_web+inc_seq=1000539)

## **Update: ExxonMobil's 344,500 b/d Beaumont, Texas Refinery Returns to Normal Operations after Compressor Malfunction January 16**

ExxonMobil's Beaumont refinery returned to normal operations after a compressor malfunction, a company spokeswoman said on Tuesday. The company reported a wet gas compressor trip resulting in emissions to the coker flare on Monday, according to a filing with the Texas Commission on Environmental Quality. The compressor has been restarted and the company anticipates no impact to production.

Reuters, 17:07 January 17, 2012

<http://www11.tceq.state.tx.us/oc/eer/index.cfm?fuseaction=main.getDetails&target=163776>

## **Update: Chevron Says Equipment Malfunction May Have Caused Nigeria Offshore Rig Fire January 16; Rig Continues to Burn January 18**

Chevron Corp. said in a statement Tuesday that a possible failure of surface equipment during drilling operations may have led to a loss of well control, causing a fire that is still burning more than a day after it broke out on a rig drilling a natural gas exploration well in the Funiwa field six miles off the coast of Nigeria. A full investigation of the accident, which caused the rig to partially collapse, is underway, and Chevron has said it could not estimate how long the fire would continue. Efforts to drill a relief well at the site and deploy other methods to get the well under control are underway.

<http://af.reuters.com/article/investingNews/idAFJOE80H00V20120118?sp=true>

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## **Natural Gas**

### **PG&E Misclassifies 300 Miles of Natural Gas Transmission Lines in California, Overpressures Some Line Segments as a Result**

Pacific Gas & Electric Co. (PG&E) has acknowledged it misclassified more than 300 miles of natural gas transmission lines, and as a result ran some segments at higher pressure than recommended by federal authorities, according to reports Wednesday.

<http://www.foxnews.com/us/2012/01/18/hundreds-miles-pipelines-in-ca-misclassified/>

## Regency Restarts AGI Compressor at Its 290 MMcf/d Waha Gas Plant in Texas January 17 after Recent Compressor/Plant Shutdown

Regency Energy Partners reported Tuesday that plant operators are restarting an acid gas injector (AGI) compressor after a recent compressor and plant shutdown. The AGI compressor went down January 12 when its electric drive motor lost sufficient speed to maintain operation, and the plant was down due to pipeline pump maintenance.

<http://www11.tceq.state.tx.us/oc/eer/index.cfm?fuseaction=main.getDetails&target=163711>

<http://www11.tceq.state.tx.us/oc/eer/index.cfm?fuseaction=main.getDetails&target=163780>

## Destin Pipeline Announces Force Majeure April 10–17 Due to Tri-States NGL Pipeline Replacement Project

Destin Pipeline issued a critical notice online Tuesday that it has been notified by the Pascagoula Gas Plant that Tri-States NGL Pipeline will commence its pipe replacement project on or about April 10, 2012 and will take the pipeline out of service for approximately 7 days. The Pascagoula Gas Plant will not be able to process Destin's offshore gas production. Destin expects to resume operations by April 17, 2012. Destin will not be able to provide transportation services from its offshore receipt points during the Tri-States outage and claims force majeure until further notice. Destin's onshore receipt and delivery points will not be affected by this outage.

<http://web3.destinpipeline.com/enotice/CriticalDetail.aspx?codeKey=des201217.104624>

## ANR Announces Southeast Area Capacity Reduction January 18–24 at the Line 733-Line747 Interconnection Point offshore Louisiana

ANR Pipeline reported it continues planned maintenance on its 733 line as part of the ongoing effort to return the 747 line back to service. The company took Line 747 out of service in late November to investigate a possible leak. In late December, ANR announced it was necessary to depressure the 733 line for approximately 10 days, from January 9–19, to install additional valving at the interconnection point between these two lines. It has now pushed the dates of the planned depressure period back to January 18–24.

<http://anrebb.transcanada.com/Notices/NoticeView.asp?sPipelineCode=ANR&sSubCategory=Critical&sNoticeId=6092>

<http://anrebb.transcanada.com/Notices/NoticeView.asp?sPipelineCode=ANR&sSubCategory=Critical&sNoticeId=6014>

<http://anrebb.transcanada.com/Notices/NoticeView.asp?sPipelineCode=ANR&sSubCategory=PlanSvcOut&sNoticeId=6117>

## Other News

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Nothing to report

## Energy Prices

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U.S. Oil and Gas Prices			
January 18, 2012			
	Today	Week Ago	Year Ago
<b>CRUDE OIL</b> <b>West Texas Intermediate U.S.</b> \$/Barrel	100.69	101.90	91.62
<b>NATURAL GAS</b> <b>Henry Hub</b> \$/Million Btu	2.51	2.97	4.38

Source: Reuters

## Energy Notes

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**SunPower Corp. Breaks Ground on 13.78 MW DC Solar Power Plant at Naval Air Weapons Station China Lake in California January 18 for Operation by Year-End 2012**

<http://us.sunpowercorp.com/about/newsroom/press-releases/>

**Juhl Wind, Inc. and Val-Add Service Corp. to Develop 15–30 MW Black Oak Wind Project near Ithaca, New York for Operation by Third Quarter 2013**

<http://markets.financialcontent.com/ir/?Module=MediaViewer&GUID=20414272&Ticker=JUHL>

## Links

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***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](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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