



ENERGY ASSURANCE DAILY

Wednesday Evening, January 23, 2013

Electricity

Update: Low Reactor Water Level Shuts FirstEnergy's 1,235 MW Perry Nuclear Unit 1 in Ohio January 22

FirstEnergy reported an automatic Reactor Protection System (RPS) actuation occurred at Perry nuclear Unit 1 on Tuesday morning due to a low reactor water level signal, according to a filing with the U.S. Nuclear Regulatory Commission. Unit 1 was at 100 percent power at the time of the event, and all safety systems operated as designed. The cause of the RPS actuation is under investigation.

<http://www.nrc.gov/reading-rm/doc-collections/event-status/event/2013/20130123en.html>

Update: Entergy's 653 MW Pilgrim Nuclear Unit 1 in Massachusetts Restarts, Ramps Up to 17 Percent by January 23

The Pilgrim nuclear reactor is returning from an outage that began by January 22, when operators shut the unit down due to suspected leakage across the first stage pilot of a safety relief valve (SRV).

<http://www.nrc.gov/reading-rm/doc-collections/event-status/reactor-status/2013/>

Update: Public Meetings Reveal Additional Concerns That Could Further Delay the Restart of OPPD's 478 MW Fort Calhoun Nuclear Power Plant in Nebraska

Recent public meetings have revealed additional concerns that could further delay the resumption of operations at the Omaha Public Power District's (OPPD) Fort Calhoun nuclear power plant. The plant initially shut down in April 2011 for a scheduled refueling and maintenance outage, but flooding along the Missouri River that year and a series of safety violations discovered during subsequent inspections by the U.S. Nuclear Regulatory Commission (NRC) has forced it to remain shut. In recent public meetings, OPPD reported that miscalculations in the plant's design could mean that some support structures might not be able to withstand the weight of heavy equipment under extreme stress. It was also revealed that OPPD did not fully replace the use of Teflon as insulation in the building housing Fort Calhoun's reactor. Teflon can disintegrate when subject to high levels of radiation, and the NRC had in 1985 asked OPPD to replace the Teflon. The NRC, which has to approve restarting the plant, said earlier this month that it has no timetable yet for doing so.

<http://finance.yahoo.com/news/bad-math-idle-neb-nuke-193620307.html>

MidAmerican Energy to Install Pollution Controls, Cease Burning Coal at Three Power Plants in Iowa Under Settlement with the Sierra Club

MidAmerican Energy Company on Tuesday announced it has reached a settlement agreement with the Sierra Club to resolve a lawsuit alleging the power company had violated certain provisions of the Clean Air Act in its operation of three power plants in Iowa. Settlement negotiations resulted in a consent decree that commits MidAmerican to install baghouses at the Neal Energy Center Units 3 and 4 by December 31, 2014; and to cease burning coal at Neal Energy Center Units 1 and 2 (total of 418 MW), at Walter Scott Energy Center Units 1 and 2 (total of 118 MW), and at Riverside Generating Station (137 MW) by April 16, 2016. MidAmerican is evaluating the use of other fuels, such as natural gas, for continued operation of the units at the Neal Energy Center and the Walter Scott Energy Center. The company plans to operate the Riverside Generating Station using natural gas, as the power plant is already equipped to do so.

<http://www.midamerican.com/newsroom.aspx/newsdetails.aspx?id=618&type=current>

http://qctimes.com/news/local/riverside-plant-to-switch-from-coal-to-gas/article_5d4b8f40-6511-11e2-b7cd-0019bb2963f4.html

Hydro-Québec Expects Record Power Consumption This Week Due to Extreme Cold

Hydro-Québec on Tuesday announced it is anticipating record power consumption due to the extremely cold weather conditions prevailing now and forecast for the next few days. System demand is expected to reach a historical peak of 39,000 MW, exceeding the 37,717-MW peak recorded on January 24, 2011. All of its production facilities are in operation, but the utility has asked the public to reduce power consumption during peak periods on Wednesday and Thursday, to give the utility a greater operating margin.

<http://news.hydroquebec.com/press-releases/hq/260/historical-peak-hydro-quebec-asks-for-the-publics-cooperation-to-reduce-power-consumption>

Petroleum

Update: Nebraska Approves Revised Route for TransCanada's Proposed 830,000 b/d Keystone XL Crude Oil Pipeline; State Department Expects Decision by End of March

Nebraska Governor Dave Heineman on Tuesday notified President Obama and the U.S. Department of State (DOS) that the State of Nebraska has approved the revised route for TransCanada Corp.'s proposed Keystone XL pipeline, which would transport 830,000 b/d of crude oil 1,200 miles from Hardisty, Alberta and Baker, Montana to Steele City, Nebraska. The pipeline would eventually connect with TransCanada's Gulf Coast pipeline in Oklahoma. TransCanada proposed the new route as an alternative intended to address concerns about the environmentally sensitive Ogallala Aquifer in the Nebraska Sandhills region. TransCanada now awaits a Presidential Permit from DOS for the pipeline, which would cross the U.S./Canada border in Montana. A State Department spokeswoman said Tuesday that the department doesn't anticipate being able to conclude its own review before the end of the first quarter of this year, as it had previously scheduled. A second official said the department expects to issue a draft environmental assessment before the end of March and solicit public comments in response to the draft before making a final decision. If approved, TransCanada hopes to begin construction of the Keystone XL in the first quarter of 2013, with completion slated for late 2014 or early 2015.

Reuters, 17:30 January 22, 2013

http://www.governor.nebraska.gov/news/2013/01/docs/0122_Pipeline_Approval.pdf

<http://www.transcanada.com/6191.html>

Update: Power Failure Shuts Several Units at Valero's 142,000 b/d Corpus Christi, Texas Refinery January 22

Valero Energy Corp. reported a power failure at the West Plant of its Corpus Christi refinery Tuesday morning caused several units to shut down and resulted in venting to the flares, according to a filing with the Texas Commission on Environmental Quality. Emissions related to the incident were expected to continue until January 26, the filing said. Valero had on Tuesday reported in a filing with local emergency management officials that unspecified operating conditions at the refinery made flaring necessary.

<http://www11.tceq.state.tx.us/oce/eer/index.cfm?fuseaction=main.getDetails&target=178338>

Update: Valero Says Both HCUs at Planned Rates at Its 310,000 b/s Port Arthur, Texas Refinery by January 23

Valero Energy Corp. is operating both hydrocracking units (HCUs) at its Port Arthur refinery at planned rates, according to reports Wednesday. The refinery on January 17 reported that the smaller of two HCUs at its Port Arthur refinery was out of service after a hydrogen supplier suffered a malfunction at its own facility that day. Reuters, 10:01 January 23, 2013

Motiva Shuts Unspecified Unit after Process Upset at Its 235,000 b/d Convent, Louisiana Refinery January 22

Motiva Enterprises reported flaring at its Convent refinery Tuesday morning was due to a process upset that had caused operators to shut an unspecified unit down, according to a filing with the U.S. National Response Center. The incident led to flaring at the refinery, the filing said.

http://www.nrc.uscg.mil/reports/rwservlet?standard_web+inc_seq=1036279

Freezing Temperatures Lead to Emissions, Unspecified Unit Shutdowns, and Steam Supply Loss at BP-Husky Refining's 125,600 b/d Toledo, Ohio Refinery January 22

BP-Husky Refining LLC reported that freezing temperatures had caused emissions from its Oregon refinery in Toledo, Ohio early Tuesday morning when ice built up inside a pipeline that discharges from a compressor, according to a filing with the U.S. National Response Center. Operators cleared ice off the compressor and secured the release, the filing said. The City of Toledo Division of Environmental Services on Tuesday reported that the freezing temperatures had forced operators to shut down unspecified units at the Oregon refinery, and that steam supplies from a nearby FirstEnergy Corp. facility had also been cut off. Operators were attempting to bring those units back online.

Reuters 12:43 January 22, 2013

http://www.nrc.uscg.mil/reports/rwservlet?standard_web+inc_seq=1036265

Update: Husky Resumes Normal Operations at Its 146,200 b/d Lima, Ohio Refinery by January 22

Husky Energy Inc. said operations were normal at its Lima refinery on Tuesday after a power dip shut production units on Saturday.

Reuters, 12:52 January 22, 2013

ExxonMobil Reduces Rates Due to Excess Hydrogen Sulfide Emissions at Its 238,600 b/d Joliet, Illinois Refinery January 22

ExxonMobil reported it was reducing rates at its Joliet refinery Tuesday morning after detecting that excess hydrogen sulfide was releasing to the flare, according to a filing with the U.S. National Response Center. The filing does not specify why the excess release had occurred, but a filing with the Illinois Emergency Management Agency Tuesday reported an equipment malfunction at the refinery.

Reuters, 04:34 January 23, 2013

http://www.nrc.uscg.mil/reports/rwservlet?standard_web+inc_seq=1036261

Phillips 66 Reports Sulfuric Acid Spill at Its 362,000 b/d Wood River, Illinois Refinery January 22

Phillips 66 reported a sulfuric acid spill due to unknown causes at its Wood River refinery in Roxana, Illinois Tuesday night, according to a filing with the U.S. National Response Center. Operators were attempting to isolate the leak and were unsure whether it had yet been contained at the time of the filing. The refinery did not specify which units might have been affected by the incident, but later reported in a filing with state pollution regulators that an unspecified unit had tripped Tuesday.

Reuters, 04:06 January 23, 2013

http://www.nrc.uscg.mil/reports/rwservlet?standard_web+inc_seq=1036323

PBF Shuts Unspecified Operations after Hydrogen Sulfide Scrubber Malfunction Causes Emissions at Its 190,000 b/d Delaware City, Delaware Refinery January 22

PBF Energy shut down unspecified operations after a problem with a hydrogen sulfide scrubber caused a release of sulfur dioxide at its Delaware City refinery Tuesday, according to a filing with the Delaware Department of Natural Resources and Environmental Control. A PBF spokesman declined to comment further on operations.

DJN, 11:32 January 23, 2013

<http://www.delawareonline.com/article/20130123/NEWS08/130123014/Delaware-City-refinery-releases-toxins-after-equipment-problems>

Unspecified Operational Upset at Chevron's 279,000 b/d El Segundo, California Refinery Damages Power Lines January 20

Chevron Corp. reported an unspecified operational upset at its El Segundo refinery on Sunday had damaged some power lines, according to local media. The incident, which Chevron reported in a letter to local residents, had occurred while operators were preparing for a major routine maintenance project.

Reuters, 17:57 January 22, 2013

U.S. Oil Production Sets Record Increases in 2012, Expected to Surge Even More in 2013

U.S. oil production grew more in 2012 than in any year in the history of the domestic industry, which began in 1859, and is set to surge even more in 2013. Daily crude output averaged 6.4 MMb/d last year, up a record 779,000 b/d from 2011 and hitting a 15-year high, according to the American Petroleum Institute. The U.S. Energy Information Administration predicts 2013 will be an even bigger year, with average daily production expected to jump by 900,000 b/d. Hydraulic fracturing and horizontal drilling methods have had the biggest impact in increasing production rates.

<http://www.petroleumworld.com/storyt13012102.htm>

Update: Kinder Morgan to Add 1.2 Million Barrels of Storage in Phase 2 of Trans Mountain's Edmonton Terminal Expansion in Alberta

Kinder Morgan Energy Partners, L.P. on Wednesday announced that Kinder Morgan Canada Terminals has entered into long-term contracts to support construction of an additional 1.2 million barrels of merchant storage capacity at Trans Mountain Pipeline's Edmonton terminal in Strathcona County, Alberta. Construction of the new tankage is scheduled to commence this spring following receipt of supporting permits, with completion expected in late 2014. Construction of Phase 1 of the expansion, which consists of 3.6 million barrels of new storage, is underway and all of that capacity is expected to be in service in late 2013. When completed, total storage capacity at the Edmonton facility will be 9.4 million barrels, including the existing Trans Mountain system facility and the North 40 merchant terminal.

<http://phx.corporate-ir.net/phoenix.zhtml?c=119776&p=irol-newsArticle&ID=1777137&highlight=>

Natural Gas

Transco Issues System-Wide Operational Flow Order to Natural Gas Shippers as Cold Weather Increases Demand in Its Eastern U.S. Market Area January 23

William Companies Inc.'s Transcontinental Gas Pipeline Co. (Transco) on Wednesday morning announced it was issuing a system-wide operational flow order (OFO), effective at the beginning of the gas day on Thursday, to its natural gas shippers because cold weather has led to significant demand over most of its market area, according to a website posting. This OFO will continue until further notice and requires that all buyers ensure that their daily "Due From" imbalance not exceed a specified limit for each gas day during the effectiveness period. The 10,000-mile Transco natural gas pipeline system has the capacity to carry 9.6 Bcf/d of gas from South Texas to New York City and is a major provider of natural gas to the U.S. Northeast and Southeast.

Reuters, 10:47 January 23, 2013

<http://www.1line.williams.com/1Line/wgp/download?delvid=4853103&hfNoticeFlag=Y&hfDownloadFlag=false&hfFileName=download.html>

Plugged Filter Shuts Turbine at DCP Midstream's 160 MMcf/d Goldsmith Gas Plant in Texas January 22

DCP Midstream reported the "B" turbine at its Goldsmith gas plant shut down on inlet filter plugging Tuesday morning, according to a filing with the Texas Commission on Environmental Quality.

<http://www11.tceq.state.tx.us/oc/eer/index.cfm?fuseaction=main.getDetails&target=178344>

Power Disturbance Shuts AGI Units at Enbridge's Tilden Gas Plant in Texas January 22

Enbridge reported a power disturbance shut acid gas injector (AGI) Units 1 and 2 at its Tilden plant Tuesday morning, according to a filing with the Texas Commission on Environmental Quality.

<http://www11.tceq.state.tx.us/oc/eer/index.cfm?fuseaction=main.getDetails&target=178345>

Duke Energy Renewables Completes 36 MW Notrees Battery Storage Project in Texas

Duke Energy Renewables announced today the completion of its 36 MW energy storage and power management system at its Notrees Windpower Project in west Texas. The system completed testing and became fully operational in December 2012. In late 2009, Duke Energy announced plans to match a \$22 million grant from the U.S. Department of Energy (DOE) to install large-scale batteries capable of storing electricity produced by the company's 153 MW Notrees wind farm. The battery storage project will help mitigate the variability of wind power, storing excess wind energy and discharging it whenever demand for electricity is highest. In addition to increasing the supply of renewable energy during periods of peak demand, the system will help stabilize the frequency of electricity traveling throughout the power grid. Duke Energy is working closely with the Energy Reliability Council of Texas, which signals to the battery storage system to either dispatch stored energy to increase frequency or absorb energy to decrease frequency.

<http://www.duke-energy.com/news/releases/2013012301.asp>

International News

FARC Rebels Attack Two Crude Oil Pipelines, Coal Rail Line in Colombia January 21–22

The Revolutionary Armed Forces of Colombia, known as the FARC, are accused of dynamiting two southern oil pipelines and planting a bomb on the top coal exporter's northern railway after the end of a rebel ceasefire last weekend, officials said on Tuesday. Rebels on Sunday dynamited a section of the 190-mile, 48,000 b/d Transandino crude oil pipeline in the Putumayo province near the border with Ecuador, according to a source at the state-run oil company Ecopetrol. The pipeline carries crude from fields in Putumayo to the Pacific Coast. Later on Sunday, rebels destroyed four sections of a smaller line that takes crude oil from several wells to a storage facility, where it is then transported through the Transandino pipeline, the sources said. On Monday night, rebels tossed a bomb onto the railway of coal exporter Cerrejon in the Guajira province, according to military sources. The company said the train continues to operate normally despite the incident.

Reuters, 12:15 January 22, 2013

Oil Flows, Exports Continue after Explosion Hits Kirkuk-Ceyhan Crude Oil Pipeline in Turkey January 19

Turkish energy officials on Monday confirmed that an explosion hit and damaged the Kirkuk-Ceyhan pipeline carrying crude oil from Iraq to Turkey on Saturday night, but oil flows were continuing and exports were not affected. The cause of the blast, which took place in the southeastern Turkish province of Mardin, was not immediately clear.

<http://www.reuters.com/article/2013/01/21/us-turkey-iraq-oil-idUSBRE90K0CD20130121>

Gunmen Release Oil Tanker Seized Off Ivory Coast after Taking 5,000 Tonnes of Fuel January 22 – Owner

Gunmen who hijacked an oil tanker last week near Ivory Coast's port of Abidjan have released it after taking the cargo, the Nigerian ship owner said on Tuesday. The Panamanian-flagged vessel *Itri* had been carrying about 5,000 tonnes of fuel when it was seized on January 16 as it was preparing to deposit the oil at Abidjan.

<http://news.yahoo.com/gunmen-release-oil-tanker-seized-off-ivory-coast-171929878.html>

<http://www.foxnews.com/world/2013/01/21/pirates-seize-oil-tanker-in-ivory-coast-port-vessel-turns-up-off-coast/>

Iraq to Build Crude Oil Pipeline Linking Southern Oilfields with Major Storage Depots to Boost Exports

Iraq plans to build a 186-mile, 42-inch crude oil pipeline to link southern oilfields in Maysan province to major export storage depots, a senior Iraqi oil official said on Tuesday. The project is intended to expand oil export capacity from producing oilfields of Maysan and Halfaya, and other small fields, to al-Fao storage depots and then to offshore terminals in the Persian Gulf. Current production from the Maysan province oilfields has reached around 230,000 b/d, the official said. The export pipeline is scheduled to be operational at the start of 2014 and to start handling a planned increase of output to reach around 400,000 b/d. It will replace an existing 28-inch pipeline currently shipping crude from the southern fields in Ammara to crude storages near the city of Basra.

<http://english.alarabiya.net/articles/2013/01/22/261923.html>

Energy Prices

U.S. Oil and Gas Prices			
January 23, 2013			
	Today	Week Ago	Year Ago
CRUDE OIL West Texas Intermediate U.S. \$/Barrel	96.37	94.18	98.85
NATURAL GAS Henry Hub \$/Million Btu	3.63	3.40	2.25

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.

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

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