



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

ENERGY ASSURANCE DAILY

Wednesday Evening, January 25, 2012

Electricity

Update: Strong Winds Add 38,000 New Customer Outages in Washington State Overnight; 22,000 PSE Customers Remain without Power January 25

Strong winds Tuesday night created new power outages for Puget Sound Energy (PSE) customers in Washington, the utility said in a release this morning, cutting power to 38,000 customers. PSE reported as of 11:00 AM PST that 10,000 customers who lost power overnight remain without service, in addition to the 12,000 customers affected by last week's snow storm. The utility said it was on schedule to complete restorations to customers in parts of South King County, Pierce County, and Thurston County who have been without power for nearly a week by the end of the day Wednesday. PSE crews also expect to restore power on Wednesday to the vast majority of the 10,000 customers who lost power overnight.

<http://pse.com/accountsandservices/ServiceAlert/Pages/Real-time-Updates.aspx>

Storm Cuts Power to 21,000 CenterPoint Customers in Houston, Texas Area January 25

A powerful storm system moved through the Houston region Wednesday, causing trees limbs to fall onto power lines and damaging several transformers throughout the area. CenterPoint Energy reported more than 21,000 of its customers in the region were without power by 5:30 AM CST, according to local reports. As of 2:30 PM, CenterPoint had restored power to all but about 4,400 customers.

<http://www.chron.com/news/houston-texas/article/21-000-without-power-during-storm-2684958.php>

<http://www.kvue.com/news/Thousands-without-power-as-storms-move-across-Central-Texas-138028568.html>

<http://gis.centerpointenergy.com/outagetracker/index.html>

AEP Restarting 558 MW Welsh Coal-Fired Unit 2 in Texas January 24–28 after Trip

American Electric Power (AEP) reported Unit 2 will be in startup January 24–28 after the unit tripped Tuesday morning, according to filings with the Texas Commission on Environmental Quality.

<http://www11.tceq.state.tx.us/oc/eer/index.cfm?fuseaction=main.getDetails&target=163974>

<http://www11.tceq.state.tx.us/oc/eer/index.cfm?fuseaction=main.getDetails&target=163975>

Update: AES's 226 MW Huntington Beach Gas-Fired Unit 2 in California Returns to Service by January 24

The unit returned from an unplanned outage.

<http://content.caiso.com/unitstatus/data/unitstatus201201241515.html>

Petroleum

TransCanada May Consider Shorter Path for Its Keystone XL Project; New Route Would Carry Oil from Bakken Shale to U.S. Gulf Coast

TransCanada Corp. may consider a shorter path for its Keystone XL project, bringing oil from Montana's Bakken Shale to refineries along the U.S. Gulf Coast using existing pipe materials and current rights-of-way. An executive with the company said the move was "obviously" something the company would consider over the next few weeks, reports said. Montana's Bakken Shale is estimated to hold as much as 4.3 billion barrels of technically recoverable oil in North Dakota and Montana, according to a 2008 U.S. Geological Survey report. Production in the Bakken field may reach 750,000 b/d in 2012, an industry analyst said. The revised project scope would still require federal approval.

http://www.downstreamtoday.com/news/article.aspx?a_id=35309

Hess Shuts FCCU Due to Catalyst Problems at Its 70,000 b/d Port Reading, New Jersey Refinery January 24

Hess Corp. shut the fluid catalytic cracking unit (FCCU) due to problems with the catalyst, trade sources said Tuesday.

Reuters, 16:37 January 24, 2012

Lyondell Reports Normal FCCU Operations at Its 270,600 b/d Houston, Texas Refinery as It Prepares for Forecasted Storms January 25

Lyondell Bassell said on Wednesday that the fluidic catalytic cracking unit (FCCU) was operating normally at its Houston refinery, contrary to a report that the unit was recovering from an overnight power outage. A Lyondell spokesman said the refinery was taking precautionary steps in advance of forecasted storms, to prepare for a response if needed.

Reuters, 11:38 January 25, 2012

Pilots Halt Ship Traffic on the Houston Ship Channel in Texas January 24 Due to Fog

Pilots stopped ship traffic on the Houston Ship Channel Tuesday due to fog, the U.S. Coast Guard said. Reports indicated 27 ships, mostly tankers, awaited entry to the channel and 15 were waiting to leave. The channel serves the refinery port of Texas City.

Reuters, 18:46 January 24, 2012

Sinclair Completes Expansion Project, Increases Processing Capacity to 80,000 b/d at Its Sinclair, Wyoming Refinery

Sinclair Oil Corp. has completed a project it began in 2006 to expand its refinery in Sinclair, Wyoming, reports said Wednesday. The project has increased the plant's crude oil processing rate to more than 80,000 b/d from a past three-year average of about 53,000 b/d. Sinclair also expanded the plant's hydrocracker rate and added a coker unit and sulfur plants to the facility. The upgrades also include a new electrical substation and power redundancy measures after external power interruptions damaged equipment in December 2009. The improvements will allow Sinclair to produce 24,000 b/d more gasoline and distillate output than the previous three-year average, and they will allow the refinery to process a wide slate of feedstocks, including heavy sour crude and indigenous Utah waxy crude.

DJN, 09:55 January 25, 2012

Update: Petroplus Holdings AG Taking Steps to Shut Down Its 220,000 b/d Coryton Refinery in Southeast England as it Prepares for Insolvency January 23

<http://online.wsj.com/article/SB10001424052970203718504577180214252236568.html>

<http://www.businessweek.com/news/2012-01-24/gulf-coast-diesel-strengthens-as-petroplus-plans-for-insolvency.html>

http://www.downstreamtoday.com/news/article.aspx?a_id=35305

Natural Gas

Gulf Coast LNG Export LLC Applies for DOE Permission to Export 2.8 Bcf/d from Proposed LNG Export Terminal at the Port of Brownsville, Texas

Gulf Coast LNG Export LLC has applied for permission from the U.S. Department of Energy (DOE) to export liquefied natural gas (LNG) from a facility the company has proposed for the Port of Brownsville, on the Texas Gulf Coast. The application asks for long-term authorization to export 2.8 Bcf/d from Brownsville over 25 years. If approved by DOE, Gulf Coast will submit an application to the U.S. Federal Energy Regulatory Commission (FERC) for construction of the Brownsville facility. Upon FERC approval, Gulf Coast estimates the Brownsville facility would likely be operational in 2018.

<http://www.brownsvilleherald.com/news/gas-136220-export-natural.html>

http://www.fossil.energy.gov/programs/gasregulation/authorizations/2012_applications/12_05_lng.pdf

Update: Regency Reports AGI Compressor Shutdown at Its 290 MMcf/d Waha Gas Plant in Texas January 24 after Field Units Go Down January 22–23

Regency Energy Partners reported an acid gas injector (AGI) compressor shut down on low suction pressure Tuesday due to field compressor units going down, according to a filing with the Texas Commission on Environmental Quality (TCEQ). The company had reported numerous AGI compressor shutdowns Sunday and Monday in other TCEQ filings. Once operators brought field compressor units back online and established adequate pressure, they restarted the AGI compressor.

<http://www11.tceq.state.tx.us/oc/eer/index.cfm?fuseaction=main.getDetails&target=164005>

Other News

Kinder Morgan, Arch Coal Sign Agreement to Expand Coal Export Facilities along the U.S. Gulf Coast

Kinder Morgan Energy Partners, L.P. (KMP) yesterday announced plans to further expand its coal-handling facilities along the U.S. Gulf Coast. Concurrently, Arch Coal has signed a long-term throughput agreement with KMP that will help support the expansion of these export facilities, and the two companies are also in final discussions to include in the throughput agreement port space for coal shipments at KMP-owned facilities on the U.S. East Coast. Specific to the expansion on the Gulf Coast, KMP will install a new shiploader and a railcar loop track to handle three 135-car unit trains at its Deepwater terminal in Houston. Following completion of the project, the Deepwater terminal will have throughput capacity of 10 million tons of coal per year. KMP expects to complete the projects in the second quarter of 2014.

<http://phx.corporate-ir.net/phoenix.zhtml?c=119776&p=irol-newsArticle&ID=1652112>

TEPCO Says Backup Power for Reactor-Monitoring Device at the Fukushima Daiichi Nuclear Power Plant in Japan was Disconnected When Earthquake, Tsunami Struck

Tokyo Electric Power Co. (TEPCO) has admitted that the backup power source of a reactor-monitoring device at the Fukushima Daiichi nuclear power plant had been disconnected for four months at the time of the March 11, 2011 earthquake and tsunami, according to local reports late last week. When the plant lost its external power supply at about 2:47 PM that day, data transmissions from a media converter stopped until communications were restored two hours later. The plant's media converter monitors the state of the plant and sends data to government regulatory agencies like the Emergency Response Support System (ERSS) and the System for Prediction of Environmental Emergency Dose Information (SPEEDI), which predicts the spread of radioactive materials.

<http://mdn.mainichi.jp/mdnnews/news/20120120p2a00m0na008000c.html>

Energy Prices

U.S. Oil and Gas Prices January 25, 2012			
	Today	Week Ago	Year Ago
CRUDE OIL West Texas Intermediate U.S. \$/Barrel	98.58	100.69	85.50
NATURAL GAS Henry Hub \$/Million Btu	2.60	2.51	4.72

Source: Reuters

Energy Notes

Copper Wire Repeatedly Stolen from Southern California Edison Substation in Moorpark, California

<http://www.vcstar.com/news/2012/jan/22/3-arrested-in-moorpark-copper-theft/>

Obama Supports Hydraulic Fracturing to Tap U.S. Natural Gas, Pledges More Oil Drilling, Development of Clean Energy Sources in State of the Union Address January 24

<http://www.bloomberg.com/news/2012-01-25/obama-backs-fracking-to-create-600-000-jobs-vows-safe-drilling.html?cmpid=yhoo>

Update: Iraq ‘Indefinitely’ Postpones Exports from New 900,000 b/d Persian Gulf Oil Terminal for Technical Reasons, Cites Operational Problems

[http://en.aswataliraq.info/\(S\(1fznt55gfracz55q0rjq545\)\)/Default1.aspx?page=article_page&id=146636&l=1](http://en.aswataliraq.info/(S(1fznt55gfracz55q0rjq545))/Default1.aspx?page=article_page&id=146636&l=1)
<http://www.bloomberg.com/news/2012-01-25/iraq-postpones-persian-gulf-oil-terminal-start-indefinitely-.html>

Update: Kurdish Officials Report ExxonMobil is Preparing to Operate in Kurdistan Region of Iraq despite Opposition from Oil Ministry in Baghdad

<http://www.reuters.com/article/2012/01/25/iraq-kurds-oil-idUSL5E8CP3CZ20120125?type=companyNews&feedType=RSS&feedName=companyNews&rpc=43>

South Sudan, Kenya Sign Memorandum of Understanding to Build Oil Pipeline to Kenyan Port of Lamu

<http://www.businessweek.com/news/2012-01-25/south-sudan-kenya-sign-agreement-on-oil-pipeline-to-lamu.html>

Woodside Petroleum, Apache Corp. Suspend Some Oil Production off Australia’s Northwest Coast Due to Cyclone Forecasts January 25–27

Reuters, 02:10 January 25, 2012

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 EDT every Wednesday.

Natural Gas Weekly Update from EIA

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

Updated after 2:00 PM EDT every Thursday.

ENERGY ASSURANCE DAILY

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

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