



ENERGY ASSURANCE DAILY

Thursday Evening, January 26, 2012

Electricity

FirstEnergy to Retire Six Coal-Fired Power Plants in Ohio, Pennsylvania, and Maryland by September 2012, Cites Environmental Regulations

FirstEnergy Corp. announced today that it will retire 2,689 MW of coal-fired generation at six power plants located in Ohio, Pennsylvania, and Maryland by September 1, 2012, in response to the U.S. Environmental Protection Agency (EPA) Mercury and Air Toxics Standards (MATS) and other environmental regulations. The following plants will be retired: Bay Shore Plant, Units 2–4, Oregon, Ohio; Eastlake Plant, Eastlake, Ohio; Ashtabula Plant, Ashtabula, Ohio; Lake Shore Plant, Cleveland, Ohio; Armstrong Power Station, Adrian, Pennsylvania; and R. Paul Smith Power Station, Williamsport, Maryland. Recently, these plants served mostly as peaking or intermediate facilities, generating, on average, approximately 10 percent of the electricity produced by the company over the past three years. The plant retirements are subject to review by PJM Interconnection for reliability impacts.

https://www.firstenergycorp.com/newsroom/featured_stories/Coal_Plant_Retirements0.html

Update: NRC to Investigate January 13 Automatic Reactor Trip at 1,160 MW Wolf Creek Nuclear Plant in Kansas

The U.S. Nuclear Regulatory Commission (NRC) will send an Augmented Inspection Team (AIT) to the Wolf Creek facility to review the circumstances surrounding an automatic reactor trip and loss of offsite power that occurred there on January 13. The NRC dispatches AITs to review more significant events or issues at NRC-licensed facilities.

<http://www.nrc.gov/reading-rm/doc-collections/news/2012/12-005.iv.pdf>

Entergy Reduces 813 MW FitzPatrick Nuclear Unit in New York to 50 Percent by January 26 to Repair Condenser Waterbox

Entergy Corp. reduced rates at the plant to allow workers to perform repairs on one of the station's four main condenser waterboxes, a company spokesperson said on Thursday. Operators are installing tube plugs to stop "a very small intrusion of lake water," the spokesperson said.

Reuters, 11:36 January 26, 2012

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

APS's 1,243 MW Palo Verde Nuclear Unit 2 in Arizona Reduced to 60 Percent by January 26

On the morning of January 25 the unit was operating at full power.

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

Update: Elk Hills Power's 552 MW Elk Hills Gas-Fired Unit in California Returns to Service by January 25

The unit returned from an unplanned outage.

<http://content.aiso.com/unitstatus/data/unitstatus201201251515.html>

Update: Puget Sound Energy Restores Electricity to All Customers Who Lost Power in Winter Storms in Washington Last Week

<http://pse.com/accountsandservices/ServiceAlert/Pages/SAM.aspx>

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

http://seattletimes.nwsources.com/html/localnews/201201251515_apwapugetpoweroutages.html

BOEM to Hold Central Gulf of Mexico Oil & Gas Lease Sale in June

The U.S. Department of the Interior's Bureau of Ocean Energy Management (BOEM) will hold the consolidated Central Gulf of Mexico Lease Sale 216/222 in New Orleans on June 20, 2012. The sale will include all available unleased areas in the Central Planning Area offshore Louisiana, Mississippi, and Alabama. The proposed lease sale includes approximately 7,250 unleased blocks covering nearly 38 million acres. The blocks are located from three to about 230 miles offshore, in water depths ranging from nine to more than 11,115 feet in the Central Gulf of Mexico, a region that BOEM estimates contains close to 31 billion barrels of oil and 134 trillion cubic feet of natural gas that are currently undiscovered and technically recoverable. BOEM estimates that the Central Gulf sale could result in the production of 1 billion barrels of oil and 4 trillion cubic feet of natural gas.

<http://www.doi.gov/news/pressreleases/Obama-Administration-Announces-Proposed-Central-Gulf-of-Mexico-Oil-and-Gas-Lease-Sale.cfm>

Sunoco May Blend More Bakken Crude into Feedstock to Improve Margins at Its 335,000 b/d Philadelphia, Pennsylvania Refinery— Trade Sources

Sunoco plans to run Bakken crude at its Philadelphia refinery on a more regular basis, which could allow the plant to stay in operation beyond its current closing date in July, trade sources familiar with refinery operations said on Thursday. Using the light, sweet crude from the Bakken shale oil formation in North Dakota could boost refinery profit margins because it costs less than imported crudes priced off of North Sea Brent.

Reuters, 11:35 January 26, 2012

Northern Tier Reports Flange Leak, Emissions at Its 74,000 b/d St. Paul Park, Minnesota Refinery January 26

Northern Tier Energy reported a flange on a sulfur unit leaked due to equipment problems and released hydrogen sulfide into the air Wednesday afternoon, according to a filing with the U.S. National Response Center. Operators were trying to place a clamp on the flange to stop the leak at the time of the filing.

http://www.nrc.uscg.mil/reports/rwservlet?standard_web+inc_seq=1001285

Update: Chevron Plans to Drill Relief Well to Control Nigeria Offshore Rig Fire, Says It May Take 30 Days to Put Out

A Chevron Corp. regional operations manager recently said it may take another 30 days to put out the fire burning at the Funiwa Deep 1A gas exploration well offshore Nigeria, which started from a gas rig January 16. The cause of the fire is still under investigation, but Chevron reported last week that a possible failure of surface equipment during drilling operations may have led to a loss of well control. Chevron has contracted a rig to drill a relief well to control the fire. It will take 3–4 days for the rig to arrive at the location, and an additional 30 days to complete the drilling, the manager said. As a preventive measure, Chevron shut-in production of approximately 2,000 b/d at the nearby North Apoi platform.

<http://www.bloomberg.com/news/2012-01-26/chevron-says-nigeria-rig-fire-may-take-30-days-to-put-out.html?cmpid=yhoo>

http://www.rigzone.com/news/article.asp?a_id=114556

Update: South Sudan Parliament Approves Oil Production Shutdown ahead of Talks with Sudan in Ethiopia Friday

DJN, 10:59 January 26, 2012

Update: Petroplus Holdings AG Resumes Shipments from 220,000 b/d Coryton Refinery in Southeast England January 26

http://www.washingtonpost.com/business/uk-refinery-of-collapsed-swiss-energy-firm-petroplus-back-in-production/2012/01/26/gIQAdnhDSQ_story.html

Natural Gas

ConocoPhillips, OXY to Shut-In Natural Gas Production in 2012 Due to Lower Prices

ConocoPhillips and Occidental Petroleum Corp. (OXY) both announced Wednesday plans to shut-in domestic natural gas production due to lower commodity prices, according to news reports. ConocoPhillips will shut-in approximately 100 MMcf/d of natural gas production, according to an executive. OXY said it is cutting back on its pure natural-gas drilling in the mid-continent and South Texas due to “horrible” prices for natural gas. Both companies said it was difficult to shut-in more natural gas production because the bulk of their current output is linked to oil-liquids production, which is profitable.

<http://www.4-traders.com/CONOCOPHILLIPS-13929/news/CONOCOPHILLIPS-CORRECT-Conoco-To-Shut-In-100-Mcf-d-Of-Natural-Gas-In-12-13986313/>

<http://www.foxbusiness.com/news/2012/01/25/occidental-ceo-sees-us-oil-natural-gas-output-up-8-10-in-12/>

http://www.cnn.com/id/46133729?_source=yahoo!headline|quote|text|&par=yahoo

DCP Midstream to Build a Booster Station to Support Its 160 MMcf/d Goldsmith Gas Plant in Texas January 25

DCP Midstream (DCPM) reported its Goldsmith Gas Plant has been experiencing difficulty introducing condensed vapors from the Triethylene Glycol (TEG) Overhead Still into the plant’s 5 # inlet via two Nash vacuum pumps—the pumps’ discharge pressure isn’t very compatible with the 5 # inlet system—which sometimes leads to flaring from a pressure relief valve. To address these issues, DCPM is planning to build a booster station to help reduce the 5 # system pressure such that the TEG system vapors will be able to be introduced into the 5 # system on a consistent basis. The new booster station should be operational by June 2012.

<http://www11.tceq.state.tx.us/oc/eer/index.cfm?fuseaction=main.getDetails&target=164049>

DCP Midstream Reports Mechanical Problems at Its 70 MMcf/d Fullerton Gas Plant in Texas January 24

DCP Midstream reported its East Turbine has repeatedly shut down on fast stop latch, which has then caused the West Turbine to go down as well, on high discharge pressure. Operators put the turbines back online.

<http://www11.tceq.state.tx.us/oc/eer/index.cfm?fuseaction=main.getDetails&target=164014>

Other News

Nothing to report

Energy Prices

U.S. Oil and Gas Prices			
January 26, 2012			
	Today	Week Ago	Year Ago
CRUDE OIL West Texas Intermediate U.S. \$/Barrel	100.77	101.11	85.85
NATURAL GAS Henry Hub \$/Million Btu	2.61	2.49	4.46

Source: Reuters

Energy Notes

BOEM Director Addresses Oil and Gas Association with Outlook for Securing America’s Offshore Energy Portfolio

<http://www.boem.gov/BOEM-Newsroom/Press-Releases/2011/press01252012.aspx>

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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