



ENERGY ASSURANCE DAILY

Monday Evening, January 28, 2013

Electricity

Con Edison Proposes Plans to Protect Customers and Energy Systems from Major Storms

Consolidated Edison on Friday submitted plans for major investments to protect critical equipment and customers from devastating storms like Hurricane Sandy that have struck Greater New York in recent years. The company provided the New York State Public Service Commission (PSC) with details on long-term projects, including putting flood-proof equipment in low-lying areas, building higher flood walls around facilities, reinforcing overhead equipment and/or putting some overhead lines underground to limit outages during storms. The plans call for \$1 billion in investments through 2016, some of which could be recovered through federal funding. As part of the \$1 billion, Con Edison has already committed to spend \$250 million this year and next on storm protection measures. The company said it was also committed to providing customers with more accurate, individual restoration times, as well as offering text messaging and other mobile communications for customers who prefer them.

<http://www.coned.com/newsroom/news/pr20130125.asp>

Update: NRC Delays Restart Determination on SCE's 1,070 MW San Onofre Nuclear Unit 2 in California Until Late May

The U.S. Nuclear Regulatory Commission (NRC) has delayed until the end of May a restart determination for Southern California Edison's (SCE) damaged San Onofre Unit 2, citing the need for more time to conduct inspections at the plant. The commission had initially estimated it could issue a restart determination in early April. Both units at San Onofre have been shut since January, when operators discovered premature tube wear in the steam generators. The NRC must approve plans to restart each unit. SCE has proposed running Unit 2 at 70 percent of capacity for five months, then shutting it to inspect for additional wear on the steam generator tubes. SCE has not yet presented a restart plan for Unit 3, which has more damage than Unit 2, and the utility has stated that it will be "some time" before Unit 3 is ready for restart.

<http://www.nrc.gov/info-finder/reactor/songs/tube-degradation.html#step>

<http://www.bloomberg.com/nuclear-regulators-push-back-decision-on-san-onofre-restart-1-.html?cmpid=yahoo>

Update: FirstEnergy's 1,235 MW Perry Nuclear Unit 1 in Ohio Restarts by January 27, Ramps Up to 35 Percent by January 28

Perry 1 is returning from an outage that began January 22, when an automatic Reactor Protection System actuation occurred due to a low reactor water level signal, according to a filing with the U.S. Nuclear Regulatory Commission.

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

Exelon's 855 MW Quad Cities Nuclear Unit 2 in Illinois Restarts, Ramps Up to 18 Percent by January 28

Operators reduced Quad Cities Unit 2 from full power January 25 to 78 percent by January 26, and then shut the unit by January 27.

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

Update: Entergy's 1,075 MW Waterford Nuclear Unit 3 in Louisiana Reduced to 81 Percent by January 26

Waterford 3 is returning from an outage that began by January 22, when a low level condition on steam generator No. 1 caused the reactor to trip. Operators restarted the unit by January 24, and ramped it up to 93 percent power by January 25 before reducing it again. Technicians repaired a valve on the feedwater system, a company spokesman said.

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

<http://www.bloomberg.com/nuclear-output-increases-on-entergy-s-louisiana-reactors.html?cmpid=yahoo>

Luminant Reports ESP Hopper Leak at Its Sandow 590 MW Coal-Fired Unit 4 in Texas January 27

Luminant reported a leak developed unexpectedly in an expansion joint in the A-5 electrostatic precipitator (ESP) hopper Sunday afternoon, causing a discharge of ash to the ground and resulting in a brief episode of opacity, 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=178555>

Update: Fate of Corona Capital's 20 MW Grand View Solar One Project in Idaho Uncertain after Missing Delivery Deadline

The Grand View PV Solar One project in Elmore County has missed a deadline to deliver up to 20 MW of electricity to Idaho Power Co. by January 12, deepening uncertainty over the project's fate. The project's developer Corona Capital Partners declined to comment on the status of the project. Idaho Power Co. said it has submitted a proposed power purchase agreement to the Idaho Public Utilities Commission for approval, but declined to comment further.

<http://finance.yahoo.com/news/solar-project-fate-unclear-pact-192322460.html>

Petroleum

Hess to Pursue Sale of 70,000 b/d Port Reading, New Jersey Refinery and U.S. East Coast Terminal Network; Cites Recent Losses

Hess Corporation announced today that it will pursue the sale of its terminal network in the United States, and complete its exit from the refining business by closing its Port Reading, New Jersey refinery by the end of February. The terminal network is located along the U.S. East Coast and has a total of 28 million barrels of storage capacity in 19 terminals, 12 of which have deep water access. The terminals previously served as the primary outlet for Hess' share of production from its HOVENSA joint venture refinery, most of which was used to supply Hess' Retail and Energy Marketing businesses. With the closure of the HOVENSA refinery in 2012 as well as Hess' ability to access refined products from third parties to supply these marketing businesses, the terminal system is no longer core to the company's operations. The company's 10 million-barrel St. Lucia oil storage terminal in the Caribbean will also be included in the package for divestiture. The Port Reading refinery incurred losses in two of the past three years. The financial outlook for the facility is expected to remain challenged due to the requirement for future expenditures to comply with environmental regulations for low sulfur heating oil and the weak forecast for gasoline refining margins.

<http://phx.corporate-ir.net/phoenix.zhtml?c=101801&p=irol-newsArticle&ID=1778354>

Barge Collision, Crude Oil Spill Halts Shipping on Section of Mississippi River near Vicksburg, Mississippi January 27

The U.S. Coast Guard on Sunday reported it was responding to a crude oil spill in the lower Mississippi River near Vicksburg, where at 1:30 a.m. CST two tank barges towed by the tug *Nature's Way Endeavor* allided with the Vicksburg Railroad river bridge. A tank on one of the two barges was damaged by the collision, resulting in the spill. The actual amount of the spill had not yet been determined at the time of the Coast Guard's report, but the leaking tank contained approximately 80,000 gallons of light crude oil. The source of the leak had been contained and tank levels were being monitored for further leakage. The Coast Guard closed a section of the lower Mississippi River to all traffic from mile marker 425 to mile marker 441 near Vicksburg. A Coast Guard spokesman later said that the spill had backed up at least 21 tugboats, barges, and other vessels, and he didn't know when the shutdown would be lifted. Railroad traffic was allowed to continue after the bridge was found safe for trains, another official said Sunday.

<http://www.uscgnews.com/go/doc/4007/1689755/Coast-Guard-responds-to-report-of-crude-oil-in-Mississippi-River>
http://www.cbsnews.com/8301-201_162-57566153/oil-spill-creates-mississippi-river-bottleneck/

Gas-Oil Hydrotreater Compressor Leak Leads to Flaring at Flint Hill's 288,468 b/d Corpus Christi, Texas Refinery January 25

Flint Hills Response reported a compressor on a gas-oil hydrotreater (GOHT) in the west plant of its Corpus Christi refinery developed a leak on a flange Friday afternoon, according to a filing with the Texas Commission on Environmental Quality. When operators isolated the compressor to repair the leak, the continuous catalytic reformer unit (CCR) that was supplying hydrogen to the GOHT unit compressor over-pressured, resulting in a flaring event that continued for just over an hour.

<http://www11.tceq.state.tx.us/oc/eer/index.cfm?fuseaction=main.getDetails&target=178548>

Lyondell Reports Emissions at Its 270,600 b/d Houston, Texas Refinery January 24

LyondellBassell subsidiary Houston Refining LP reported the cause of emissions at its Houston refinery Friday night was under investigation, according to a filing with the Texas Commission on Environmental Quality. The filing lists two thermal oxidizers, the No. 2 plant flare, and the sulfur recovery complex as sources of emissions, which continued for nearly 6 hours that night.

<http://www11.tceq.state.tx.us/oc/eer/index.cfm?fuseaction=main.getDetails&target=178520>

Power Outage Shuts Sulfur Plant at BP's 265,000 b/d Carson, California Refinery January 26

BP Plc reported a power outage at its Carson refinery on Saturday resulted in the shutdown of the sulfur plant, according to a filing with the California Emergency Management Agency.

Reuters, 11:24 January 28, 2013

Natural Gas

Update: Shell and Kinder Morgan to Develop Liquefaction Plant, Export Capabilities at Southern LNG's Existing Elba Island LNG Terminal in Georgia

Shell US Gas & Power LLC, a subsidiary of Royal Dutch Shell Plc, and Southern Liquefaction Company, LLC, a Kinder Morgan company and unit of El Paso Pipeline Partners, L.P., today announced their intent to form a limited liability company to develop a natural gas liquefaction plant in two phases at Southern LNG Company, LLC's existing Elba Island LNG Terminal, near Savannah, Georgia. Subject to various corporate and regulatory approvals, Shell and Kinder Morgan affiliates have agreed to modify EPB's Elba Express Pipeline and Elba Island LNG Terminal to transport natural gas to the terminal and to load the liquefied natural gas (LNG) onto ships for export. The total project is expected to have liquefaction capacity of approximately 2.5 million tonnes per year (mtpa) of LNG or 350 MMcf/d. In June 2012, the Elba Island terminal received approval from the U.S. Department of Energy (DOE) to export up to 4 mtpa (500 MMcf/d) of LNG to Free Trade Agreement (FTA) countries. In August 2012, the terminal submitted a filing to the DOE seeking approval to export up to 4 mtpa of LNG to non-FTA countries. Phase I of the project that Shell and Kinder Morgan announced today, which seeks to develop liquefaction capacity of approximately 1.5 mtpa (210 MMcf/d), requires no additional DOE approval.

<http://www.shell.com/global/aboutshell/media/news-and-media-releases/2013/shell-and-kinder-morgan-announce-plans-to-export-lng-from-the-un.html>

DCP Midstream Reports Unplanned Repairs to Tail Gas Incinerator at Its 160 MMcf/d Goldsmith Gas Plant in Texas January 23

DCP Midstream reported it was making unplanned repairs to a tail gas incinerator at its Goldsmith plant beginning January 23 after the unit had been intermittently experiencing high sulfur dioxide emissions since January 1, according to a filing with the Texas Commission on Environmental Quality. Operators have determined a faulty CEMS analyzer to be the root cause of the problem, and operators were continuing to troubleshoot the sulfur recovery unit (SRU) to control emissions as soon as possible. This is an ongoing emissions event. The replacement spectrometer is expected to arrive during the week of January 28.

<http://www11.tceq.state.tx.us/oc/eer/index.cfm?fuseaction=main.getDetails&target=178443>

Southern Shuts Engine for Unspecified Maintenance and Repairs at Its 140 MMcf/d Keystone Gas Plant in Texas January 24

Southern Union Gas Services reported flaring at its Keystone plant Thursday morning after it shut Engine No. 20 for unspecified maintenance and repair, 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=178477>

Enbridge Reports AGI Unit Shutdowns, Brief Compressor Fire in Separate Events at Its Tilden Gas Plant in Texas January 24 and January 27

Enbridge reported acid gas injector (AGI) Units 1 and 2 at its Tilden plant went down last Thursday as a result of fluctuating pressures created by a pigging event, according to a filing with the Texas Commission on Environmental Quality (TCEQ). Emissions related to that incident lasted about 4 hours. The plant reported Sunday that a malfunction with a solar turbine compressor ignited a fire, which was quickly extinguished, according to another TCEQ filing. All appropriate systems were shut in and secured, the filing said.

<http://www11.tceq.state.tx.us/oc/eer/index.cfm?fuseaction=main.getDetails&target=178556>

<http://www11.tceq.state.tx.us/oc/eer/index.cfm?fuseaction=main.getDetails&target=178486>

Update: U.S. Appeals Court Vacates EPA's 2012 Cellulosic Biofuel Mandate Citing Lack of Domestic Supply

The U.S. Court of Appeals for the District of Columbia on Friday vacated a 2012 biofuel requirement the U.S. Environmental Protection Agency (EPA) was enforcing under its Renewable Fuel Standard, which would have fined U.S. refiners, fuel importers, and blenders for not buying cellulosic fuel even though the fuel wasn't available on the market. The EPA had required the oil industry to purchase 8.65 million gallons of cellulosic fuel made from inedible parts of plants in 2012, or pay a fine. But only about 20,000 gallons of cellulosic fuel were produced last year, according to EPA data, and the oil industry said it was facing more than \$8 million in fines as a result. In June, the American Petroleum Institute filed a federal lawsuit arguing the EPA was "systematically" overestimating the amount of cellulosic fuel that would be produced. The court agreed, and on Friday vacated the 2012 requirement for fuel made from inedible parts of plants, and said the agency should make future decisions consistent with Friday's ruling.

<http://www.hydrocarbonprocessing.com/Article/3146944/Latest-News/US-appeals-court-overturms-key-portion-of-EPA-s-renewable-fuels-mandate.html>

POET to Temporarily Suspend Production at Its 46 MMGal/Year Macon Ethanol Plant in Missouri Due to a Lack of Available Corn after Last Season's Drought

POET Biorefining on Friday announced it will temporarily suspend operations at its Macon, Missouri ethanol plant effective February 1 due primarily to a lack of available local corn after last season's drought. There is currently no timeline for resuming production, but operators are planning to move forward with a number of planned upgrades at the plant during the downtime, including new technology to produce corn oil and reduce heat/energy use; a new control system; a new, more efficient evaporator; and a new administration building and scale house. The plant will also continue to purchase corn for future use as it becomes available.

<http://www.poet.com/pr/poet-macon-temporarily-suspends-production-due-to-drought>

Two Workers at Entergy's Indian Point Nuclear Power Plant in New York Accused of Copper Theft

New York State Police have charged two men working at Entergy Corp.'s Indian Point Nuclear Power Plant with theft after they stole copper cable from the plant. One worker on Friday was charged with theft after stealing several thousand pounds of copper worth more than \$10,000 and selling it at a scrap yard. Two weeks ago another Indian Point worker was charged with stealing \$50,000 worth of copper cable and scrap from the plant. Police officials say they're still working to determine the full scope of what was stolen.

<http://finance.yahoo.com/news/2nd-entergy-uke-plant-worker-193601393.html>

International News

Saboteurs Bomb 110,000 b/d Maarib Crude Oil Pipeline in Yemen January 25

Armed tribal attackers late last Friday bombed Yemen's 110,000 b/d Maarib crude oil pipeline, which is the country's main oil export pipeline transporting crude to the Ras Isa export terminal on the Red Sea coast. The blast shut the pipeline, nearly two weeks after it was repaired following an attack that shut the pipeline January 10. The attack was the eighth of its kind in two months targeting the pipeline.

<http://www.nzweek.com/world/tribal-attackers-bomb-yemens-oil-export-pipeline-45014/>

<http://news.yahoo.com/attackers-blow-main-oil-pipeline-yemen-officials-071906509.html>

Officials Report No Disruption after Militants Attack Natural Gas Pipeline in Northern Algeria January 28 – Sources

DJN, 11:40 January 28, 2013

Pipeline Leak Halts Crude Loadings from Russia's Southern Export Outlet at the Black Sea Port of Novorossiysk January 27; Flows Expected to Resume by January 29

<http://www.brecorder.com/markets/energy/europe/103509-russia-stops-oil-flows-to-novo-after-pipeline-leak.html>

Energy Prices

U.S. Oil and Gas Prices			
January 28, 2013			
	Today	Week Ago	Year Ago
CRUDE OIL West Texas Intermediate U.S. \$/Barrel	95.62	95.10	99.60
NATURAL GAS Henry Hub \$/Million Btu	3.42	3.44	2.68

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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