



ENERGY ASSURANCE DAILY

Wednesday Evening, February 1, 2012

Electricity

Update: Exelon Restores Offsite Power to the 1,136 MW Byron Nuclear Unit 2 in Illinois January 31, Makes Preparations to Restart the Unit

Exelon restored offsite power to the Byron 2 reactor at 8:00 PM local time Tuesday and began preparations to restart the unit, but it is unclear how soon the reactor could return to service, an Exelon spokeswoman said. Crews replaced a line insulator that failed in the switchyard Monday morning, falling off the metal structure to which it was attached and interrupting power, which caused the reactor to automatically shut. The NRC began a special inspection into how some water pumps, which help cool the reactor, responded to the outage, an NRC spokeswoman said. Some pumps are designed to switch off after a set period of time during under-voltage events and must be manually restarted. However some of those pumps shut down and restarted on their own after Monday's power outage.

<http://www.star-telegram.com/2012/01/31/3701496/nrc-investigating-ill-nuclear.html>

<http://www.bloomberg.com/news/2012-02-01/exelon-s-byron-2-reactor-in-illinois-restores-power-nrc-says.html?cmpid=yhoo>

SCE Shuts 1,080 MW San Onofre Nuclear Unit 3 in California January 31 Due to Steam Generator Leak

Southern California Edison (SCE) reported it elected to manually trip Unit 3 on Tuesday evening when sensors detected a steam generator leak, according to a filing with the U.S. Nuclear Regulatory Commission (NRC). The leak was confined within the containment vessel surrounding the reactor, an SCE spokesman said, and was so minor that neither SCE nor NRC rules required a shutdown. The company decided to shut the unit as a precaution, and crews will inspect the area where the leak occurred sometime Wednesday. Unit 2 at the plant is currently shut for refueling and was not affected by the event. The SCE spokesman said the utility has ample reserve electricity, which it buys from independent power producers, to continue meeting customer demands while both units at the plant are shut.

Reuters, 05:03 February 1, 2012

<http://finance.yahoo.com/news/San-Onofre-Nuclear-Generating-bw-2773255153.html?x=0>

<http://www.nrc.gov/reading-rm/doc-collections/event-status/event/2012/20120201en.html>

Update: Entergy's 1,075 MW Waterford Nuclear Unit 3 in Louisiana at Full Power by February 1

On the morning of January 31 the unit was operating at 55 percent.

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

Update: Watson Cogeneration's 417 MW Watson Gas-Fired Unit in California Returns to Service by January 31

The unit returned from an unplanned curtailment of 232 MW.

<http://content.caiso.com/unitstatus/data/unitstatus201201311515.html>

Update: AEP Begins Operation of 580 MW Dresden Natural Gas-Fired Power Plant in Ohio

American Electric Power has begun commercial operation of the Dresden natural gas-fired power plant, a nominal 580 MW combined-cycle generating unit. The Dresden plant will supply electricity to AEP's Appalachian Power customers in West Virginia, Virginia and Tennessee.

<http://www.aep.com/newsroom/newsreleases/?id=1741>

Update: District Court Ruling January 31 Likely to Delay Construction on Sunflower Electric Power's Proposed 875 MW Coal-Fired Power Plant in Kansas

A U.S. District Court judge ruled Tuesday that the Rural Utilities Service (RUS), which is part of the U.S. Department of Agriculture, must complete an environmental impact study before granting any approvals to Sunflower Electric Power Corp. for its proposed 875 MW coal-fired power plant near Holcomb, Kansas. The decision will likely delay construction of the plant, but a Sunflower spokeswoman said the utility has yet to determine how the ruling will affect the project.

http://www.cbsnews.com/8301-505245_162-57369317/judges-ruling-puts-kan-power-plant-on-hold/

Petroleum

Update: Refiners, United Steel Workers Union Reach Agreement to Avert Strike at U.S. Refineries

U.S. refiners and the United Steel Workers (USW) came to a tentative agreement for new three-year contracts hours before the deadline Tuesday, averting a strike. A USW spokeswoman said details of the agreement would be officially released after union members accept the agreement, which could take weeks.

http://www.downstreamtoday.com/news/article.aspx?a_id=35389

<http://www.prnewswire.com/news-releases/usw-reaches-tentative-three-year-agreement-with-oil-industry-138447689.html>

Marathon Shuts Hydrocracker Due to Leak at Its 490,000 b/d Garyville, Louisiana Refinery January 31

Marathon Petroleum reported a leak in hydrocracker Unit 215 Tuesday night resulted in a release of hydrogen sulfide to the air, according to a filing with the U.S. National Response Center (NRC). Operators were shutting the unit for inspection, the filing said.

http://www.nrc.uscg.mil/reports/rwservlet?standard_web+inc_seq=1001828

ConocoPhillips Reports Unspecified Process Upset, Emissions at Its 146,000 b/d Borger, Texas Refinery January 31

<http://www11.tceq.state.tx.us/oc/eer/index.cfm?fuseaction=main.getDetails&target=164297>

Alon Reports Diesel Hydrotreater Snag at Its 67,000 b/d Big Spring, Texas Refinery February 1

Alon reported Wednesday that it was routing off-gas compressor (OGC) feeds to a control device because the GOH stripper OH receiver level indicator gave a false level and liquid was carried over, shutting down the OGC.

<http://www11.tceq.state.tx.us/oc/eer/index.cfm?fuseaction=main.getDetails&target=164292>

Natural Gas

MarkWest Announces Expansion Plans for Processing and Fractionation Infrastructure for the Marcellus and Utica Shales

MarkWest Energy Partners, L.P. announced yesterday its expansion plans to build more than 600 MMcf/d of additional processing capacity and 140,000 b/d of incremental fractionation capacity serving the Marcellus and Utica Shales, including:

- A 400 MMcf/d expansion of its Majorsville, Pennsylvania processing complex, bringing total cryogenic processing capacity to 670 MMcf/d.
- An additional de-ethanization facility at its Houston, Pennsylvania processing complex that will increase MarkWest's production capacity of purity ethane from 75,000 b/d in mid-2013 to 115,000 b/d by 2014.
- A new processing complex in Harrison County, Pennsylvania that will include 200 MMcf/d of cryogenic processing capacity and is expected to begin initial operations in mid-2013.
- 100,000 b/d of fractionation, storage, and marketing capacity in Harrison County.
- A new processing complex in Monroe County, Pennsylvania. MarkWest is finalizing the design capacity of the Monroe County complex, which is also expected to begin operations in 2013.

<http://investor.markwest.com/phoenix.zhtml?c=135034&p=irol-newsArticle&ID=1654927>

Cheniere Energy to Consider 2 Additional Liquefaction Trains at Sabine Pass LNG Terminal in Louisiana

Cheniere Energy will consider adding two more liquefaction trains to the Sabine Pass liquefied natural gas (LNG) facility after recently completing commercial contracts for four trains at the terminal, a company spokesperson confirmed Tuesday. Cheniere owns the 4 Bcf/d Sabine Pass LNG receiving terminal located on the Sabine Pass Channel in western Cameron Parish, Louisiana and is developing a project to add liquefaction and export capabilities to the existing infrastructure, including four liquefaction trains capable of producing up to 18 million tonnes per annum of LNG.

http://www.rigzone.com/news/article.asp?a_id=114754

Navistar and Clean Energy to Build Natural Gas-Powered Heavy Trucks, 150 LNG Fueling Stations

Navistar, Inc. today announced a strategic partnership with Clean Energy Fuels Corp. that will provide customers with a solution for adding natural gas-powered trucks to their fleets. Navistar plans to offer a natural gas fuel option on almost all its trucks by the end of 2013, according to a spokesman. Clean Energy has announced plans to open 150 stations selling liquefied natural gas, including 70 stations in 33 states by the end of 2012.

Reuters, 11:15 February 1, 2012

<http://www.navistar.com/Navistar/News/Newsroom#>

ExxonMobil Not Curtailing Natural Gas Production amid Supply Glut, Low Prices; Plans to Move More Rigs to Oil-Based Plays

ExxonMobil announced it is not curtailing any natural gas production to counter oversupply and the lowest prices in 10 years, but it has moved rigs over to more lucrative oil-based plays, the company said on Tuesday. The company is still drilling dry gas wells that provide good economics, an executive said.

Reuters, 13:25 January 31, 2012

Other News

Update: Aventine to Restart Construction of 38 MMGal/Yr. Ethanol Plant in Canton, Illinois in March after Technical Delays; Plans Production by Summer 2012

Aventine Renewable Energy Holdings, Inc. announced yesterday it is resuming work on its ethanol plant located in Canton, Illinois. In September 2011, Aventine delayed the plant's startup due to uncertainty surrounding its ability to secure critical third-party technical and engineering support. The company has now secured the support necessary to move the project forward and plans to restart construction in March and commence production in summer 2012.

http://www.aventinereis.com/pdfs/Press_Release_31JAN12.pdf

Growing Power Hairy Hill Constructing 10 MMGal/Yr. Ethanol Plant at Its Integrated Biorefinery in Edmonton, Canada

Second-phase construction to build an ethanol plant is underway at the Growing Power Hairy Hill integrated biorefinery in Edmonton, which already produces 1 MW of power for the provincial grid from manure and other waste at the facility. The ethanol plant will be opened this fall and will use 110,000 metric tonnes of low-quality, high-starch feed grain from local farmers to yield 40 million litres of ethanol per year.

http://www.growingpower.com/index.php?page_id=1002

http://www.growingpower.com/index.php?area_id=1001&page_id=1003&article_id=29&LIMIT=

International News

Nothing to report

Energy Prices

U.S. Oil and Gas Prices			
February 1, 2012			
	Today	Week Ago	Year Ago
CRUDE OIL West Texas Intermediate U.S. \$/Barrel	98.40	98.58	89.96
NATURAL GAS Henry Hub \$/Million Btu	2.51	2.60	4.42

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 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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