



ENERGY ASSURANCE DAILY

Monday Evening, February 04, 2013

Major Developments

Electrical Load Abnormality Causes Partial Power Loss During the Super Bowl at the Mercedes-Benz Superdome in New Orleans February 3

Entergy Corporation and SMG, the management company that operates the Mercedes-Benz Superdome in New Orleans, on Monday issued a joint press release regarding the partial power loss during the Super Bowl yesterday. The outage cut power to the scoreboard and the overhead lights across half the stadium, interrupting the game for about 35 minutes. Shortly after the beginning of the second half of the game, a piece of equipment that is designed to monitor electrical load sensed an abnormality in the system. Once the issue was detected, the sensing equipment operated as designed and opened a breaker, causing power to be partially cut to the Superdome in order to isolate the issue. Backup generators kicked in immediately as designed. Entergy and SMG subsequently coordinated start up procedures, restoring power to the Superdome. The fault-sensing equipment activated where the Superdome equipment intersects with Entergy's feed into the facility. No additional issues were detected. Entergy and SMG will continue to investigate the root cause of the abnormality. New Orleans Mayor Mitch Landrieu said he was expecting a full after-action report from all parties involved.

http://www.entergy.com/news_room/newsrelease.aspx?NR_ID=2664

<http://www.reuters.com/article/2013/02/04/nfl-superbowl-lights-idUSL1N0B407E20130204?feedType=RSS&feedName=cyclicalConsumerGoodsSector&rpc=43>

Electricity

Duke Energy to Retire 710 MW of Coal-Fired Generation at Its Buck and Riverbend Power Plants in North Carolina by April 2013 in Advance of Federal Environmental Regulations

Duke Energy on Friday announced its Buck and Riverbend coal-fired power plants near Charlotte, North Carolina will retire two years earlier than scheduled. Both stations had been slated for retirement in April 2015 in advance of upcoming federal environmental regulations; however, the company has elected to retire Buck Units 5 and 6, 128 MW each, and Riverbend Units 4 through 7 on April 1, 2013. Riverbend Units 4 and 5 are 94 MW each; Units 6 and 7 are 133 MW each. The units have been operating infrequently in recent years and in the future would have operated even less due to the recent completion of new, more-efficient plants and low natural gas prices.

<http://www.duke-energy.com/news/releases/2013020101.asp>

Entergy's 653 MW Pilgrim Nuclear Unit 1 in Massachusetts Reduced to 80 Percent Due to Inoperable Safety Relief Valve February 3

Entergy Nuclear reported that on Sunday afternoon, with the reactor at 100 percent power, a safety relief valve was declared inoperable due to an observed reduction in the first-stage pilot valve temperature of greater than 35 degrees Fahrenheit from baseline temperatures, according to a filing with the U.S. Nuclear Regulatory Commission.

Operators reduced reactor power to approximately 80 percent, at which time the relief valve parameters returned or trended to normal steady-state values. Operators were evaluating the operability of the valve. If they cannot restore the valve to a normal operable status, they may initiate a plant shutdown if it's required by technical specifications.

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

<http://www.nrc.gov/reading-rm/doc-collections/event-status/event/2013/20130204en.html>

Update: Con Edison, NYPA Propose Contingency Plan for Potential Closure of Entergy's Indian Point Nuclear Power Plant in New York

Consolidated Edison Inc. and the New York Power Authority (NYPA) on Friday submitted to the New York Public Service Commission a proposed contingency plan for the potential closure of Entergy's 2,063 MW Indian Point nuclear power plant upon the expiration of its existing licenses by the end of 2015. Entergy has applied to renew for 20 more years the operating licenses for the two reactors at the plant, but New York Governor Andrew Cuomo wants to shut the reactors when their operating licenses expire in 2013 and 2015 because of the plant's proximity to the New York metro area, home to some 19 million people. Entergy maintains that the plant will continue to safely operate. The station is located 40 miles north of Manhattan and supplies a quarter of the metro area's electric supply. On Friday, Con Edison and NYPA proposed a combination of transmission, generation, and energy conservation measures needed to maintain electric service in New York City if the Indian Point nuclear plant is forced to close.
<http://www.reuters.com/article/2013/02/02/utilities-conedison-indianpoint-idUSL1NOB1L7I20130202?feedType=RSS&feedName=marketsNews&rpc=43>
http://www.nypa.gov/LAW1-346789-v1-IP_Contingency_Plan_Redacted.pdf

Update: Entergy's 1,207 MW Grand Gulf Nuclear Unit 1 in Mississippi at Full Power by February 2

Grand Gulf 1 is returning from an outage that began January 14, when the reactor scrambled at full power due to what appeared to be a turbine/generator trip. Operators restarted the reactor by January 29.
<http://www.nrc.gov/reading-rm/doc-collections/event-status/reactor-status/2013/>

Update: CDWR's 933 MW Hyatt-Thermalito Hydro Unit in California Returns to Service by February 3

The California Department of Water Resources (CDWR) reported its Hyatt-Thermalito hydro unit returned from a curtailment of 793 MW that began by February 2, due to both planned and unplanned causes. Prior to the curtailment of 793 MW, the unit had been curtailed by 639 MW for planned and unplanned reasons since January 11.
<http://content.caiso.com/unitstatus/data/unitstatus201302031515.html>
<http://content.caiso.com/unitstatus/data/unitstatus201301111515.html>

Inland Empire Energy Center's 366 MW Inland Natural Gas-Fired Unit 2 in California Reduced by February 2

The unit entered an unplanned curtailment of 196 MW.
<http://content.caiso.com/unitstatus/data/unitstatus201302021515.html>

GenOn's 320 MW Etiwanda Natural Gas-Fired Unit 4 in California Returns to Service by February 3

The unit returned from an unplanned outage that began by February 1.
<http://content.caiso.com/unitstatus/data/unitstatus201302031515.html>
<http://content.caiso.com/unitstatus/data/unitstatus201302011515.html>

Update: Mirant's 312 MW Pittsburg Natural Gas-Fired Unit 5 in California Returns to Service by February 2

The unit returned from an outage that began by January 14 and was due to both planned and unplanned causes.
<http://content.caiso.com/unitstatus/data/unitstatus201302021515.html>

Update: Luz Solar Partner's 175 MW Luz Solar Units 3-7 in California Return to Service by February 2

The units returned from an unplanned curtailment of 120 MW that began by February 1. Prior to the curtailment, the units had been shut due to unplanned causes since January 16.
<http://content.caiso.com/unitstatus/data/unitstatus201302021515.html>
<http://content.caiso.com/unitstatus/data/unitstatus201302011515.html>

Pacific Gas & Electric's 154 MW Kerkhoff Hydro Unit 1 in California Shut by February 3

The unit entered an unplanned outage.
<http://content.caiso.com/unitstatus/data/unitstatus201302031515.html>

Update: NRG Announces Commercial Operation of 66 MW Alpine Solar Power Plant in California

NRG Energy, Inc., through its wholly owned subsidiary NRG Solar, on Friday announced the start of commercial operations for the Alpine Solar Generating Station, a 66 MW (AC) photovoltaic facility. The station's electricity will be sold to Pacific Gas & Electric under a 20-year power purchase agreement.

http://phx.corporate-ir.net/phoenix.zhtml?c=121544&p=irol-newsArticle_Print&ID=1780690

Columbia Solar Proposes Building a 20 MW Solar Power Plant in Pittsburg, California

Columbia Solar Energy, a subsidiary of LS Power, has proposed building a 20 MW solar power facility in Pittsburg, California and selling the facility's electricity to Pacific Gas & Electricity to help the utility meet a California mandate requiring 33 percent of its energy portfolio come from renewable resources by 2020. Pending required state and local approvals, construction could start in the fall of this year, with the project generating power by mid-2014.

http://www.insidebayarea.com/crime-courts/ci_22499993/solar-power-facility-proposed-pittsburg?source=rss

Petroleum

Update: PBF Shuts FCCU, Reduces Other Units at Its 125,600 b/d Toledo, Ohio Refinery Due to Fire January 30; Says It Will Take Several Weeks to Resume Normal Operations

PBF Energy Inc. has issued more details regarding a previously reported fire that occurred at its Toledo refinery last Wednesday. A drop in steam pressure at the refinery on January 30 was followed by a brief fire within the fluid catalytic cracking unit (FCCU) complex beginning at 11:50 p.m. EST. Emergency response personnel extinguished the fire in approximately 25 minutes. The FCCU was the only unit involved, and it has been temporarily shut down. The refinery's other processing units are currently running at reduced rates or on standby. The company expects that it will take several weeks for the refinery to return to planned operations. A full investigation into the cause of the incident was underway.

http://www.downstreamtoday.com/news/article.aspx?a_id=38429

Vacuum Tower Leak Causes Brief Fire at Alon's 67,000 b/d Big Spring, Texas Refinery During Repairs February 3

Alon USA Energy Inc. said a fire at a vacuum tower at its Big Spring refinery was quickly extinguished on Sunday. The fire ignited due to a leak from the bottom of the vacuum tower, which operators were in the process of shutting down for repairs. Alon had on January 29 announced plans to make repairs to the facility's vacuum tower, and said the maintenance was expected to take approximately 10 days to complete. The refinery reported Sunday that preliminary inspections indicated the fire had caused only minor damage and should have little, if any, impact on the duration of the previously announced maintenance work. A filing with U.S. National Response Center said the fire was reported at a natural gas processing facility of the refinery.

Reuters, 10:15 February 4, 2013

<http://phx.corporate-ir.net/phoenix.zhtml?c=190387&p=RssLanding&cat=news&id=1779159>

http://www.nrc.uscg.mil/reports/rwservlet?standard_web+inc_seq=1037441

Incinerator Malfunction Causes SRU Emissions at Husky's 146,200 b/d Lima, Ohio Refinery February 2

Husky Energy Inc. reported a malfunction in an incinerator at its Lima refinery Saturday morning caused hydrogen sulfide to release from a sulfur recovery unit (SRU), according to a filing with the U.S. National Response Center. Operators corrected the problem that had caused the incinerator to trip, the filing said.

http://www.nrc.uscg.mil/reports/rwservlet?standard_web+inc_seq=1037319

Valero Reports Tank Spill at Its 199,500 b/d Texas City, Texas Refinery February 2

Valero Energy Corp. reported a spill from Tank 491 at its Texas City refinery Saturday night, according to a filing with the Texas Commission on Environmental Quality. Operators said the spill had been contained.

<http://www11.tceq.state.tx.us/oce/eer/index.cfm?fuseaction=main.getDetails&target=178840>

Suncor Reports Unspecified Process Work, Flaring at Its 135,000 b/d Edmonton, Alberta Refinery February 3

Suncor Energy Inc. on Sunday reported unspecified operational process work and flaring at its Edmonton refinery, according to a message on a community hotline.

Reuters, 20:24 February 3, 2013

Genesis Energy to Expand Gulf Coast Crude Oil Terminal, Pipeline, and Unit Train Assets to Connect with ExxonMobil's 503,000 b/d Baton Rouge, Louisiana Refinery

Genesis Energy, L.P. today announced the company plans to improve existing assets and develop new infrastructure in Louisiana to connect into ExxonMobil's 503,000 b/d Baton Rouge refinery. Genesis will improve its existing terminal at Port Hudson, Louisiana and build a new 18-mile, 20-inch crude oil pipeline connecting Port Hudson to the Baton Rouge Maryland Terminal and continuing downstream to the Anchorage Tank Farm. The new pipeline will have an ultimate capacity of about 350,000 b/d, and in addition to its connection to ExxonMobil's Baton Rouge refinery, the pipeline will have potential access to other local refineries representing approximately 140,000 b/d of capacity. The company also plans to build a new crude oil unit train facility at the Maryland Terminal. At Port Hudson, Genesis will construct approximately 200,000 barrels of storage capacity to complement its 216,000 barrels of existing tank capacity, and the company will make improvements to its existing barge dock and truck station. Project construction is scheduled to begin in early 2013. The Port Hudson upgrades and new crude oil pipeline are expected to be completed by the end of 2013, and the Maryland Terminal construction is scheduled for completion in the second quarter of 2014.

http://www.genesisenergy.com/assets/Investors/Press_Releases/2013-02-04.pdf

Update: Magellan Midstream to Build New Pipeline and Terminal Infrastructure to Transport Crude Oil from Galena Park, Texas to Houston and Texas City Refineries

Magellan Midstream Partners, L.P. today announced that it plans to construct new pipeline and terminal infrastructure at the partnership's Galena Park, Texas terminal to transport crude oil from the company's Gulf Coast distribution system to refineries in the Houston and Texas City area. This project is supported by long-term committed volumes and is expected to be fully operational by mid-2014, subject to necessary permitting.

<http://www.magellanlp.com/magellannews.aspx?id=2147483776>

Marathon Closes on Its Purchase of BP's 451,000 b/d Texas City, Texas Refinery and Related Assets; Plans Unspecified Upgrades

Marathon Petroleum Corporation (MPC) on Friday announced that it has closed on the previously announced transaction with BP to purchase several assets, including a 451,000 b/d refinery in Texas City, Texas. The refinery will be renamed and referred to in future MPC communications as the Galveston Bay refinery. The transaction also includes a 1,040 MW cogeneration facility, four light product terminals located in the U.S. Southeast, retail gasoline stations, and three operating intrastate natural gas liquids pipelines originating at the refinery. Marathon is also planning unspecified upgrades to the refinery, according to media reports.

http://www.marathonpetroleum.com/News/Press_Releases/Press_Release/?id=1780580

<http://www.hydrocarbonprocessing.com/Article/3148626/Latest-News/Marathon-Petroleum-plans-new-name-upgrade-for-BP-Texas-City-refinery.html>

PBF Energy Announces Completion of Second Crude Oil Unloading Facility at Its Delaware City, Delaware Refinery and Additional Investment in Rail Infrastructure

PBF Energy Inc. today announced the completion of the second crude oil unloading facility at its subsidiary's Delaware City refinery. The construction of the 70,000 b/d rail facility was announced in mid-2012 and was completed on schedule and on budget. The first unit train of Bakken crude oil is expected to discharge this week with seventeen more unit trains scheduled to arrive over the next two weeks. With the completion of this project, the Delaware City rail facilities are now capable of discharging 110,000 b/d of crude oil directly at the refinery—40,000 b/d of heavy crude oil and 70,000 b/d of light crude oil. PBF Energy is developing a project to add an additional 40,000 b/d of heavy crude unloading capability to the rail facility, and expects to complete that project in the fourth quarter of 2013. The company further announced that it has entered into agreements for an additional 2,000 coiled and insulated rail cars capable of handling heavy crude oil and 500 general purpose cars, to be delivered beginning in 2014 and in 2013, respectively.

<http://investors.pbfenergy.com/phoenix.zhtml?c=250880&p=irol-newsArticle&ID=1780822>

Natural Gas

Acid Gas Compressor Shutdown Causes Flaring at Targa's 150 MMcf/d Sand Hills Gas Plant in Texas February 3

Targa reported acid gas compressor C-14 at its Sand Hills plant shut down on high second-stage compressor pressure Sunday morning, resulting in the flaring of acid gas, 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=178847>

Steam Level Control Malfunction Leads to Sulfur Plant Shutdown at Regency's 70 MMcf/d Eustace Gas Plant in Texas February 2

Regency Energy Partners reported that the No. 250 steam level control at its Eustace plant failed Saturday evening, giving a false control reading, which caused operators to initiate shutdown procedures at the sulfur plant, 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=178846>

Other News

Update: Coast Guard Reopens Mississippi River at Vicksburg to Towboat Traffic by February 2

The U.S. Coast Guard on Saturday announced it had reopened the Mississippi River to north- and southbound towboat traffic through a 16-mile stretch of the river near Vicksburg, Mississippi, where two tank barges had on January 27 collided with the Vicksburg Railroad river bridge. The collision damaged a tank carrying approximately 80,000 gallons of light crude oil, causing a spill and halting traffic between mile marker 425 and mile marker 441 near Vicksburg for several days. It remains unclear exactly how much oil was spilled, but reports last Friday indicated about 7,650 gallons of "oil-water mixture" had been recovered since the accident. The Coast Guard on Saturday reduced the safety zone to one mile centered on either side of the two barges, with no passing or overtaking within the zone. Workers had effectively removed the oil product in the tank barges MOC-12 and MOC-15, and had completed damage assessments and temporary repairs to prepare the barges for transit to a waiting marine facility. The barges will be moved following approval of a transit plan.

<http://www.uscgnews.com/go/doc/4007/1697035/Coast-Guard-reopens-Mississippi-River-to-towboat-traffic>

International News

Sudan Sells Disputed Oil from South Sudan to United Arab Emirates after Talks Fail

<http://www.reuters.com/article/2013/02/04/sudan-oil-idUSL5N0B0FKP20130204>

Nigerian Pirates Allegedly Hijack French Oil Tanker Off the Ivory Coast February 3

<http://english.alarabiya.net/articles/2013/02/04/264301.html>

Update: Cause of Explosion at Petroleos Mexicanos Headquarters January 31 Remains Unclear as Investigation Continues February 3

<http://www.bloomberg.com/news/2013-02-04/pemex-blast-death-toll-rises-to-36-as-investigation-continues.html>

<http://latino.foxnews.com/latino/news/2013/02/04/mexico-more-bodies-pulled-from-mexico-oil-company-explosion-rubble/>

Energy Prices

U.S. Oil and Gas Prices			
February 4, 2013			
	Today	Week Ago	Year Ago
CRUDE OIL			
West Texas Intermediate U.S.	96.32	95.62	97.26
\$/Barrel			
NATURAL GAS			
Henry Hub	3.34	3.42	2.30
\$/Million Btu			

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

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