



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

ENERGY ASSURANCE DAILY

Thursday Evening, February 09, 2012

Electricity

Update: Southern Approved to Operate Two New 1,100 MW Nuclear Units at Its Vogtle Nuclear Power Plant in Georgia February 9

The U.S. Nuclear Regulatory Commission (NRC) on Thursday approved a license for Southern Company to build and operate two new 1,100 MW Westinghouse AP1000 nuclear reactors at the Alvin W. Vogtle nuclear plant near Waynesboro, Georgia, according to a release. Southern Co. plans to begin operating Unit 3 in 2016 and Unit 4 in 2017.

http://www.southerncompany.com/news/dyn_pressroom.aspx?s=43&item=2491

SWEPSCO Drafting Plans to Retrofit Its 528 MW Coal-Fired Flint Creek Power Plant in Arkansas to Comply with EPA Pollution Rules

American Electric Power (AEP) subsidiary Southwestern Electric Power Co. (SWEPSCO) on Wednesday filed a request asking the Arkansas Public Service Commission (APSC) to review the company's plans to install environmental controls at the Flint Creek plant in Gentry, Arkansas. To comply with new U.S. Environmental Protection Agency (EPA) regulations, the utility must install additional environmental controls to continue operating the plant beyond 2015, or it must replace that generating capacity to serve Northwest Arkansas, a company executive said in a release Wednesday.

<https://www.swepco.com/info/news/viewRelease.aspx?releaseID=1187>

Update: LS Power Breaks Ground on 738 MW West Deptford Natural Gas-Fired Power Plant in New Jersey

LS Power recently broke ground on the West Deptford plant, groups that support the project said Wednesday, although the company has not yet secured a power purchase contract. The company has said it expects the combined-cycle plant to begin commercial operation in 2014.

<http://www.reuters.com/article/2012/02/08/utilities-lspower-westdeptford-idUSL2E8D8AF120120208?feedType=RSS&feedName=rbssEnergyNews&rpc=43>

Minnesota Power Proposes New Transmission Lines Connecting Winnipeg to Iron Range and Duluth, Minnesota

Minnesota Power, a division of ALLETE, Inc., on January 26 received approval from the Minnesota Public Utilities Commission for a long-term 250 MW hydropower purchase agreement with Manitoba Hydro beginning in 2020. The company has now filed a transmission expansion plan through the Midwest Independent Transmission System Operator (MISO). Minnesota Power and Manitoba Hydro are proposing construction of a 500 kV line expected to extend southward from Winnipeg and connect to a substation on the Mesabi Iron Range, for service in 2020.

Minnesota Power also is involved in a project with American Transmission Co. (ATC) to evaluate the joint development of a double-circuit 345 kV line from the Iron Range to Duluth for service in approximately 2020.

<http://finance.yahoo.com/news/New-Transmission-Would-Bring-bw-2516912537.html?x=0>

Update: Exelon's 1,131 MW Byron Nuclear Unit 2 in Illinois Ramped Up to 96 Percent by February 9

On the morning of February 8 the unit was operating at 53 percent.

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

Update: Kinder Morgan Reports 48-Hour Power Outage at Its Carteret, New Jersey Petroleum Products Terminal Last Weekend

Kinder Morgan reported an outage at its Carteret facility was caused when a local utility had a power outage over the weekend. The company was able to restore operations after 48 hours, a spokeswoman said. The terminal connects to several pipelines, including Colonial and Buckeye. Buckeye Pipeline on Wednesday announced it was delaying deliveries of gasoline to upstate New York and into the Laurel Pipeline due to the weekend shutdown of a supply facility in Linden, New Jersey.

<http://www.reuters.com/article/2012/02/07/terminal-operations-kindermorgan-carteret-idUSL2E8D7LKZ20120207?feedType=RSS&feedName=marketsNews&rpc=43>

Update: FCCU, Alkylation Unit, and HCU Back in Production at Motiva's 285,000 b/d Port Arthur, Texas Refinery February 8 after Power Snag

Motiva Enterprises returned a gasoline-producing fluidic catalytic cracking unit (FCCU), an alkylation unit, and a hydrocracking unit (HCU) to production on Wednesday following a partial power failure Tuesday morning, according to sources familiar with refinery operations. The units were ramping up to full production rates on Wednesday night, the sources said.

<http://www.reuters.com/article/2012/02/09/refinery-operations-motiva-port-arthur-idUSL2E8D915320120209?feedType=RSS&feedName=utilitiesSector&rpc=43>

Update: Hydrocracker Returns to Service at Marathon's 490,000 b/d Garyville, Louisiana Refinery February 8

Marathon Petroleum Corp. reported it returned a hydrocracking unit to service on Wednesday at its refinery in Garyville. The shut the unit for repairs January 31 after a leak was detected.

Reuters, 05:03 February 9, 2012

Process Upset Shuts Unspecified Unit, Leads to Flaring at Suncor's 135,000 b/d Edmonton, Alberta Refinery February 9

Suncor Energy Inc. said on Thursday that an unspecified operating unit at its refinery in Edmonton, Alberta experienced a process upset and has been shut down. There was some flaring as a result, according to a spokeswoman.

Reuters, 11:32 February 9, 2012

Valero to Install New HCUs at Its 310,000 b/d Port Arthur, Texas Refinery and Its 185,000 b/d Norco, Louisiana Refinery

Valero Energy Corp. said on Thursday that it expects a new hydrocracking unit (HCU) to be in production at its Port Arthur refinery by August, according to a company executive. The company also plans to bring a new hydrocracker into production at its St. Charles refinery in Norco, Louisiana in the first quarter of 2013, the executive said. The hydrocrackers will enable Valero to take advantage of rising demand for distillates.

Reuters, 11:58 February 9, 2012

Husky Energy to Install 20,000 b/d Kerosene Hydrotreater at Its 155,000 b/d Lima, Ohio Refinery

Husky Energy (HSE) is installing a new 20,000 b/d kerosene hydrotreater at its Lima refinery to increase jet fuel production, the company said in its fourth-quarter earnings report. The installation is expected to finish in the first half of 2013.

DJN, 12:05 February 9, 2012

Tennessee Gas Pipeline Shuts 20-inch Pipeline Due to Leak offshore Louisiana in the U.S. Gulf of Mexico February 8

Tennessee Gas Pipeline reported a release of an unknown amount of natural gas from a 20-inch pipeline offshore Louisiana in the U.S. Gulf of Mexico Wednesday afternoon, according to a filing with the U.S. National Response Center. The cause of the leak was unknown at the time of the filing. A sheen was detected in the same area of the natural gas leak, the filing said. Operators shut down the system and were closing valves at the time of the filing.

http://www.nrc.uscg.mil/reports/rwservlet?standard_web+inc_seq=1002508

Update: Chesapeake Reports Cuts of More than 500 MMcf/d of Natural Gas Output, May Increase Cuts to 1 Bcf/d until Prices Improve

Chesapeake Energy Corp said on Thursday it has cut more than the 500 MMcf/d of output it said it would two weeks ago and now may cut up to 1 Bcf/d if natural gas prices stay low, a company spokesman said.

<http://www.reuters.com/article/2012/02/09/chesapeake-gas-idUSL2E8D9C8U20120209>

http://www.washingtonpost.com/business/markets/natural-gas-prices-surge-nearly-3-pct-on-possibility-of-further-production-cut/2012/02/09/gIA0BP1Q_story.html

BG Group to Cut 80 Percent of Its Planned U.S. Shale Gas Drilling in 2012 amid Falling Prices

BG Group is proposing to scale back 80 percent of its planned U.S. shale gas drilling activity this year, according to a company executive on Thursday. The company is reducing the number of rigs it has in operation from 35 to 8, due to the fall in U.S. natural gas prices. BG Group also reported plans to liquefy and export U.S. natural gas from the Sabine Pass LNG terminal and also potentially from the Lake Charles LNG terminal.

<http://www.hydrocarbonprocessing.com/Article/2976610/Latest-News/BG-Group-to-cut-US-shale-gas-drilling-in-2012-amid-falling-prices.html>

Statoil Reducing Rig Count, Investments in U.S. Marcellus Shale amid Falling Gas Prices

Statoil is reducing its investments in the Marcellus Shale gas play in the United States, an executive told Reuters, shutting down the number of rigs in production in 2012 and reducing investments in response to falling U.S. gas prices.

Reuters, 03:23 February 8, 2012

Husky Energy Has No Plans to Shut-In Dry Gas Production despite Falling Gas Prices

Husky Energy Inc. said it has no plans shut-in natural gas production due to low commodity prices, an executive said in a conference call Thursday. The company has, however, “substantially reduced” dry gas development spending and is concentrating its efforts on more profitable liquids opportunities.

Reuters, 11:30 February 9, 2012

Exterran Reports Engine Shutdowns at Its 50 MMcf/d Reinecke Gas Plant in Texas February 8

Exterran reported Engine No. 70972, No. 40046, and No. 74156 went down due to high liquid level on the coalesor filter, according to a filing with the Texas Commission on Environmental Quality.

<http://www11.tceq.state.tx.us/oce/eeer/index.cfm?fuseaction=main.getDetails&target=164564>

Other News

ADM to Close Its 30 MMGal/Yr. Ethanol Plant in Walhalla, North Dakota in April

Archer Daniels Midland Co. (ADM) announced it will close its ethanol plant in northeastern North Dakota in April, citing poor returns and the plant’s geographic location and scale, which have made it difficult to compete in the marketplace. A company spokesman said that customers impacted by the plant closure will receive product from ADM plants in Iowa, Illinois, Nebraska, and Minnesota.

http://www.cbsnews.com/8301-505245_162-57372467/adm-closing-north-dakota-ethanol-plant-in-april/

Enerkem and GreenField Ethanol to Build 10 MMGal/Yr. Ethanol Plant in Varennes, Québec

Enerkem and GreenField Ethanol are developing a joint venture project to build and operate a full-scale commercial cellulosic ethanol plant in Varennes, Québec. The facility will convert non-recyclable municipal solid waste from institutional, commercial, and industrial sectors, and from construction and demolition debris into biofuels.

<http://www.marketwatch.com/story/enerkem-and-greenfield-ethanol-announce-quebecs-first-waste-to-biofuels-production-facility-2012-02-06-174100>

International News

Update: South Sudan Shuts 871 Oil Wells Producing 350,000 b/d of Crude Oil amid Disagreements with Sudan over Transit Fees

The South Sudanese Information Minister said yesterday the country has completed the shutdown of 871 oil wells producing about 350,000 b/d of crude oil. The shutdowns took place in the country's Unity and Upper Nile states, where it produces Nile and Dar Blend crude oil. Sudan and South Sudan have failed to agree on a fair oil transit fees, prompting the shutdowns.

<http://www.monitor.co.ug/News/World/-/688340/1322952/-/121f75u/-/>

Energy Prices

U.S. Oil and Gas Prices February 9, 2012			
	Today	Week Ago	Year Ago
CRUDE OIL West Texas Intermediate U.S. \$/Barrel	99.91	98.73	85.94
NATURAL GAS Henry Hub \$/Million Btu	2.48	2.46	4.24

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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