



ENERGY ASSURANCE DAILY

Monday Evening, March 04, 2013

Electricity

Substation Equipment Failure Cuts Power to 59,000 PG&E Customers in California March 3

Pacific Gas & Electric Corp. (PG&E) reported that approximately 59,000 of its customers in Merced County, California lost power for a few hours early Sunday when an equipment failure caused an interruption in a main transmission line. The malfunction occurred just before 7:00 a.m. local time at the Wilson Substation. The utility fully restored service by 11:00 a.m., and was investigating the cause of the failure.

<http://www.mercedsunstar.com/2013/03/04/2854881/blackout-hits-59k-in-merced-county.html>

NRC Cites Three U.S. Nuclear Power Plants for Procedural Safety Flaws

The U.S. Nuclear Regulatory Commission (NRC) on February 27 issued a notice to nuclear operators regarding a flaw of "low to moderate risk" in safety procedures identified at three U.S. nuclear power plants, including Progress Energy's Crystal River nuclear plant in Florida, Dominion's Kewaunee nuclear plant in Wisconsin, and Xcel Energy's Prairie Island nuclear plant in Minnesota. Procedures at these plants set the amount of radiation that would trigger a warning at a level higher than what the monitors could ever indicate. This could have prevented operators from notifying the public "in a timely manner" if a major radiation leak had occurred. The NRC cited a lack of training for use of the radiation equipment, saying that "personnel were not knowledgeable about the design and operation of the radiation monitors." The commission said operators could rewrite the procedures to lower the radiation level that triggers a warning, or use monitors that could measure the higher levels. Both the Crystal River and Kewaunee plants are scheduled for retirement. The NRC notice was intended to advise other nuclear operators to avoid similar problems.

<http://www.tampabay.com/news/business/energy/crystal-river-nuclear-plant-had-flaw-in-its-safety-procedures-for-more/1276841>

Wolf Creek Declares Unusual Event Due to Loss of Both Emergency Diesel Generators at Its 1,160 MW Wolf Creek Nuclear Unit 1 in Kansas

The Wolf Creek Nuclear Operating Corp. reported that at 10:42 p.m. CST on March 1, operators declared an Unusual Event at Wolf Creek Unit 1 because both its emergency diesel generators (EDG) were unavailable, according to a filing with the U.S. Nuclear Regulatory Commission. The 'A' EDG was out of service for planned maintenance, and the 'B' EDG was discovered to have high governor oil level and was declared inoperable. Operators adjusted the governor oil level, declared it operable, and terminated the Unusual Event at 11:21 p.m. CST. The plant maintained normal offsite power during the incident. The plant is currently shut down for refueling.

<http://www.nrc.gov/reading-rm/doc-collections/event-status/event/2013/20130304en.html>

Entergy's 813 MW FitzPatrick Nuclear Unit in New York Shut Again by March 4 After Restarting Following Weekend Outage to Fix Tube Leak

According to the Nuclear Regulatory Commission (NRC), the FitzPatrick plant was taken offline over the weekend so that crews could make repairs on a feedwater heater tube leak. Workers identified the leak a week ago. The unit restarted and ramped up to full power by March 3 but was offline again this morning according to the NRC. On the morning of March 2 the unit was operating at full power.

<http://www.nrc.gov/reading-rm/doc-collections/event-status/reactor-status/2013/>
http://centralny.ynn.com/content/top_stories/644465/repairs-being-made-to-fitzpatrick-plant/

Progress Energy's 811 MW Brunswick Nuclear Unit 2 in North Carolina Shut by March 3

On the morning of March 2 the unit was operating at 93 percent.

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

Update: TVA's 1,118 MW Browns Ferry Nuclear Unit 3 in Alabama at Full Power by March 2

Browns Ferry 3 returned from an outage that began February 25, when the reactor automatically scrambled due to the actuation of the Reactor Protection System from a turbine trip. Operators restarted the reactor on March 1.
<http://www.nrc.gov/reading-rm/doc-collections/event-status/reactor-status/2013/>

Update: TVA's 1,126 MW Sequoyah Nuclear Unit 2 in Tennessee at Full Power by March 2

Sequoyah 2 returned from an outage that began February 24, when operators manually tripped the unit due to a loss of condenser vacuum indication. Operators determined that a faulty test connection on the B Condenser vacuum pressure switch caused the loss of vacuum indication. Operators restarted the unit February 27.
<http://www.nrc.gov/reading-rm/doc-collections/event-status/reactor-status/2013/>

Update: Inland Empire Energy Center's 366 MW Inland Empire Natural Gas-Fired Unit 2 in California Returns to Service by March 1

The unit returned from an unplanned outage that began by February 16.
<http://content.caiso.com/unitstatus/data/unitstatus201303011515.html>

Update: Mirant's 337 MW Contra Costa Natural Gas-Fired Unit 7 in California Returns to Service by March 1

The unit returned from an unplanned outage that began by February 25.
<http://content.caiso.com/unitstatus/data/unitstatus201303011515.html>

AES's 175 MW Redondo Natural Gas-Fired Unit 6 in California Shut by March 3

The unit entered an unplanned outage.
<http://content.caiso.com/unitstatus/data/unitstatus201303031515.html>

Petroleum

Update: State Department Releases Draft Supplemental Environmental Impact Statement on TransCanada's Proposed 830,000 b/d Keystone XL Pipeline from Alberta to Nebraska

The U.S. Department of State (DOS) on Friday released a Draft Supplemental Environmental Impact Statement (SEIS) in response to TransCanada's May 2012 application for the 875-mile Keystone XL pipeline, which would transport up to 830,000 b/d of crude oil from Alberta, Canada and the Bakken Shale in Montana to Steele City, Nebraska. The pipeline would connect to existing pipeline facilities near Steele City for onward delivery to Cushing, Oklahoma and the Texas Gulf Coast region. The Draft SEIS concludes that "there would be no significant impacts to most resources along the proposed project route," and that other options to transport heavy oil from Canada to U.S. Gulf Coast refineries (e.g., rail, supporting non-pipeline modes) would pose greater impacts to the environment. A 45-day public comment period will begin when the U.S. Environmental Protection Agency posts the Draft SEIS on its website, expected within a week. After the end of the public comment period, the DOS will consider comments received and prepare a Final SEIS. The National Interest Determination period will begin following the release of the Final SEIS, during which time DOS will obtain the views of other agencies about whether to grant or deny the permit.

<http://www.state.gov/r/pa/prs/ps/2013/03/205547.htm>
<http://www.state.gov/r/pa/prs/ps/2013/03/205548.htm>
<http://keystonepipeline-xl.state.gov/draftseis/index.htm>
<http://www.transcanada.com/6209.html>

Update: Enbridge Announces Completion of 145,000 b/d Bakken Pipeline Expansion Project in North Dakota and Saskatchewan

Enbridge Energy Partners, L.P. and Enbridge Income Fund announced today that the Bakken Pipeline Expansion Project is now complete and in service. The project reversed and expanded an existing pipeline running from Berthold, North Dakota to Steelman, Saskatchewan, and constructed a new 16-inch pipeline from a new terminal near Steelman to the Enbridge Pipelines Inc. mainline terminal near Cromer, Manitoba. The project provides 145,000 b/d of capacity for crude oil production from the Bakken and Three Forks Shale in Montana, North Dakota, Manitoba, and Saskatchewan, of which 25,000 b/d was placed in service during the first quarter of 2012.
<http://www.enbridge.com/MediaCentre/News.aspx?yearTab=en2013&id=1693907>

Delta Expects Its 185,000 b/d Trainer, Pennsylvania Refinery at Full Rates This Week

Delta Air Lines Inc. expects its Trainer refinery to be running at full capacity this week, the company's president Ed Bastian said during a presentation Monday. The refinery operated at 75 percent of its capacity for most of the first quarter because of operational issues, Bastian said. The refinery is operated by Delta's subsidiary Monroe Energy LLC.

<http://www.reuters.com/article/2013/03/04/us-delta-refinery-idUSBRE9230RJ20130304>

PBF Energy Reports Flaring, Sulfur Dioxide Release at Its 190,000 b/d Delaware City, Delaware Refinery March 2

PBF Energy reported unspecified flaring and the release of sulfur dioxide into the air at its Delaware City refinery on Saturday, according to a filing with state pollution regulators.

Reuters, 17:34 March 3, 2013

Update: Valero Says HCU at Its 310,000 b/d Port Arthur, Texas Refinery is in Production, Increasing to Planned Rates

Valero Energy Corp. reported a 57,000 b/d hydrocracking unit (HCU) at its Port Arthur refinery was back in production and increasing to planned rates. The company had reported that it expected no impact on production after a compressor trip February 26 shut the unit.

Reuters, 11:05 March 4, 2013

Valve Failure Causes Hydrogen Sulfide Release at ExxonMobil's 238,600 b/d Joliet, Illinois Refinery March 1

ExxonMobil Corp. reported an unspecified valve failure caused a release of hydrogen sulfide at its Joliet refinery on Friday and Saturday, according to a filing with the Illinois Emergency Management Agency.

Reuters, 16:42 March 3, 2013

Update: BP Again Extends Outage on 102,500 b/d FCCU and Alkylation Unit at Its 265,000 b/d Carson, California Refinery Due to Unexpected Repairs – Sources

BP Plc has again extended the time needed to complete an overhaul on a 102,500 b/d fluidic catalytic cracking unit (FCCU) at its Carson refinery, according to sources familiar with refinery operations. A planned, six-week overhaul on both the FCCU and an alkylation unit was scheduled to finish by February 22, when operators extended the maintenance period first through March 8 and now through March 12 due to unexpected repairs. Operators reported planned flaring at the refinery was possible through March 12, according to a filing with California pollution regulators.

Reuters, 13:58 March 1, 2013

Tesoro Reports Unspecified Equipment Shutdown at Its 120,000 b/d Anacortes, Washington Refinery March 1

Tesoro Corp. on March 1 reported an unspecified equipment shutdown at its Anacortes refinery, according to a filing with the Northwest Clean Air Agency. The refinery also reported equipment shutdowns on February 25, 26, 27, and 28 in separate notices with the same agency.

Reuters, 19:27 March 1, 2013

Hess Announces Its Exiting Downstream Businesses, Transforming into Pure Play Exploration and Production Company

<http://phx.corporate-ir.net/phoenix.zhtml?c=101801&p=irol-newsArticle&ID=1791659>

<http://phx.corporate-ir.net/phoenix.zhtml?c=101801&p=irol-newsArticle&ID=1791672>

Natural Gas

Compressor Shutdown Leads to Flaring at Southern 140 MMcf/d Keystone Gas Plant in Texas March 3

Southern Union Gas Services reported it was flaring inlet gas at its Keystone plant Sunday after a field compressor went down during pigging event, 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=179952>

Enbridge Reports AGI Unit Shutdowns at Its Tilden Gas Plant in Texas March 1–2

Enbridge reported repeated acid gas injector (AGI) unit shutdowns at its Tilden plant Friday and Saturday, according to filings with the Texas Commission on Environmental Quality. AGI Unit 2 shut down on high discharge pressure Friday, and both AGI Units 1 and 2 shut later that day due to a compressor motor fault. AGI Units 1 and 2 went down on low suction pressure on Saturday.

<http://www11.tceq.state.tx.us/oce/eer/index.cfm?fuseaction=main.getDetails&target=179945>

<http://www11.tceq.state.tx.us/oce/eer/index.cfm?fuseaction=main.getDetails&target=179946>

Other News

Update: Responders Secure Damaged Wellhead in Lake Grande Ecaille Bay in Louisiana February 28

The U.S. Coast Guard reported that responders secured the CM-183 wellhead leak in Lake Grande Ecaille Bay near Port Sulphur Thursday afternoon, while crews continued cleanup operations and officials continued to investigate the incident. The leak began February 26, when a 42-foot crewboat collided with a deactivated wellhead owned by Swift Energy. The estimated maximum potential discharge from the wellhead was fewer than 1,260 gallons of crude oil and 1,134 gallons of oily water per day. The Coast Guard reported Friday that response crews had recovered more than 1,200 gallons of oily-water mixture.

<http://www.uscgnews.com/go/doc/4007/1712759/UPDATE-2-Responders-secure-well-continue-oil-cleanup-southwest-of-Port-Sulphur>

BOEM Completes Draft Environmental Impact Statement for Proposed Eastern Planning Area Lease Sales

The U.S. Bureau of Ocean Energy Management (BOEM) has completed a draft environmental impact statement for two proposed oil and gas lease sales in the Gulf of Mexico's Eastern Planning Area (EPA) and is seeking public comment on the document. Lease Sales 225 and 226, scheduled for 2014 and 2016, are part of the Outer Continental Shelf Oil and Gas Leasing Program: 2012–2017. The comment period will be open for 45 days following the publication of the Notice of Availability of the Draft EPA 225/226 EIS in the *Federal Register*. Comments will be used to prepare the final environmental impact statement for the proposed sales.

<http://www.boem.gov/BOEM-Newsroom/Press-Releases/2013/press03012013.aspx>

Update: BlueFire Indefinitely Halts Construction on Its 19 MMGal/Yr. Cellulosic Ethanol Plant in Fulton, Mississippi to Focus on Other Projects

BlueFire Renewables Inc. has indefinitely halted construction work on a 19 million-gallon per year ethanol plant in Fulton, Mississippi while the company focuses on other projects, county officials reported. The project to build the plant, which would use green and wood wastes as feedstock, was first announced in 2009. Site work was completed in June 2011, and all the siting permits remain in place, officials said.

http://www.mercurynews.com/breaking-news/ci_22695934/work-stopped-at-fulton-ethanol-plant

<http://itawambatimes.com/2013/03/01/does-bluefire-still-burn-in-the-county/>

International News

Libyan Oil and Natural Gas Production Curbed after Clashes Break Out March 2

The Mellitah Oil & Gas BV, a joint venture between Libya's National Oil Co. and Italy's Eni SpA, fully suspended natural gas production at its Mellitah complex and reduced crude oil production at its Elephant and Wafa fields by 25 percent from their regular output of 210,000 b/d after clashes between local militias broke out near the Libyan town of Zuwara Saturday, the venture's chairman said. Production at the two oilfields could be curtailed by 50 percent if authorities don't fully restore security, the chairman said, although he was optimistic the situation was coming under control. It will take 3–4 days to resume full rates after security is reestablished, he said. An Eni spokesman said Sunday that the company had halted gas shipments through the Greenstream pipeline linking Libya and Italy. The Libyan Oil Ministry reported Sunday that government troops had secured the area and stopped the fighting, and the state radio reported today that the Mellitah processing plant had resumed operation, without citing its source.

Reuters, 07:44 March 4, 2013

<http://www.bloomberg.com/news/2013-03-04/wti-oil-trades-near-10-week-low-libya-halts-zawara-crude-output.html>

Shell Says 60,000 b/d of Crude Oil Stolen on Its 150,000 b/d Nembe Creek Trunkline in Nigeria; Considers Shutting Pipeline

Shell Petroleum Development Company of Nigeria Ltd. is considering shutting its 150,000 b/d Nembe Creek crude oil trunkline after “unprecedented” thefts and damage over recent weeks, the managing director said in comments distributed by the company. Thieves stealing more than 60,000 b/d are causing frequent production shutdowns and massive oil spills, and 12 flowstations producing into the pipeline were shut down 3 times between February 22 and 25 due to oil theft.

<http://www.foxbusiness.com/news/2013/03/04/shell-considers-shutting-nigerian-pipeline-on-increased-oil-theft/>
http://www.thestatesman.net/index.php?option=com_content&view=article&id=446164&catid=40

Energy Prices

U.S. Oil and Gas Prices			
March 4, 2013			
	Today	Week Ago	Year Ago
CRUDE OIL West Texas Intermediate U.S. \$/Barrel	89.73	92.83	109.69
NATURAL GAS Henry Hub \$/Million Btu	3.54	3.27	2.45

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>

Please direct comments and questions to: ead@oe.netl.doe.gov