



# ENERGY ASSURANCE DAILY

Thursday Evening, March 08, 2012

## Electricity

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### **FirstEnergy Files Application with PJM to Install 800 MW of New Combustion Turbine Peaking Generation at Its Eastlake, Ohio Power Plant**

FirstEnergy Generation Corp. has filed an application for a feasibility study with PJM Interconnection (PJM) to install and interconnect to the transmission system approximately 800 MW of new combustion turbine peaking generation at its existing Eastlake Plant in Eastlake, Ohio, to help ensure reliable electric service in the region. On January 26, 2012, FirstEnergy announced that its competitive generation subsidiaries will retire six older coal-fired power plants, including the Eastlake Plant, located in Ohio, Pennsylvania, and Maryland as a result of the U.S. Environmental Protection Agency's new Mercury and Air Toxics Standards (MATS) and other environmental regulations. The plant retirements are subject to review by PJM for possible reliability impacts. Installing four new natural gas/oil-fired combustion turbines at the Eastlake Plant is one of several options the company is discussing with PJM to address the reliability issues. If this option is ultimately implemented, it is anticipated that the turbines would be in service by the spring of 2015 when the MATS regulations take effect.

[https://www.firstenergycorp.com/newsroom/news\\_releases/firstenergy\\_generationcorpfilesinterconnectionstudyrequestwithpji.html](https://www.firstenergycorp.com/newsroom/news_releases/firstenergy_generationcorpfilesinterconnectionstudyrequestwithpji.html)

### **Update: NRC Again Rejects Efforts to Prevent Relicensing of Entergy's 653 MW Pilgrim Nuclear Power Plant in Massachusetts**

The U.S. Nuclear Regulatory Commission (NRC) on Thursday rejected a filing opposing a license for the Pilgrim nuclear power plant, upholding a decision made by the Atomic Safety and Licensing Board in late November. Pilgrim's operator Entergy Corp. applied to renew the original 40-year operating license for the plant for an additional 20 years. The original license expires in June 2012, but the plant can continue to operate so long as the relicensing process is ongoing. Massachusetts and other parties opposing the license want regulators to spend more time studying the disaster at the Fukushima nuclear power plant in Japan last year before relicensing the plant. The commissioners must address a few other contentions to the license before making a final decision. An NRC spokesman could not say when the commissioners would take up the Pilgrim relicensing again.

<http://af.reuters.com/article/energyOilNews/idAFL2E8E86H420120308>

### **Three Generating Units Trip Offline, Cutting Power to an Unspecified Number of HECO Customers on Oahu, Hawaii March 7**

Three generating units tripped offline on Oahu at about 9:25 PM local time last night, cutting power to an unspecified number of Hawaiian Electric Company (HECO) customers on the island, according to local reports. HECO immediately brought backup generators into service, according to a company spokesman, but power was briefly interrupted as those generators were brought online. The spokesman said crews had restored power to most customers by 10:45 PM, but crews were still working to restore some areas without electricity.

<http://www.hawaiinewsnow.com/story/17107882/electrical-generators-trip-offline-oahu-lights-blink>

### **Update: FirstEnergy's 1,235 MW Perry Nuclear Unit 1 in Ohio Reduced to 86 Percent by March 8**

On the morning of March 7 the unit was operating at 95 percent.

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

## **Solar Storm Strikes Earth March 8; No Significant Geomagnetic Disruptions Reported**

A solar storm struck Earth's magnetic field around 6:05 AM EST Thursday morning, cutting some radio communications at the North and South poles, but not causing the significant geomagnetic disruptions that can occur during such storms. There were no reports of problems with power grids, global positioning systems, satellites, or other technologies as of this afternoon. A spokeswoman for the North American Electric Reliability Corporation said North American utilities so far have not reported any problems. The storm is expected to continue until Friday, officials at the National Oceanic and Atmospheric Administration's Space Weather Prediction Center said.

<http://www.usatoday.com/tech/science/space/story/2012-03-08/solar-storm-earth/53414948/1>

<http://abcnews.go.com/Technology/wireStory/biggest-solar-storm-years-races-earth-15874524>

## ***Petroleum***

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### **Update: ExxonMobil Restarts FCCU, Restores Normal Operations at Its 344,500 b/d Beaumont, Texas Refinery March 8 after Unplanned Repairs**

ExxonMobil Corp. completed the restart of the 117,700 b/d fluidic catalytic cracking unit (FCCU) and has restored normal operations at its Beaumont refinery today, a company spokeswoman said. Operators shut the unit for unplanned repairs in mid-February.

Reuters, 11:37 March 8, 2012

### **Update: BP's 265,000 b/d Carson, California Refinery at Normal Rates after Restarting Hydrocracker Last Week**

BP Plc. reported its Carson refinery is operating at planned rates after restarting a hydrocracker unit last week, a source familiar with plant operations said Wednesday. BP reported an emergency shutdown of the unit February 24 led to flaring and emissions, according to a filing with state regulators.

<http://www.foxbusiness.com/news/2012/03/07/bps-carson-calif-refinery-at-normal-rates-hydrocracker-in-service/>

### **Update: Syncrude Coker Unit Remains Shut at Its 350,000 b/d Syncrude Canada Oil Sands Facility after Fire; No Word on Restart**

Syncrude Canada Ltd. reported Wednesday its 100,000 b/d coker 8-1 unit remains shut down following a fire last week, according to a spokeswoman, who said only that the company will issue a press release on expectations for the unit only if the outage appears to be long enough to affect its production targets for the year. Syncrude was still investigating the cause of the fire, which broke out on the unit late last Friday, as of latest reports.

Reuters, 12:25 March 7, 2012

### **Update: Shell Pipeline Begins Binding Open Season for the 300,000 b/d Houma-to-Houston Reversal Project**

Shell Pipeline today announced the start of a binding open season period for firm capacity on the Houma-to-Houston pipeline system reversal project ("Ho-Ho Reversal"). Shell Pipeline's Ho-Ho Reversal project will provide pipeline access to additional crudes to the U.S. Gulf Coast, including domestic crude oil production increases in Texas and the Midcontinent (e.g., from the Barnett, Eagle Ford, and Bakken shale plays), as well as growing crude supplies in the Cushing, Oklahoma area. Shell Pipeline's project would reverse the existing Ho-Ho service to connect Houston and Port Arthur, Texas markets with Louisiana markets. The Ho-Ho Reversal could enable the distribution of approximately 300,000 b/d of crude across the region, depending upon crudes types shipped. Subject to customer commitments and regulatory approval, the Ho-Ho Reversal is expected to begin service in early 2013.

<http://www.prnewswire.com/news-releases/shell-pipeline-begins-binding-open-season-for-the-houma-to-houston-reversal-project-141899153.html>

[http://www.shell.us/home/content/usa/products\\_services/solutions\\_for\\_businesses/pipeline/houma/](http://www.shell.us/home/content/usa/products_services/solutions_for_businesses/pipeline/houma/)

### **Update: Enbridge Still Plans to Restart 318,000 b/d Line 64 by March 8**

Enbridge Inc. still expects to restart the remaining segment of Line 64 on Thursday, but it cautioned the company's Canadian oil export system may still face slowed volumes or even outages to manage volumes, according to a spokeswoman. Enbridge shut its 24-inch, 318,000 b/d Line 14/64 early last Saturday after a deadly vehicle accident near a pumping station in New Lenox, Illinois caused an oil leak and fire. The western section of the pipeline, Line 14, returned to service Tuesday.

<http://www.reuters.com/article/2012/03/07/enbridge-fire-idUSL2E8E7E5920120307>

## Small, Brief Fire Breaks Out at Tesoro's 166,000 b/d Martinez, California Refinery March 7 as Operators Restart Production Units

Tesoro Corp. reported a small fire broke out in insulation on a unit at its Martinez refinery early Wednesday morning as operators restarted production units following a two-month overhaul, according to the Contra Costa County Health Department. The small fire broke out shortly after 12:00 AM PST and was quickly extinguished, regulators said. The refinery was restarting a hydrogen plant on Tuesday.

<http://www.reuters.com/article/2012/03/07/refinery-operations-tesoro-martinez-idUSH5E8D901T20120307>

## North Dakota's Total Oil Output in January Increases 59 Percent from a Year Ago to 546,050 b/d; Fueled by Increasing Production in Bakken and Three Forks Shale Regions – State Regulator

Reuters, 08:49 March 8, 2012

### Natural Gas

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#### Engine Shuts for Unknown Reason at Exterran's 50 MMcf/d Reinecke Gas Plant in Texas March 7

Exterran reported its Engine No. 70972 went down for an unknown reason Wednesday night, according to a filing with the Texas Commission on Environmental Quality. Operators restarted the engine and mechanics were investigating the cause of the shutdown.

<http://www11.tceq.state.tx.us/oc/eer/index.cfm?fuseaction=main.getDetails&target=165776>

### Other News

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Nothing to report

### International News

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#### Update: Iraq Starts Oil Exports from New 900,000 b/d Persian Gulf Floating Terminal Offshore Basra

Two sources at Iraq's state-owned South Oil Company said workers began loading oil from a new floating single-point mooring platform in the Persian Gulf Thursday afternoon, adding that the loading process was proceeding normally at a rate of approximately 22,000 barrels per hour. The new terminal was originally scheduled to launch operations on January 1 but has been delayed by a number of technical problems and weather-related disruptions. The platform is one of four planned 900,000 b/d single-point moorings intended to help Iraq double its oil production in the next few years. For now, the first platform will export 300,000 b/d of oil.

<http://www.reuters.com/article/2012/03/08/iraq-platform-idUSL5E8E88GC20120308>

### Energy Prices

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U.S. Oil and Gas Prices			
March 8, 2012			
	Today	Week Ago	Year Ago
<b>CRUDE OIL</b> <b>West Texas Intermediate U.S.</b> \$/Barrel	106.74	107.68	104.55
<b>NATURAL GAS</b> <b>Henry Hub</b> \$/Million Btu	2.24	2.44	3.73

Source: Reuters

## Links

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***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](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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